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Understanding Students Attitudes and Intentions to Repay Loans: A Comprehensive Study

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Abstract

This research aims to conduct an in-depth study on students' attitudes and their intentions regarding the repayment of loans. Recognizing the importance of understanding the factors that influence students' willingness and ability to repay loans, this study utilizes a mixed-methods approach to explore the intricate relationship between attitudes, financial behaviors, and loan repayment intentions among student borrowers. The study employs qualitative research methods, including interviews, focus group discussions, and case studies, to gather nuanced insights into students' attitudes towards loans, their financial decision-making processes, and the factors influencing their intentions to repay loans. Concurrently, quantitative surveys and data analysis will be used to identify trends, correlations, and statistical patterns related to student borrowing and loan repayment behaviors. Various dimensions will be explored, including the impact of financial literacy, economic circumstances, and educational experiences on students' attitudes towards loans. The study also aims to uncover the perceived barriers and facilitators that influence students' intentions to fulfill their financial obligations post-graduation. The findings from this research are expected to provide valuable insights for educational institutions, policymakers, and financial institutions. By understanding students' attitudes towards loans and their intentions to repay, stakeholders can develop targeted strategies to enhance financial education, improve loan repayment rates, and foster responsible financial behaviors among student borrowers. This study serves as a foundation for informed decision-making and future research within the realm of student loan attitudes and repayment intentions.

Keywords: *Student Loans, Attitudes, Loan Repayment Intentions, Financial Behavior, Higher Education Finance, Student Debt, Financial Literacy, Borrower Attitudes.*

1. Introduction

A student loan, in its most basic sense, is a sum of money that you borrow to help pay for your post-secondary education. Student loans can only be used for educational costs, but often, this can include the expenses that are necessary in order to make your education possible, such as housing, meal plans, and books. (Check out our post Tuition vs. Cost of Attendance: Understanding Your College Expenses for more details.) Unlike grant-based financial aid, student loans have to be paid back according to policies determined by the lender. As with most formal loans, your student loan debt will also accumulate interest, so the total amount you end up repaying over time will be greater than the amount you initially borrowed. It's important to understand that taking out student loans represents a major financial commitment that will likely affect your life for years to come. Your repayment plan may last a decade or more, and while options exist to delay repayment, that will cause more interest to accumulate and increase your overall cost. Unlike many other forms of debt, student loans can't be discharged even if you declare bankruptcy later in life. If you have a cosigner, their life may be affected

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as well. However, the gravity of the student loan commitment doesn't mean that you shouldn't consider the option — after all, a college education and a bachelor's degree are still valuable assets. As college costs continue to rise, student loans can be an important financial tool that can make college a more feasible option for you and your family. One silver lining to consider is that making payments on your student loans can help to improve your credit score, which others can use to estimate whether you're reliable in paying off your debt. Many teenagers aren't yet thinking about their credit scores, but these numbers may become important later on when you're looking for housing, signing up for utilities, or buying a car or a home. In order for you to be an informed borrower, you need to do your research and fully understand what you're agreeing to when you sign your promissory note, the legal paperwork for your loan. Student loans have both risks and rewards, and there's a lot of variation in the terms of different student loans, so your loan may not be the same as a friend's or a classmate's. Obviously, we can't cover all the details of all available loan options in one post — there are simply too many variations to consider. However, we hope this post can help you better understand the topic of student loans in general, so that when you undertake your own research and survey your own loan options, you're able to do so with more confidence that you're making good decisions. As always, current and future students should complete FAFSA forms as accurately as possible and update any information regarding their financial situations, especially in light of the COVID-19 pandemic. In early 2020, the Office of Federal Student Aid suspended student loan payments, paused collections on defaulted student loans, and eliminated interest rates. These actions were repeated throughout the year, and in January 2021, loan payments were pushed back to September 30, 2021. These measures only apply to federal student loans, however — not private student loans. In 2020, President-Elect Biden proposed a student loan program that would allow for forgiveness of up to $10,000 of student loan debts. While monthly loan payments have remained suspended during the COVID-19 pandemic under his presidency, the forgiveness plan remains in limbo. Meanwhile, individuals who can repay their loans are encouraged to keep doing so. When repayments begin again, automatic payments will resume through traditional or income-driven repayment plans. Before you explore taking out student loans, you'll need to be sure that you've exhausted your other financial aid options. Grants and scholarships that don't require repayment are generally better options than loans, if you're able to access them. If you're confident that you've fully explored other funding avenues, however, and you still need more help in paying for college, it's time to consider student loans. Since governmental loans generally have better terms and repayment options, you'll want to start with the federal Direct Loan program if you're eligible for it. To apply for both subsidized and unsubsidized loans, you'll first need to submit the Free Application for Federal Student Aid, or FAFSA. (Take a look at our Ultimate Guide to Filling out the FAFSA for more information on what this entails.) Deadlines will vary by state and school, but it's generally advisable for you to fill out the FAFSA as early as possible. The FAFSA will determine your financial need, which will in turn determine whether you're eligible for subsidized Direct Loans. The information from your FAFSA will also be forwarded to your school, which will help to determine how much total Direct Loan funding you're eligible to access based on your calculated cost of attendance. When you receive your financial aid award letter from your college, it will list how much and what type of Direct Loan funding you'll receive if you attend that school. You won't be required to submit any additional loan application, though you'll have to attend informational entrance counseling and sign a promissory note (a formal loan agreement) before receiving your loan. Once you've determined how much you can expect to receive from the federal Direct Loan program, you can decide whether you need to seek out other private loans as well. If you and your family conclude that this is the right choice

