



College Planning

Tips On Managing Your Student Loans

(NAPS)—Many families are digging deeper to invest in what they value most: a college degree. A number of them are taking practical steps to reduce costs associated with college, and more than two-thirds of parents and students strongly agree that a college degree is more important now than ever. To make the investment possible, families often count on student loans.

Those are just some of the key findings of a recent survey conducted by the nation's No. 1 financial services company specializing in education—Sallie Mae. To help families successfully repay their student loans, it offers the following tips:

• **Borrow only what you need.** Remember, every dollar you don't borrow is a dollar—plus interest—you don't need to repay.

• **Make in-school payments.** Choose a loan that encourages you to make in-school payments to help minimize interest expense. For example, Sallie Mae offers three in-school payment options for college students: interest-only each month, simple \$25 payments, or no-minimum-monthly-payment deferred option. Learn more at www.salliemae.com/choosesmart.

• **Pay extra whenever you can.** Add \$20, \$50 or \$100 to every monthly payment that you can while in school and after graduation. When you receive a financial gift, put what you can toward your loan. If you get a raise, increase your monthly payments.



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• **Budget for success.** As a student or a young professional, keep track of your spending and saving. You'll be more motivated to control the money coming in and going out.

• **Use deferment and forbearance appropriately.** You may be able to postpone your payments for a short period of time if you're facing financial challenges, but only do so as a last resort since it can wind up costing you more. As soon as you can, catch up.

• **Deduct the interest from your taxes if you can.** At tax time, check whether you qualify to deduct interest paid on your student loans. Depending on your income, you may be eligible for a tax benefit on student loan interest even if you don't itemize other deductions.

• **Claim your rewards.** Many have found it pays to join Sallie Mae's Upromise rewards program. By participating in the program, they can earn extra money toward paying off their loan.

Learn more at www.upromise.com.