

DEFEATING STUDENT DEBT

You did it — you graduated college with a degree, big plans and ... student loans. You're not alone — according to Education Data Initiative, there are currently over 44 million borrowers in the U.S. alone who collectively owe \$1.7 trillion in student loan debt. The U.S. Department of Education holds roughly 92% of student loan debt, so let's look at federal repayment plan options below:

REPAYMENT OPTIONS

According to the Federal Student Aid office, there are three different repayment plans available. You can change the plan you're on at any time for free.

- **Standard Plan** Payments are a fixed amount, ensuring your loans are paid off within 10 years. All borrowers with government loans are eligible, and you'll usually pay less in the long run than with other plans.
- **Graduated Repayment Plan** Payments start out lower and then increase, typically every two years, and ensure your loans are paid off within 10 years. This is a good option if you're just starting off in a career with expected growth. With this plan, you will pay more interest over time than with the Standard Plan.
- **Extended Repayment Plan** Payments can be fixed or graduated, and ensure that your loans are paid off within 25 years. Your monthly payments will be lower, but you'll end up paying more overall with the added interest.

To learn more about these plans, [click HERE](#). Other repayment options include the Pay as You Earn **Repayment Plan**, the **Income-Based Repayment Plan**, the **Income-Contingent Repayment Plan** and the **Income-Sensitive Repayment Plan**. Eligibility for these plans varies based on amount of loans, income and more. [Click HERE](#) to learn more about these options. Another payment option if you have multiple federal education loans is a **Direct Consolidation Loan**. This allows you to combine your loans into a single loan at no cost to you, resulting in a single monthly payment rather than multiple.



CAN'T AFFORD PAYMENTS?

The Student Loan Payment Pause has been extended until at least June 30, 2023. [Click HERE](#) to see if you can pause payments and forgo interest during this time. And watch for updates on the student loan forgiveness plan, which, if upheld by the U.S. Supreme Court, could forgive up to \$20,000 in student debt per borrower.

COMPANY-PAID REPAYMENT PROGRAMS

Because so many young employees have student debt, some companies offer a student loan repayment benefit, thanks in part to the 2020 Consolidated Appropriations Act. Through 2025, employers can offer up to \$5,250 in student loan repayment benefits tax free. Check with your HR Department to see if your company offers this program.

If your loans feel overwhelming, remember that you have options. Check out debt.org for more information.

CAN'T AFFORD YOUR PAYMENTS?



If you can't get a job, have extreme economic hardship, have cancer, or get laid off, you might meet the requirements for loan deferment.

Deferment allows you to temporarily stop making payments or reduce payment amounts for a specified period.



And you may not be responsible for interest during this time!

