

Don't Ignore Your Student Loans! The Importance of Reserving Consolidation While in School

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You're a busy graduate student. You have papers to write, research to conduct, and classes to attend. When you're not busy with those activities, then you're most likely studying, studying, or studying. With all that is happening, you probably don't want to add one more stressor to your list.

But what this article is about to tell you is important. *Super* important. If you heed this advice now, you will save yourself from a lifetime of financial stress. Devoting 10 minutes of attention to this matter is worth years of smooth sailing. Ready? Remember this statement: **Do not ignore your student loan debt while you are in school.**

Whether you've taken out federal student loans or private student loans to fund your graduate-school education, there are programs that allow you to reserve your consolidation while you're still attending school. For example, Graduate School Loans offers the **R.S.V.P Program**. This program allows a graduate student to reserve consolidation while earning a degree and provides him or her with an easy consolidation process, loan advice, and borrower benefits.

Consolidating your student loan debt is the smartest way to take control of your finances and prepare for your future. When you R.S.V.P with Graduate School Loans, you'll receive information that keeps you posted on the consolidation process. Also, you'll have access to a personal loan advocate who will answer all your questions. Think of it this way: Once you graduate, you'll be bogged down with finding a job and making big life decisions. It will be nice to know that you've already chosen a consolidation lender with V.I.P. borrower benefits.

Perhaps we're getting ahead of ourselves. First, let's make sure you completely understand why consolidation is of the utmost importance with regard to your financial future.

Question #1: What does it mean to consolidate my federal loans?

Federal Student Loan Consolidation combines all of your federal loans into a single new loan. This significantly helps newly graduated students with the management of their debt as they enter the workforce. If you are like many other graduate students, you have student loans from your undergraduate years as well as loans borrowed to fund your graduate studies. The odds are these loans carry different interest rates and are from different lenders. This creates complications during repayment, and your credit reflects them.

If you do *not* consolidate, your payments vary from loan to loan and from lender to lender. Keeping track of separate due dates, interest rates, and various monthly payments, not to mention whom to pay, can be time-consuming. You have other things to concentrate on; you can't worry about missing payments and negatively affecting your credit report. **Consolidation will allow you to make one monthly payment to one lender.** Oh, and did we mention that it's FREE?

Question #2: Which loans am I able to include in my *federal loan consolidation*?

Federal education loans include loans that are borrowed from and regulated by the federal government—for example, **Stafford Loans** are federal loans. You may already know that Stafford Loans come in two different forms: subsidized and unsubsidized. Awards of subsidized loans are based on financial need. Until you begin repayment, there are no interest charges. On the other hand, any eligible student can take out an unsubsidized Stafford Loan, but interest on unsubsidized loans begins to accrue at the time of disbursement and continues to accrue until full repayment has been made. To be eligible for a Stafford Loan, you must be enrolled at least half-time in a qualifying program.

Graduate PLUS Loans are low-interest, federally backed student loans guaranteed by the U.S. government. A PLUS Loan can be used to pay for the total cost of education (minus any other aid you might have been awarded). Unlike the Stafford Loan, which is based on financial need, eligibility for the Graduate PLUS Loan is determined by the credit rating of the borrower.

When you consolidate, you can conveniently combine all of these loans into one loan.

Consolidation is not only beneficial for those who have taken out federal loans. Many graduate students also find it necessary to supplement their funding with private-lender student loans. Take a look at the Q&A listed below to learn a little more about private loan consolidation.

Question #3: What does it mean to consolidate my *private loans*?

A private consolidation loan allows you to refinance your private educational debt into a single lower-interest-rate loan. The features of a private loan consolidation include a low interest rate, lower fees, no prepayment penalties, and the convenience of having one bill and making one monthly payment for all private educational loan(s). If you choose to consolidate with Graduate School Loans, you can also receive an additional 0.25% interest-rate reduction for using our automated-payment system, affordable repayment options, and dependable customer service. These borrower benefits are fit for a V.I.P.

If you've borrowed *both* federal and private loans, then choose a consolidation lender that offers you both types of consolidation loans. That way, you can consolidate both types of loan debt into separate loans but still only pay a single lender each month. Lenders such as Graduate School Loans offer both programs in order to make the process as quick and easy as possible for their borrowers.

Now that you know *what* consolidation entails, let us emphasize how it can benefit your financial present and future.

Question #4: I understand what consolidation is, but *why* should I do it?

In addition to the logical explanation that a single consolidated loan is simpler to maintain than multiple loans, there are many *other* reasons consolidation is a key component to a financially successful future. In fact, it's hard to argue against consolidation. Consolidation basically hands you money.

Many graduate students have to scrimp and save to get by on their loan allowances or student stipends. From taking advantage of free coffee refills and eating ramen for months, you know the value of a dollar and the power of saving money. Therefore, one of the strongest selling points to consider when thinking about consolidating your federal student loan debt should make complete sense: **Consolidation can reduce your monthly payment amount by nearly 50%**. Reduced monthly payments can allow you to make a more affordable transition into your first job and post-graduation lifestyle.

Again, making a **single monthly payment** is also a huge benefit. You only need to write one check to one lender. You only have one day on which a payment is due. Talk about less stress! Consolidation can help you get your finances organized.

You don't know what's going to happen after graduation. With consolidated loans, a borrower has the option of taking advantage of deferment and forbearance options if the need arises. These are options that are carried by federal loans. Because consolidation is a FREE federal program, it is easy to postpone payments if a borrower finds himself or herself unable to pay. Plus, during any eligible deferment period, interest does not accrue on the subsidized portion of the consolidated loan.

Subsidized loans retain their subsidies when they are included in a federal consolidation. Thus, the government is responsible for the interest on the subsidized portion of a federal loan during certain eligible periods—another benefit not widely known about. Forbearance is a flexible option for those looking to quickly pay off other debt first, such as high-interest credit-card debt. If, for any reason, you are not able to make payments on your federal consolidation, you have options that let you temporarily postpone payments.

And there's more...

There are no **prepayment penalties**. This means that if you have the funds, ambition, and discipline to expedite your loan payoff, you have the option to do so after consolidation.

If you're a smart and responsible borrower and pay your bills on time, you can earn borrower benefits, such as an even LOWER interest rate. Lenders like Graduate School Loans offer a 0.25% interest-rate reduction, on top of an already lowered interest rate, to those who use auto-debit options. This lessens the loan amount in the long run and facilitates a speedier payoff. Furthermore, Federal Student Loan Consolidation offers **various repayment plans** that are flexible enough to meet your needs.

Many fear that being in debt means having bad credit. But if you're a responsible borrower who keeps up-to-date on repayment, consolidating many loans into one loan and maintaining that loan will actually **improve your credit!**

Question #5: This sounds GREAT! How do I R.S.V.P. to consolidate my federal or private student loan debt?

Visit www.graduateschoolloans.com and apply online. Consolidating your federal loans is free, and if you're consolidating private loans, it only takes minutes to complete a credit check to determine eligibility. There's a lot to think about when it comes to student loan debt, including grace-period expiration and interest-rate increases. But when you R.S.V.P. to consolidate, you can stay informed about what's happening with your loan and consolidate immediately after graduation.

Then, once your consolidation is completely in order, all you need to do is focus on your post-graduation success and achieving your next big goal.