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for you, you'll need to start the process of looking for a lender. (Remember, you'll probably need a cosigner, so you'll need to talk this over with your family well in advance.) There are a lot of different ways to go about seeking private student loans, and there are many different companies that offer and administer private student loans. You or your family may already have a relationship with a bank or other lender that you or they would like to utilize. Your college may be able to provide you with a list of "preferred" lenders with whom they frequently work. Ultimately, however, the choice is up to you. You and your parents may want to talk to other families who have sought out private student loans in order to get suggestions. In this day and age, you can even look up reviews and rankings of private lenders online. Keep in mind that your loan's terms will depend upon a number of factors that are personal to you, so you may not receive the same loan terms as the person who recommended that lender to you. If you apply for a private student loan, you'll have the opportunity to review the lender's offer and potentially compare it to others before you commit. Later in this post, we'll go over the factors that you'll need to take into account when determining whether any loan — federal or private — is a wise financial move for you. At some point after you take out your student loans, you'll need to start paying them back. When this repayment period begins and what it entails depends on your loan. Federal loans can be deferred until you finish school, and often also offer a grace period between when you leave school and when your payments begin. On the opposite side of the spectrum, some private loans may require you to start making payments immediately after taking out your loan. (Check the fine print to make sure.) Once repayment starts, you'll make monthly payments until the loan is repaid. The amount you pay each month will depend upon the amount you owe and the terms of your loan agreement. Just like most other debts, your student loan debt will accumulate interest over time, so you'll repay a larger amount than you borrowed. As we've mentioned, federal loans often allow for more flexibility in repayment than private loans. For example, you might have the option of a graduated payment plan, in which your payments are scheduled to be lower at first and rise over time. You might also be able to stop paying on your loans for a while if you go back to school or hit a financial rough patch. Either of these options involves paperwork and proof of your school enrollment or financial situation [1].

2. Statement of Purpose

Student loans are a very serious commitment, and you should bear in mind that breaking that commitment by not making your scheduled payments sets you up for serious consequences, particularly when it comes to federal loans. (Some loan servicers may be amenable to making special arrangements in dire circumstances, but you'll need to be proactive about approaching them when you're in a bad spot and asking for accommodations.) One more thing to consider is the existence of loan forgiveness programs, in which your federal student loans may be forgiven if you spend a certain period of time working in certain fields, such as social work or teaching, in a geographical area that's particularly in need of those services. Loan forgiveness programs can be complicated and have very specific requirements, so if you're considering this option, you'll need to do more research before depending upon it. However, if you're interested in these career fields, loan forgiveness programs can not only help you afford your college education, but also help you to help others by filling valuable roles that benefit communities. There are many different factors that come into play when you're choosing a college, from educational quality to location to the "feel" of the campus. Realistically speaking, however, the cost of college matters a great deal to applicants and their families, and that factor helps decide which colleges it will be practically possible for you to attend. Student loans are only one factor among many that determine what and how you'll pay for college, but your loan options may help to mitigate some of the costs and determine whether a particular college makes financial sense for you and your family. In that sense, they may be a deciding factor in where you end up attending college. Obviously, when it comes to financial aid and funding options, student loans have their downsides, the most obvious being the long-term repayment commitment they involve. Scholarships and grants that you don't have to pay back in the future and that don't accumulate interest are often more attractive options than loans, and if you need help paying for college, you should definitely research and apply for grant aid. However, scholarships and grants aren't always available, and competition for that type of aid can be fierce. If you plan carefully and make wise decisions, student loans can fill the gap, potentially allowing you to attend a higher-quality college or one that's a better fit for you. This can improve your future prospects and give you valuable opportunities to achieve your goals. It's clear that loans can be a deciding factor in determining where you eventually attend college, but should your loan options dictate where you apply to college? That's a more complicated question. Financial aid awards usually can't be determined by colleges until admissions decisions are made, so you generally won't know how much it will cost you to attend each of your college choices until late in the admissions process. Similarly, your eligibility for student loans is often not determined until you go through the loan application process via the FAFSA and (if applicable) a private lender, so it's not usually possible to determine your loan options in advance. If a certain college appears very likely to be excessively expensive for you to attend, you might reasonably choose not to apply there in order to spare yourself that disappointment. This is especially true if you plan to go into a career field that's on the lower end of the pay scale or has limited job opportunities, and you're worried that you'll have a hard time making substantial loan payments. However, you might also choose to take the chance, apply to the college, and hope you'll be awarded a financial aid package or scholarships that will make the cost manageable for you and your family. You can explore your loan options later on, depending upon what other aid you might receive. Either way, the best way to approach this situation is to get informed and keep your expectations reasonable. Talk to your family about your financial resources, research your funding and financial aid options, and make backup plans for what to do if your favorite colleges aren't financially within reach. (Our post you were Accepted to Your Dream College, but Can't Afford it… Now What? Is a great resource when it comes to exploring your options when your top-choice college isn't financially feasible? Obviously, the subject of student loans is a complex one, and there's far more to the topic than we could possibly cover in one short blog post. However, to get you started on the right foot, here's a quick summary of the basic things that you'll need to find out about any student loan that you're considering [2]:

