

## FINANCE

# Tips on Paying Off Your Student Loans

NewsUSA

(NU) - As a college graduate, you likely are focused on landing your first job, finding a nice place to live and settling into the “real world.”

If you graduated with a substantial amount of debt, however, you would be wise to spend some time mapping out a strategy for paying it back as quickly as possible.

According to a recent study by the U.S. Department of Education, 26 percent of college graduates borrow at least \$25,000 to pay for their college educations.

“Today, many students are graduating from college with a significant amount of debt, but are unprepared for how to deal with it,” said Dick Willey, president and chief executive officer of American Education Services, a national financial aid services organization.

AES hosts [www.youcandealwithit.com](http://www.youcandealwithit.com), designed to help college students and graduates become financially responsible. Here are some tips from AES.

- **Consolidate.** Consolidating your loans can reduce your monthly payments and potentially lower your interest rate. AES recommends that you look into this option as soon as possible to lock in a low interest rate. When you consolidate, you’ll get just one bill per month, which makes

it easier to keep track of your payments.

- **If possible, make payments during your six-month grace period.** This is a great way to save money on your subsidized loans because any payments you make will be applied directly to the principal balance. This lowers the amount of interest you will owe after the grace period expires. Plus, you’ll be able to pay off your loan months earlier than you expected.

- **Use direct debit to help you pay your loans on time every month.** Direct debit is a free, automatic payment service for borrowers who prefer to make their loan payments electronically. If you use this service, you also may qualify for an interest rate reduction after a specified number of on-time payments.

- **Make everyday expenses count toward repayment of your loans.** When you join Upromise, participating merchants will contribute a portion of what you spend with them to your Upromise account, which you can use to help pay off your AES-serviced loans.

For more tips, log on to [www.youcandealwithit.com](http://www.youcandealwithit.com), where you will find information and practical advice on money management, getting out of debt and the potential pitfalls of using credit cards.