

4 Tips for Paying off Student Loans

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Like me, you might think that you need an advanced degree in finance to navigate the complex world of student loan repayment. Here are 4 tips that I learned through the process:

1. Know your lender intimately

Think of this as a relationship—it may be a tumultuous and one-sided one, but nevertheless, it's a relationship. Don't make the same mistake that I made by not regularly checking your loan provider's website. Unbeknownst to me, my loans had gone out of deferment before my 6-month grace period was up. Without receiving emails or mail to remind me of it, I found myself two months late on payments. This was my fault, as I was not in the habit of regularly checking my loans because I hadn't started repaying them yet and because the thought of repayment made me anxious. Use some mindfulness skills, including accepting your anxiety, and check on your loans on a regular basis!

2. Choose the right repayment plan

✦ **Standard repayments:** this is usually a 10-year repayment plan in which you pay towards each of your separate loans. This is a good option for those who can afford their monthly payments.

✦ **Income-based repayments:** many people do not know about income-based repayment plans. During your first years of employment (including postdoc), your salary may not be able to support your monthly payments. However, opting for an income-based repayment plan often makes monthly payments much more feasible. Keep in mind that as your salary increases, so will your monthly payments. Also remember that in the end you will likely pay more than a standard repayment plan because you will have more interest accrued. There are also other similar programs, such as Pay As You Earn Repayment Plans.

✦ **Deferment:** although I would not consider this to be a first-line option, many loan providers will allow you to defer your payments in times of hardship (e.g., unable to secure employment).

3. To Consolidate, or not to consolidate...

Consolidation will likely decrease your monthly payment, but keep in mind that this often extends your repayment from the standard 10-year repayment to 30-year. This also means that you'll ultimately end up paying more because you'll have more interest accrued. Consolidation is sometimes people's only option if they can't afford their regular monthly payments.

4. Loan forgiveness options

The following are some avenues to assist with loan repayment. This is not an exhaustive list:

✦ **Public Service Loan Forgiveness (PLSF):** federal loans are forgiven after 10 years of working in qualifying organizations and after making monthly payments towards your loans

✦ **National Health Service Corps (NHSC) loan repayment:** after two years of working in an underserved area, you can receive up to \$50,000 towards loans

✦ **National Institutes of Health (NIH) Loan Repayment Program:** if you commit to at least 2 years of NIH-related research, you can receive up to \$35,000 annually towards loans

✦ **Health Professionals Loan Repayment Plan** (i.e., military reserves): depending on the military branch, you can receive a signing bonus and yearly repayment towards your debt if you join the military reserves.

✦ **Other funding sources:** APA Early Career Grants, Indian Health Service, Education Debt Reduction Program (EDRP) in the VA

A word to current graduate students:

- Live like a graduate student now so you don't have to live like a graduate student when you're a doctor. In other words, be as frugal as possible.
- Build your credit now so that you're eligible for repayment plans, if you choose to use those. First step: know your credit score!
- If possible, pay some of your student loan interest while you're in grad school so that you can minimize the interest accrued.
- If you are struggling financially, be aware that you may qualify for certain government assistance programs.