1. What is the principal, or initial amount, of the loan?
2. What is the loan's interest rate — in other words, how quickly will it accumulate interest?
3. Is this interest rate fixed or variable?
4. How much money will you pay each month once repayment starts, given a typical repayment plan?
5. How much money will you be expected to pay in total, including interest, given a typical repayment plan?
6. When does repayment start — after graduation, after a grace period, or immediately?
7. Are educational deferments available if you attend graduate or professional school, and what are their conditions?
8. Are different payment plans available, such as graduated or income-based repayment plans?
9. Will your parents or other relatives be required to cosign your loan, and are they able and/or willing to do so?

Just like anything else, taking out student loans has pros and cons, and a variety of different loan options may be available to you with different risk-benefit profiles. Borrowing money to help pay for your education can help make achieving your goals more possible, but it's up to you to get informed so that you can make the wisest possible choices about

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whether or which student loans are right for you. For More Information Finding a way to pay for college isn't always easy, but the rewards are great, so it's worth your time to explore all the options that exist for funding your college education. Here are a few resources for learning more about financial aid, filling out the FAFSA, and making college more affordable:

Tuition vs. Total Cost of Attendance: Understanding Your College Expenses FAFSA, CSS Profile, IDOC, and Oh My: A Guide to Financial Aid the Ultimate Guide to Filling out the FAFSA 15 College Financial Aid Resources [3]

An Introduction to Financial Aid for Complex Families Curious about your chances of acceptance to your dream school? Our free chancing engine takes into account you're GPA, test scores, extracurricular, and other data to predict your odds of acceptance at over 500 colleges across the U.S. We'll also let you know how you stack up against other applicants and how you can improve your profile. Sign up for your free College Vine account today to get started! If you miss payments, your loan can go into default. Federal loans allow nine months of missed payments before you default on a loan, but some private loans only allow one missed payment. Loan default can damage your credit score, and it allows the federal government to use your tax refunds to offset your debt. Given these risks, you should carefully choose your repayment plan to ensure that you can meet your monthly payments. You can potentially escape loan default by applying for loan rehabilitation or loan consolidation, both of which allow you to negotiate with your lender for lower monthly payments. If you do miss a payment, there are a few ways you can mitigate the damage. First, applying for loan forbearance or deferment suspends payments for a short period. Unfortunately, interest may still accrue during this period, increasing the amount you owe and halting progress toward loan repayment or forgiveness. Deferment and forbearance also give you time to change your repayment plan to an income-driven pathway that aligns better with your earnings. Private student loans are offered to the student based on the credit history of the applicant and the interest rate also will rely on this criterion. People with good credit history will be provided student loans on a lower interest rate and less fees. The advantage of private student loan is that, they have higher limits and also the repayment starts only after graduation. Private student loans can be utilized for purchasing computers, books etc. and payment of tuition fees. Federal student loans are either given to the parents or to their wards directly. When the loan is availed by the student payments do not start when they are studying, but if it is given to their parents, they have to make payments immediately. The loan limit may also higher in that case. Federal loans do not require any co-signer as they are not based on the credit history of the applicants. Student loans are meant to help students who are unable to bear their educational expenses. Student loans are different in different countries in the way they are devised, but then the common types of student loans available are the undergraduate loans, college student loans, private student loans and federal family educational loans. Most of the student loans are issued by the government generally with lower interest rates when compared with the regular loans. Student loan repayments are not made until the student completes his graduation. This facility helps him to concentrate on his studies and earn some little amount of money while he is studying, but repayment has to start once he finishes his education. There is a grace period of six months normally after the graduation, meant to be a cushioning period for the student to get into a job and start earning. Under certain circumstances, the federal student loans can be forgiven on an income contingent plan after 25 years. Also the payments are required to be paid off within a minimum period of time. Private student loans are offered to the student based on the credit history of the applicant and the interest rate also will rely on this criterion. People with good credit history will be provided student loans on a lower interest rate and less fees. The advantage of private student loan is that, they have higher limits and also the repayment starts only after graduation. Private student loans can be utilized for purchasing

