



Student loan debt has become a hot topic, and with good reason. In 2006, U.S. student loan debt hovered around \$600 billion; today, that number has skyrocketed to \$1.3 trillion. By itself, that number is not bad - it means more Americans are going to college. However, the number of defaults is also approaching critical levels. Now that you've just graduated, there are strategies you can use to make your student loan story a success story.

Get Organized

The first thing to do is to organize all of the information you have for all of your student loans. Make a list or spreadsheet that organizes important information such as the name of the loan, the lender, interest rate, total principal (amount due), monthly payment, and when repayment is scheduled to begin. Different loans may have different grace periods (the amount of time after graduation you can wait before making your first payment), so the first payment may be due at different times for different loans.

Stay in Touch with your Lender

Many recent graduates relocate. Make sure that your lenders know how to reach you! Updating your contact information is often as simple as visiting the lender's website and filling out a form. It's also a good idea to stay in touch in case you start having difficulty making your payments. Lenders will work to adjust your payments or schedule, but you have to let them know, first.

Consider Consolidating

A consolidation loan combines multiple loans into one for a single monthly payment and one fixed interest rate. There are several pros and cons to consider, however. Consolidating often extends the repayment period, meaning while you will have a lower monthly payment, it will take you longer to completely pay off the loan. It can also provide an interest rate break (especially if you have any variable rate loans) and the single payment is more convenient and simpler to budget for. Seek expert advice if you're considering consolidation as a strategy.

Don't Forget Tax Breaks

Many recent college grads just beginning their student loan repayment aren't aware of the Student Loan Interest Deduction, which allows taxpayers to deduct up to \$2,500 of the interest paid on student loans (depending on your income). The best part is, even if you do not itemize your taxes, you're still allowed to claim this deduction. How? Just watch for your 1040 form(s) to arrive - you'll receive one per lender - and follow the instructions on them.

If you are struggling to make payments or aren't sure your strategy is the best way for you to repay your student loans, seek the advice of a financial aid counselor at your alma mater or talk to your lender. Another good resource is <http://StudentAid.ed.gov>, which has repayment estimators and information on various repayment plans available for federal student loans.