



Tips for Paying Off Student Loan Debt

According to forbes.com, in 2018, tuition at public four-year institutions increased by 213% in the past 30 years and nearly half of the 22 million Americans with federal student loans were either behind on payments or received permission to postpone payments due to economic hardship. Consequently, as of January 2019, more than 44 million Americans collectively owed \$1.5 trillion in student loan debt, according to www.huffpost.com. While student loan debt can certainly be daunting, ignoring it will only cause you more stress than is necessary. There are many ways to improve your ability to pay off your student loan debt in a timely, cost-effective manner. Read on to learn more about how you can speed up your student loan repayment process and consequently save money on interest payments.

- ✓ **Pay more than the monthly minimum**
Whenever possible, make more than your minimum student loan payment each month. Making extra payments will help you pay off your student loan debt sooner and will reduce the amount that you pay in interest charges over time. However, communicate with your loan servicer to ensure that any extra payments are put toward your loan's current balance, rather than the next month's payment.
- ✓ **Prioritize paying off your student loan debt**
Rather than ignoring your student loan debt in favor of discretionary spending, you should make paying off your debt a top priority after covering necessary expenses such as food, rent, and health insurance. Once allocating money for your monthly student loan payments, you can structure the rest of your budget around your remaining funds.
- ✓ **Earn extra income**
Any extra income that you can earn will help you pay off your student loan debt faster and therefore lower the amount you pay in interest over time. Whether you work a part-time job on weekends, rent out your spare room, or sell clothing or other items that you no longer use, you can put the extra money that you make towards your monthly loan payments.
- ✓ **Refinance your student loan**
If your credit score, income, and history of debt payments will allow it, you can elect to refinance your student loan to get a shorter repayment period. Although a shorter repayment period will require you to make higher monthly payments, it will also provide you with a lower interest rate.

✓ **Make biweekly payments**

Making biweekly payments rather than monthly payments will speed up the process of paying off your student loan debt. With this trick, you'll end up making an extra payment each year, which will shorten your repayment period and decrease your interest costs.

✓ **Sign up for automatic payments**

A simple way to prioritize your student loan repayments and to potentially save money is to sign up for automatic payments. Automating loan payments from your bank account will not only ensure you that you pay on time and never miss a payment, but it might also secure you a discounted interest rate in return.

✓ **Take advantage of student loan repayment assistance**

Although rare, your employer might offer student loan repayment assistance, which you should take advantage of if possible. Doing so could save you hundreds to thousands of dollars every year.