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computers, books etc. and payment of tuition fees. Federal student loans are either given to the parents or to their wards directly. When the loan is availed by the student payments do not start when they are studying, but if it is given to their parents, they have to make payments immediately. The loan limit may also higher in that case. Federal loans do not require any co-signer as they are not based on the credit history of the applicants. When researching your student loan consolidation information options you need to investigate private student loans. Several of the basic Federal student loan schemes are among the most attractive as they need no credit check and offer substantial sums for financial aid, notwithstanding, these schemes are need based and often carry other criteria that sometimes makes it hard to qualify, even when students and parents do meet the requirements and qualify, the loans in many cases only cover a portion of the total cost of education, when students and their parents find themselves in this situation, they will turn to private loans to build up the difference. Private loans to have many pros and cons, nonetheless a credit check is virtually a universally requirement, for those with a reasonably good credit history that not know a problem, nonetheless reasonably good is a relative term and if it is not good enough, borrowers will find that they are paying higher than optimal interest rates. Past the stated interest rates, there are many other financial implications of private loans, fees can be tacked on or instead taken off nominal loan amounts, a relatively modest loan of $4,000.00 might have 4% in charges applied before distribution, that results in $160.00 of the loan amount never being seen by the borrower, nevertheless having to be re-paid, as a rough guide every 3% of fees is equivalent to an incidental 1% on top of the stated interest rate. Notwithstanding the above private loans do provide some advantages. The obvious advantage was alluded to above, the money is available, private lenders exist to make a profit on the interest and charges they apply to loans, they have an interest in making cash available to borrowers, as a consequence many will work hard to ensure that every applicant qualifies, Federal lenders however have an inflexible set of criteria and there is generally no real appeal if your application is refused, not having to work with that impersonal and in many instances illogical, bureaucracy is another big advantage of private loans. Private lenders also maintain customer service departments that are staffed and exist to answer customer's questions, however Federal loan services typically have contacts and whilst assist is available generally it is hit or miss in terms of quality. There are also other useful considerations that apply to make private loans appealing. Neither students nor parents have to fill out the FAFSA (Without Cost Application for Student Aid) process(s), nor supply similar supplemental documentation, private loan applications tend to be simpler and the complete system easier, nevertheless fees and interest rates may be higher or reduced depending on the individual plan. The most attractive private loans may have no fees and interest rates that are about the same as the prime rate less 1%, the prime interest rate is the interest rate banks charge one another or their biggest and most favored customers, acquiring a rate at prime is a good outcome, getting a rate at 1% below prime is a fantastic deal, nonetheless be sure to check for any charges, as described above charges may substantially add to the overall total cost of the loan. To acquire that type of loan it is necessary to have a good credit history and/or obtain a loan with a co-signer who has very good credit history, that problem might or could possibly not apply to you, the only way to understand for certain what is available is to dig into the specifics with the lenders and utilize a loan calculator, such as those available on-line to go through a few sample strategies, be certain to include all the real costs over the lifetime of the loan, to acquire a crystal clear picture of the actual costs, it is critical to keep this information in mind when considering any student loan consolidation information. A student whose home lies within the U.S. has reason to inquire about loans provided by the US government. In the United States, all these loans are based on financial need. The student initiates his or her application for the

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loan by completing a FAFSA. Any students, who hesitate to complete a FAFSA, perhaps because they fear that they would not qualify for a loan, should go online and obtain a FAFSA caster [4].

Determining Eligibility for Government Student Loans What is the FAFSAcaster? The FAFSAcaster allows a student to calculate his or her eligibility for one of the government student loans. The online FAFSAcaster offers information on the various types of academic pursuits that can be financed by government student loans. If the information on the FAFSAcaster were to tell a student that he or she qualified for a government loan, then that student would undoubtedly want to know how to get such a loan. Other information on the same website as the FAFSAcaster lists the various sources of the government student loans. That list of sources might cause a student to have more questions that relate to these types of loans. Counselors, who can be contacted through the FAFSAcaster website, stand ready to offer students some helpful answers. The website with the FAFSAcaster operates under the name "Knowhow2go."Assessments That Assist Those Wanting a Government Student Loan Any student who would like to have one of the government student loans can benefit from conducting a self-assessment [5].

Such an assessment usually begins with a search for the answer to this question: "What is your interest?" A follow-up question to that would be this: "What is your learning style?"

Once the student has carefully assessed his or her interests, then that student can study the further questions made available on Career voyages. That is a website designed to help students in all levels consider the advantages of government loans. Students in high school and middle school should be told about Career voyages. That website explains clearly what classes a student needs to take in high school if he or she hopes to pursue a particular career. If, for example, a young high school girl wants to become a landscape architect, she will find that she needs to take a technical drawing course in high school. The same website can help any student select a school or group of schools that would be likely to accept their application. Some schools only accept students with a high grade point average, and students who have scored well on their college boards. Once any student has conducted a thorough self-assessment, then that student is ready to proceed to the next step. After using the tools on Career voyages, a student can better go after one or more of the government student loans. It doesn't really matter how old your student load is. Since October 7, 1998 the only way that you could include a student loan in a discharge is if you can prove that they are the cause of an undue hardship. This is hard to prove. Any bankruptcy cases before October 17, 2005 if your student loan was given to you by a company that was insured or a non-government entity you could include it in a discharge. But if those that offered you and gave you the student loan was of a nonprofit or a government funded entity they could not be included in a discharge. Often times there are other alternatives in apply for bankruptcy on a student loan. Because the negative aspect of applying for bankruptcy with a student loan is that while you are in court your creditors don't have the ability to send you bills, so if it ends up ruling not in your favor. That next month you would receive a bill will all have the interest and late payments that have accrued while you were waiting for the judgment in your bankruptcy case? Student loans tend to be one of the most flexible loans out there they have more options that you can pursue then just a standard loan. If you see that you are not going to be able to pay back your loan talk to you lender. Let them know exactly what is happening and more often than not they would be able to help you out of that situation. See that decide what can be included in the bankruptcy and what cannot be included will be based upon the decision of the bankruptcy judge. In many cases a ruling is really made by just a gut feeling. To prove that your student loan is causing you an extreme hardship you must prove three points and if you miss one you will not have it included in the discharge. The first one is that you have things in you circumstances that will make your current financial state will continue for a most to all of the repayment period of the

