

Student Loan Reduction & Repayment Tips

Repaying student loans can feel daunting, especially when balancing other financial responsibilities. The good news is that with the right information and a proactive approach, student loan repayment can be manageable and even empowering. In some cases, student loans can even be forgiven if the right steps are followed. These tips are designed to help borrowers reduce their student loan debt effectively and/or get loan forgiven while staying financially stable.

1. Understand Your Student Loans

Begin by reviewing all of your student loans, including federal and private loans. Log into StudentAid.gov to see how many loans you may have under your name. Note the loan servicer (Nelnet, Aidvantage etc), balance, interest rate, repayment term, and whether the loan is subsidized or unsubsidized. Knowing these details helps you avoid missed payments and make informed repayment decisions. If loans are not listed on StudentAid.gov they are not federal loans.

2. Select the Right Repayment Plan

Federal student loans offer multiple repayment options. Choosing the right plan can make a significant difference:

- **Standard Repayment Plan:** Fixed payments over 10 years; typically results in the least interest paid.
- **Income-Driven Repayment (IDR) Plans:** Monthly payments are based on income and family size, making them more affordable for many borrowers.
- **Graduated or Extended Plans:** Lower initial payments that increase over time or extend repayment terms.

Review your plan regularly, especially if your income changes. If you are seeking loan forgiveness under the Public Service Loan Forgiveness Plan (PSLF) make sure you are under the right payment plan for this forgiveness.

3. Pay Extra When You Can

Whenever possible, make payments beyond the required minimum. Extra payments applied to the principal can significantly reduce the total interest paid over the life of the loan. Consider using tax refunds, bonuses, or side income to make additional payments. Also consider paying your loans every two weeks if this is your payment cycle to reduce the interest and pay them off faster.

4. Take Advantage of Autopay Benefits

Enroll in automatic payments to avoid late fees and missed payments. Many student loan servicers offer a small interest rate reduction for using autopay, which can add up to meaningful savings over time.

5. Explore Loan Forgiveness and Assistance Programs

Some borrowers may qualify for **Public Service Loan Forgiveness (PSLF)**, teacher loan forgiveness, or employer-sponsored repayment assistance. Research eligibility requirements early to ensure your loans and repayment plan qualify. Make sure you are on the right payment plan and submit your employer certification paperwork on a regular basis to get your monthly credits.

6. Consider Refinancing Carefully

Refinancing may lower interest rates for borrowers with strong credit and stable income. However, refinancing federal student loans into private loans removes access to federal benefits such as income-driven repayment and forgiveness programs. Weigh the pros and cons carefully before proceeding. If you are in public service this may not be in your best interest. You cannot reverse this refinancing once it is done.

7. Communicate With Your Loan Servicer

If you experience financial hardship, contact your loan servicer promptly. Options such as deferment or forbearance may provide temporary relief, though interest may continue to accrue. Early communication can help protect your credit and prevent default. These breaks in payments may also stall your progress in loan forgiveness

8. Track Progress and Stay Motivated

Regularly reviewing your loan balances and celebrating milestones—such as paying off a loan or reaching a repayment anniversary—can help maintain motivation. Even small, consistent steps can lead to long-term progress.

8. Voting Matters!

Voting matters for student loans because elected officials directly shape the laws, funding and forgiveness programs that determine how much you borrow and how much you repay. In recent years former President Joe Biden instituted a forgiveness waiver that assisted many long-term borrowers in ultimately reaching loan forgiveness through several waivers.

Key Takeaway: Student loan repayment is a long-term commitment, but informed choices, consistent payments, and awareness of available programs can significantly reduce debt and financial stress over time.

The Public Service Loan Forgiveness program is still available for those who work in public service. If you want to learn more about student loan forgiveness programs that are available reach out to **Kia Berry Hagens with Hagens Consulting, LLC at 313-530-4733 or info@hagensconsultingllc.com**. She has assisted hundreds of people in getting their loan forgiven totaling more than 12 million dollars.



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