

Federal Consolidation Options for Graduate Students

We've heard numerous questions from responsible-minded graduate students who are wondering about federal consolidation options for graduate students. They need more information on how to proceed after graduate school in paying off what can be staggering student loans obtained from multiple lenders, often providing constantly fluctuating interest rates. The answer lies in a federal consolidation loan, free and simple to use, and available from the federal government. The time to plan for a realistic, manageable, and hopefully expeditious payoff of your student debt at a competitive rate is while you're still in school. Educating yourself on the options available through the federal government and managed by a dedicated consolidating student loan lender is the responsible way to create for yourself a forecast of financial solvency to match your successful new career.

Some of the most-common questions that we receive regarding federal consolidation options for graduate students include the following:

Q: What kind of student loan debt is the typical graduate student carrying?

A: The average college senior graduated with more than \$19,000 worth of debt. For those completing graduate school, the figure can rise to as much as six figures.

You may question if this is such a pressing situation as it is often presented, as many new graduates will be earning six figures in their first year of employment in their chosen field. While it is entirely possible that many graduates will be earning a higher income than they might even have imagined in their first few years, the goal for any graduate is to keep his financial circumstances as streamlined and low-cost as possible. Seeking federal consolidation options for graduate students is the best action he can take. In so doing, he can best plan for the worst—the possibility that his dream job might possibly be postponed for some unforeseen reason—while expecting the best, which is that the dream job is there, and his student debt is well in hand and managed to maximum efficiency.

The way for you to achieve this goal is simple: Apply for a federal consolidation loan, and get your finances in order and under control, while protecting your credit history and your credit score. The worst thing that can happen is worrying about money while trying to establish yourself as a professional. The time is now to think about these matters, and not after graduation. If you are a graduate student and you are considering these issues and how they apply to you, most of your battle is over. All you need to do now is apply yourself to the program available through the federal government, and you're on your way!

Q: How do I know if a federal consolidation loan is right for me?

A: If you are dealing with more than one lender for your student loans, if your complete payoff is well into the future, and if you are struggling with fluctuating interest rates on those loans, you should seriously consider a federal consolidation loan.

Q: Why do I want a federal consolidation loan?

A: By looking early into federal consolidation options for graduate students, you can eliminate as much financial pressure from your life as possible. You want your focus to be on your job search and your upcoming career. You

want to feel empowered at this coming time in your life, as you are handling your debt in the most responsible way possible. Your feeling of empowerment will transfer in a positive way when you are engaged in job interviews, training for your first career position and interacting with an entirely new and challenging environment of professionals. Your strength will come from the knowledge that you are not wasting time worrying about the due dates of your multiple student loans, or how rising interest rates on your loans are going to affect your budget. You will have the edge when you graduate, ready to excel at what you do best, capable of paying off your debt as quickly as you wish without penalties. All of these things and more are possible, as you consider federal consolidation options for graduate students.

Q: What are the benefits?

A: The benefits are numerous, but can be stated in one word: *options*. You have the option to postpone loan payments when you are qualifying, and you find it necessary. You have the option to have that postponement without a development of further interest on the subsidized part of your loan. You have the option of forbearance, available to borrowers for payoff of their other debt first, such as credit card debt. You have the option to pay your consolidated loan quickly, without concern of penalties. As such, you have the option to be in debt for a shorter period of time, while paying far less interest than originally scheduled. Federal consolidation options for graduate students are there for you to make the start of your new life as a professional a better one.

Q: Is there flexibility when it comes to federal consolidation loans for graduate students?

A: There are various plans available when opting for federal student loan consolidation, most of which are flexible enough to suit most graduates' financial situations. Many graduates seem to appreciate that their consolidation loans are interest-only payments during the first few years, giving them the breathing room to establish themselves as professionals before launching into the regular and manageable payment schedule that follows.

Q: What repayment plans are available to graduate students through the federal government?

A: Those who complete graduate school will apply to Federal Student Loan Consolidation, which is part of the Federal Family Education Loan Program (FFEL), the same program that initiates federal student loans.

Q: How do you consolidate? Where do you start?

A: The application process is simple:

- No credit check required.
- No fees, as this is a federal program.
- No proof of employment, no proof of income.

Your job is to submit an application, and that's it! From there, your consolidating lender will send Loan Verification Certificates to your pre-existent loan companies to request payoff of the loans, then disburse payment to buy your loans from the companies. Your consolidator will provide your new terms, wrapping up the entire process in a matter of a few weeks. Federal consolidation options for graduate students are designed to be easy to manage.

Q: What makes a good lender?

A: A good lender has a professional and well-qualified staff of loan counselors. Your loan counselor knows his subject thoroughly, and he knows how to make the subject of refinancing clear and simple to understand. He is direct and honest about the nature of the lender and the terms involved, he doesn't leave any of your questions unanswered, and he is willing to work with you until you are fully informed and comfortable with your financial decisions. It's not the role of a good loan counselor to give you the hard-sell, it is his role to provide information and ethical advice. Don't settle for less; if you find that you are in touch with a fast-talking salesman, and not a person in tune with your financial needs and concerns, you should seek counsel with another lender.

Q: When should I apply for a federal consolidation loan?

A: A good time is when you have graduated, or at least gone part-time in the wind-down just prior to graduation, when you might be enrolled in only a few courses. Federal consolidation options for graduate students are available during your grace period, which is the optimum time to lock in lower interest rates for your loan.

If you are still in graduate school, federal guidelines prevent you from establishing federal consolidating student loans. Take the time to weigh your options and learn more about institutions that can work with you on establishing your federal consolidation loan. Then choose the lender that's right for you.

Q: Where can I go for further information about federal consolidation options for graduate students?

A: It's best to start with informational resources, including the following:

The U.S. Department of Education's graduate student page at:

<http://studentaid.ed.gov/PORTALSWebApp/students/english/gradstudent.jsp>

Students.gov, Student Gateway to the U.S. Government:

<http://www.students.gov/STUGOVWebApp/Public>

To determine the status of your student loans, visit the National Student Loan Data System at:

http://www.nslds.ed.gov/nslds_SA

To obtain a complete list of the federal student loans that can be consolidated, visit Direct Consolidation Loans at:

<http://loanconsolidation.ed.gov>