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student loans. Second, you have been trying to make good faith effort to be able to repay your student loans. By making payments for several years, showing that you did try to pay off your debt. The only exception to this one is if you never had the money to pay the loan in the past. Lastly you must show that you would not be able to, based on income and expenses maintain a minimum standard of living for those of your house hold and yourself if you were made to pay this loan off. While in the bankruptcy court you may have the means to give what is called a partial discharge this is where you have shown that your income and expenses will not be able to pay the entire loan but would be able to pay a smaller bit of the loan. But even to get a partial discharge you must still meet all of the above requirements that we Education is most important for the future of every individual. An educated individual can facilitate the growth of his country. Keeping in mind all these factors, lenders have introduced a special kind of loan for students known as student loan unemployed. These loans are advanced with subsidized interest rate and with flexible repayment options [6].

2.1 Information

Student loans unemployed are very helpful for students who can't afford to pay for their higher studies. It helps students to continue higher studies without worrying about the finances. Instead of doing a part time job students can save their precious time and concentrate on studies. The repayment duration of student loan unemployed is very flexible. It is available in both secured and unsecured form. Loans for students can also be availed by students suffering from bad credit status. If you are suffering from bad credit status due to arrears, defaults, CCJ, IVA etc you can still avail loans for students. Student suffering from bad credit status can increase their chances of loan approval by having a co-signer. Your co-signer can be your parents, guardians, a person having good credit etc.

2.2 Amount and Interest

With student loan unemployed you can easily avail an amount up to? 13,500. Loans for students can be easily repaid because it carries very low interest rate compared to other loans. Repayment duration is very flexible. It starts after the completion of college but you have to start paying the installments only when you start earning?
15000 annually.

3. Usage

The loan is very useful for students having weak financial background. With loans for students you can avail money for tuition fee and other expenses like mess fee, hostel charge, computer fee and so on. Application process. Search well before applying. With good research you can easily spot a lender offering loans for students at low interest rate and with flexible repayment options. You can use Internet to search for lenders [7].

4. Summary

Student loan unemployed is very useful for students from financially weak backgrounds. With loans for students they can avail money for all their expenses including tuition fee, mess fee and hostel charge at very low interest rate and with flexible repayment options. Education is described as a liberating force and is mandatory for all. But, escalating cost of education is creating hindrance in the way of success for many of the students. Many of the students have opted employment as a means to cope with this shortcoming. But, even this is not possible for all. At such crucial point of time, student college loans can be put to use. These are personal type of loans that cater to your various educational needs including your tuition fees, the lodging and boarding expenses and the cost of appliances necessary for your education. These are available in secured and unsecured forms. If you require a larger amount you have to offer a valuable asset as deposit to secure the loan amount. For the latter case you need nothing like that but the amount is relatively lower. You can borrow an amount of? 1000 to? 13,510 for which you are charged an interest as low as 9% to 12% APR. The repayment span is quite long and you have to start the repayment once you finish your education. These loans are available online nowadays. This has made the procedures so speedy and easy that you may expect the funds in your account within a few hours of application. You may

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browse the internet for a while to locate a number of lenders on the World Wide Web. You have to compare them and select the best suitable one. Now you have to apply to him online and provide some papers regarding your requirements and financial status. As soon as the loan is approved the amount is transferred to your bank account. The outstanding advantages of student college loans the most important advantage of these loans is that you don't have to worry about the financial needs for your study. By taking student loan you don't have to do jobs along with your studies and this saves your precious time and helps you in bettering your grade. It's time that managing multiple loans to finance your studies is becoming tough nut to crack. It has become very difficult to pay fee for the coming autumn. No need to worry about the loans you have taken. Student consolidation loans are there to protect you from all the nuances of multiple loans. The replacement of multiple loans with a single loan, often with a, lower monthly payment and longer repayment time is called consolidation loan. Useful for: Student loan consolidation can be very beneficial for the sensible student. Going to college can be very costly what with the price of things going to roof. Many students don't have the savings to pay their own way through college without or rather needing student loans. Most college students use student loans to survive college. After they finish graduation it becomes tough for them to payback. They can now take the help of student consolidation loans. Points to take care While taking student consolidation loans one should remember the following points [8].

Check with all the options that you are given with while taking loans. You can get more options through student federal loan consolidation, so you can opt for it.

- Make a record of all the terms and conditions that you have agreed while taking loan: interest rates, repayment schedule etc. file documents of your applications, promissory notes, disbursement, disclosure statements and loan transfer notices.
- Always go for a reputed student loans consolidation company. To check whether the company you have opted is good or not, check with its previous record.
- Plan your expenditure carefully. Estimate the cost required to meet your monthly expense. Try to minimize your expenses and never borrow while being a student.

