

Borrowing Mistakes to Avoid

DURING COLLEGE

1. Constantly changing your major. It is important to consider your career opportunities *before* graduation.
2. Over-borrowing based on your chosen major's expected earnings.
3. Accepting all the loan money you're awarded. Making lifestyle changes to save money *now* could reduce the amount of debt you'll face later.
4. Not keeping track of all your borrowing. Figure out how much you owe as you go and learning what your monthly payments will be before entering repayment. Knowing what's ahead may help you decide to trim your budget now.
5. Not making payments while in school or paying interest *now* to save money later.
6. Not reading the fine print about your loans, including information about fees, interest rates, grace periods, etc.

GRADUATED AND REPAYMENT

1. Missing out on important communication and assistance you may need because you haven't updated your contact information with your servicer or lender.
2. Extending your repayment period unnecessarily, using forbearance when it's not absolutely needed or avoiding repayment altogether by just letting your loans become delinquent and/or default.
3. Failing to take advantage of tax benefits you're entitled to because of your student loans when filing your taxes.
4. Not being a savvy consumer. Take time to learn about new repayment options for federal or private loans that may be your best solution. Consider refinancing your private loans and avoid consolidating federal and private loans together.
5. Considering all debt equally. You may want to use deferment, forbearance or extended repayment for your federal loans so that you can pay down higher interest rate loans more quickly.

Source: Great Lakes News

Helpful Websites:

- [Arkansas Student Loan Authority Repayment Assistance](#)
- [Federal Student Aid Student Loans Repayment Plans](#)
- [Federal Student Aid Repayment Estimator](#)