5. Repayment Schedule

You can repay the consolidation loan once you finish your graduation and get a job. If after getting job also your salary is less than? 10,000 you can again take the help of student consolidation loans. Don't change your plans of study due to insufficient funds or already created loans. Student consolidation loans are there to safeguard you in the problems of economic inadequacy or insufficient funds. Lots of private and government institutions are there to provide you consolidation loans at low rate of interest. With an average debt of about? 11K (over $20,000 USD!), the average graduate leaves higher education more indebted than their parents. There are some additional funding sources that may be able to help some students, and prevent them incurring such enormous debt in the first place. You 'Local Education authority' (LEA) may offer means tested help towards tuition fees. The means test examines your income and that of your parents unless you are classed as an 'independent student'. Apply to the LEA where you intend to live before the course starts. Some LEA's may also offer Student Loans against your living costs while you are at college. Extra Allowances. You may be entitled to a Disabled Student Allowance (DSA) which does NOT have to be repaid, and is intended to offset some of the additional costs you suffer because of your disability. Ask your LEA if you suffer from a recognized disability. Got Kids? You are probably entitled to a Child Care Grant. Once again, consult your LEA. The principle is that you shouldn't be 'penalized' because you have children. If you are a single parent, you may even be able to get a 'Lone Parent' grant, which compels College education is an expensive proposition. More often than not students have to take recourse to student loans to finance their numerous requirements of

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college life. Sometimes however, even these loans fail to provide financial relief, especially under certain financial constraints. Students opt for part time jobs too but there is a limit to the number of hours that they can devote to their job and consequently the money that they can earn. Student hardship loans are beneficial to students under these circumstances. First you must understand what a student hardship loan is and how you can avail it. In order to help students in dire financial situations, these loans were introduced in the year 1998. Students can apply for this loans ranging from GBP 100 to a maximum of GBP 500 and those students who have exhausted their options in student loans are eligible for it. The application rules state that you can apply no more than once, for a student hardship loan in an academic year. This application must be put in one month before the conclusion of the year. The student services department of the university is where you should apply for the loan. In terms of eligibility, those students who are in real financial trouble can avail this hardship loan. A student will have to prove that he is left with no other financial option and if he cannot get the loan he may have to give up his studies. Thereafter it is up to the college or university to decide whether or not to grant you the loan. Once you get the loan it can be used for travel, books or to meet living costs. Repayment of this loan is similar to other student loans. The hardship loan has to be paid by you along with the other loans that you have. There are hardship funds too that again, are given to students facing acute financial hardships. However, the difference lies in the fact that these are not loans but grants and therefore no repayment is required. At the same time, these hardship funds are more difficult to acquire, as they are set-aside for the truly needy students. While considering your application for a hardship fund, your financial status as well as the course that you are taking will be kept in mind to determine whether or not you are eligible for the fund. The amount of the hardship fund is higher than student hardship loans and ranges anywhere between GBP 500 and GBP 3500. It is up to the student to avail the fund in installments or as a bulk amount. The hardship loans and funds are initiatives that are designed for those students who in spite of availing the different kinds of student loans find themselves in financial trouble, and at the same to ensure that these students desirous of continuing their studies are not deprived of the opportunity of getting a college education. The average student who graduates from university will find it hard to make repayments for their student loan. Unless you win the lottery or have rich parents you won't be able to celebrate your financial freedom just yet. But there is a way out for students with high repayments. A standard federal student loan is easily spent during the course of your studies and you may find yourself with more than just one federal student loan. As a young student you don't want to be under pressure to make your federal student loan repayments while studying. In order to help students still studying and students who have recently graduated, financial lenders have developed programs to lower your interest rates from as high as 5.5% to as low as 1.75%. Typically federal consolidation student loans can save gradates around 50% in payments every month which is around $160. However if you have more than one loan then your payments will be slightly high but you'll still get the massive savings offered by a federal consolidation student loan. The period that you can consolidate your federal student loan can be anywhere from nine years to twenty years. Most lenders will not require a credit or income check because these loans are designed for students. And like myself a couple of years ago, I was flat broke working at as a delivery boy. Why Apply For A Federal Consolidation Student Loan? Suppose you don't come from a well off family and you don't have a high paying job, and you want to go to college. A few years ago before consolidation loans most people would go to college and work part time so they can pay off their loans or maybe even quit college because the payments are too high or they can't get enough time to study. Federal consolidation loans are here to support students in need of an education. So if you're in this position then check them out as soon as you can. How Does

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A Federal Consolidation Student Loan Work? If you currently have a loan with two lenders for the total of $15,000 at 5% interest and you want to consolidate your student loan you can apply from a few lenders. How it works is ingenious. The lender who is consolidating your federal student loan will pay off the two lenders that you're already making repayments to. Then you'll get a new loan with the new lender and you make all repayments to them with a much lower interest rate of around 1% - 2% for the next few years. Now that you know how federal consolidation student loans work you should start looking for a new lender and consolidate your loan today. Good luck with all your studies and I hope you enjoy the rest of your studies. First, it is rare when people manage to land a job the day after graduation. It may take several months, which doesn't give you a lot of time to prepare to save up to begin paying that extra bill. Next, there's the rising cost of living. Unless you plan on living at home, you'll have to get a place of your own. Most graduates are involved in a serious relationship and are considering getting married and starting a new life. This means paying for utilities, cable, Internet…you get the picture. Most entry-level opportunities don't pay the big bucks, even if you're going into a prestigious profession such as nursing or some other medical profession. That comes with experience. So you may find it tough to compensate for all these extra expenses [9].

Top of Form Bottom of Form: Sometimes it can become very difficult to repay your student debt. If you are undergoing this kind of problem you may find the following information extremely useful. There are many solutions for repaying student debt whether you have borrowed money from the government or from private lenders.

There are many reasons why you can suddenly find yourself in financial difficulties and unable to repay your student debt. You can even foresee these difficulties before the loan payment is due and it is smart to avoid problems by facing the situation with enough time ahead. That way you will be able to reschedule the payments or find another solution.

There are many reasons why you can suddenly find yourself in financial difficulties and unable to repay your student debt. You can even foresee these difficulties before the loan payment is due and it is smart to avoid problems by facing the situation with enough time ahead. That way you will be able to reschedule the payments or find another solution. And even if you are lucky enough to get a job, chances are you will get only a part time job or an underpaid one. If you cannot get a full time job, take one or multiple part-time jobs, you can also work as freelance. The idea is to generate some sort of income; in fact your income should be as steady as possible. This is why it is important to work at least part time during college, getting into the market can be a bit difficult but if you were already working when you graduate, you will have half of the problem solved and you'd have plenty of experience and more chances of getting another job [10].

Possible Solutions: However, you have difficulties repaying your debt and you need a solution, you cannot go back in time and change your decisions so you need to think ahead Cut on your expenses till you solve this problem. There are some fields that can be especially useful to concentrate your efforts on them: Accommodation (You can share an apartment, move to a cheaper flat or a cheaper neighborhood, etc.). Transportation is another area where you can save money (with the current prices of gas, it is best if you can use public transportation). You can even sell your car if you have one and you will have some savings too. If you still cannot meet your monthly payments, you should try to ask your lender for another grace period, this time it may cost you money to postpone payment to a later day but it may be worth it. If the lender is willing to give you some time, your loan will be rescheduled and you can use the time you just gained to try to get a job and generate income so you can afford the payments. If all the above fails, then your only option will be to refinance your loan. A refinance student loan can stretch your repayment schedule so as to reduce your monthly payments to an affordable state. This will ease your situation and give a break to your income/spending ratio. Education loan has been a savior to students for a long time and it still

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is serving the same purpose. You too like each one of us may have heard your dad's struggle story. Stories like studying under street lights because they did not have funds and worked during the daytime. Pity that we or the generation of the 2000s won't be able to tell a similar story to their kids, as we never were and never will be deprived of education because of lack of funds, as we have the option of taking education loans to complete our education. In the below article, we will study the History of education loans and education loan interest rates over the years. Education loans were started to help financially deprived students gain higher education. The poor did not have money to manage expenses for their child's education. They also could not arrange collateral to pledge against their loan. That is when the government came up with the initiative of providing unsecured education loans. But the recovery rate in lower amount unsecured loans has been very low. The low recovery rate stats forced banks to rethink their strategy. Since 2015 banks have been very careful about providing unsecured education loans. From March 2015 to March 2019, the number of students who secured education loans fell from 3.34 lakh to 2.5 lakh. Though the amount increased significantly. The amount increased by 34% from 16,800 crores to 22,550 crores. This shows that the banks are the least interested to fund low amounts of loans, particularly unsecured as the recovery rate is very low. The lower amount of loans is mostly requested by people who are planning on going to average colleges. Averages don't always guarantee quality education and placement after that. So the students have very low chances of getting jobs. Hence the chances of loan repayment are very low in such cases. Keeping this in view, the banks have curbed providing lower amounts of loans, particularly unsecured lower amounts of loans. The trend of education loans has been of providing education loans to students going to good universities if they don't have collateral to pledge. Good Universities charge high fees for which the student needs to arrange from banks. That is the reason we see a spike in the education loan amount while there is a decrease in students getting loans. There is a great range of schemes provided by the government for students to help with their education loans. But these are implemented through public banks and we all have heard about the effectiveness of public banks. There are problems with private banks too, like disbursement issues and wrong information on interest rates. These issues seemed minor but were impacting the education loan market heavily. Then WeMakeScholars, an organization that is funded by the Ministry of IT, the Government of India stepped in to resolve these issues. WeMakeScholars provide students with the best lenders to process their education loans. They guide students through the process of education loans and also provide negotiation support on behalf of the students. They have expertise in this domain as they are in it since 2015 and so can process even the most difficult cases. Education loans were started to help financially deprived students gain higher education. The poor did not have money to manage expenses for their child's education. They also could not arrange collateral to pledge against their loan. That is when the government came up with the initiative of providing unsecured education loans. But the recovery rate in lower amount unsecured loans has been very low. The low recovery rate stats forced banks to rethink their strategy. Since 2015 banks have been very careful about providing unsecured education loans. From March 2015 to March 2019, the number of students who secured education loans fell from 3.34 lakh to 2.5 lakh. Though the amount increased significantly. The amount increased by 34% from 16,800 crores to 22,550 crores. This shows that the banks are the least interested to fund low amounts of loans, particularly unsecured as the recovery rate is very low. The lower amount of loans is mostly requested by people who are planning on going to average colleges. Averages don't always guarantee quality education and placement after that. So the students have very low chances of getting jobs. Hence the chances of loan repayment are very low in such cases. Keeping this in view, the banks have curbed providing lower amounts of loans, particularly unsecured lower amounts of loans. The trend of education loans has been of

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Types of Student Loans: Within the world of student loans, you'll find two major categories: government loans and private loans. Here's a brief introduction to what that distinction means and what kinds of loans you'll find classified under each heading.

Federal Student Loans:

Qualified students can borrow student loan funds from the federal government, known as Direct Loans, through the Federal Student Aid program administered by the U.S. Department of Education. (These were formerly known as Stafford Loans, and some people may still use that name for them.) Student loans offered by the federal government come with certain benefits. Interest rates are

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typically fixed, meaning they'll stay the same over the life of the loan, giving you a better idea of what to expect. You'll also potentially have access to greater flexibility with regards to the repayment process. The flip side of these benefits is that if you fail to pay back your student loans as instructed, the consequences can be especially severe. They could include having your wages garnished or your tax refund withheld if your loan payments aren't made. There are two kinds of federal student loans: subsidized and unsubsidized. They differ in how they treat the interest on your loan. If you take out a subsidized loan, the Department of Education will pay off the interest that accumulates on your loan while you're still in school, meaning that that interest won't add to your overall cost. If you take out an unsubsidized loan, you won't receive this benefit, so your interest will accumulate while you're in school and add to your overall debt. Your federal loan eligibility is dependent upon a few different factors. One is your cost of attending college, as calculated by your school. Another is financial need (as determined by the FAFSA), which is required in order for you to access subsidized loans. There are also yearly and overall limits to how much you can borrow. In addition to federal government loans, some state governments offer their own loan programs. For example, the Massachusetts Educational Financing Authority, or MEFA, is a state authority which offers student loan opportunities to undergraduates who either are legal residents of Massachusetts or are attending college in Massachusetts. Each state with a student loan program has different requirements and a different application process for that program, so you'll need to do some additional research to find out what your state might offer. These state loan programs may offer some of the benefits of federal loans, but not necessarily all of them.

Private Student Loans:

Private student loans are borrowed from a privately owned source, such as a bank, credit union, or private college. These loans all have their own application procedures and requirements, so it's difficult to make broad statements about them as a category. What we can say is that private loans aren't subject to the same regulations as federal loans, so they're often less borrower-friendly. They aren't subsidized, and they generally offer less flexibility in the repayment process. They're also more likely to come with variable interest rates, meaning that your interest rate may change at some later point in the life of the loan and may result in you owing more than you anticipated. Another thing to keep in mind is that unlike Federal Direct loans, private student loans take your credit history into account. Since most high school students haven't had the chance yet to build up their credit, this may mean that you'll need a co-signer, such as a parent or other relative, in order to have your loan application accepted. That co- signer will bear some legal responsibility for repaying the loan if you fail to do so, and it can be challenging to find someone in your life who's willing to take on this role. While federal loans are often a better option for college students, they come with limits and eligibility restrictions, and may not be enough to meet your needs. Private student loans can fill in the gaps and offer more flexibility as you figure out how you and your family will finance your education.

Parent Loans for College Expenses:

When you research student loans, you may also find information about parent loans that are available for educational expenses. These loans are different from student loans in that they're taken out in your parent's name, not in your own name. Therefore, you're not the one who's legally responsible for paying them back we won't cover these sorts of loans in detail here, but parent loans may be an option for helping your family to finance your education. Just as with student loans, you'll need to do careful research and discuss the matter with your family. You'll also need to remember that asking your parent(s) to go into debt to pay for your education is a big deal, and you'll need to take it just as seriously as if you were the borrower yourself.

Conclusion

Repayment will help other students

- In my opinion loan must be repaid for other students to enroll for their education

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- Other students also require this loan and repayment will help others. If we failed to do so, others will be deprived with this facility.
- Besides, we also obtained various governments' assistance. It is our responsibility that repayment are made promptly in order to help other students as well.
- Government can use our loan repayment to help other students… although the amount may just be small.
- If I do something good in return better things will come to me. My future generation will suffer if I do not make good my repayment.

Repayment is my obligation

- Personally, the obligation if on us for the, loan to be repaid accordingly.
- It is my obligation that loan must be repaid and I will have problems later on if I failed to do so.
- Since I borrowed the loan it is my obligation to make repayment.
- Although I intend to postpone the repayment it is my obligation that I will repay later on.
- I have to make repayment because I took this loan.

I must put an effort to make repayments

- No matter how difficult for me in making repayments, I still have to make good my obligations whether I like it or not.
- It depends on the individual whether to pay or not. Although my parents afford to pay on my behalf and since I was the borrower, I will make the necessary repayment to avo any complication in the future. Although I will earn a small salary, I will be able to repay if I manage my finances well. Importantly I must have self-awareness.

NHEFC can trace me to collect the loan

- It is my obligation that I repay the loan that I borrowed because twenty thousand comes from the government and this amount is not small. Furthermore NHEFC will issue me reminders if I default my loan. This will create problems for me in the future.

There are legal penalties for non-repayment

- Legal action will be taken against me if I default my loan. Although loan given out by banks are stricter than loan given out to students, we should not take lightly the obligation to repay

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