

Navigating Student Loans

Strategies for Repayment and Relief

For many young professionals, and recent graduates, managing monthly expenses can be challenging. Rent, car payments, groceries, and other everyday costs can quickly stack up. Add a student loan payment to the mix, and it may feel difficult to keep everything within your budget.

Student loan repayment does not have to feel overwhelming. Understanding your loans, reviewing your payment options, and creating a strategy that fits your financial situation can make managing your debt more straightforward.

Whether you are beginning repayment, returning to payments after a deferment, or helping a child manage Parent PLUS loans, understanding your options can help you make informed financial decisions. Below are several strategies to consider, along with potential relief options that may be available if your financial circumstances change.

Types of Student Loans

Knowing the type of student loan you have is an important first step since federal and private loans can have different terms, protections, and repayment options.

Federal Student Loans

Federal student loans are issued or backed by the U.S. Department of Education and generally offer borrowers a wider range of repayment and assistance options. Depending on your circumstances and the specific loan you have, you may qualify for options such as income-driven repayment plans, deferment, forbearance, or certain federal student loan forgiveness programs.

Private Student Loans

Private student loans are provided by banks, credit unions, and other private lenders. Since each lender establishes their own terms, interest rates, repayment schedules, and assistance programs, available options can vary.

Your loan servicer is the company responsible for managing your loan, including processing payments



and providing account information. Federal student loan borrowers can review their loan details and servicer information by signing in to [StudentAid.gov](https://studentaid.gov). Private loan borrowers can typically find their servicer information on their loan statements or through their lender's online account.

Understanding Your Repayment Options

Student loan repayment options can depend on several factors, including whether the loan is federal or private and when the loan was first disbursed.

For federal student loans issued before July 1, 2026, borrowers may have access to repayment options such as:

- **Standard Repayment:** Provides consistent monthly payments over a set repayment period, typically around 10 years. Certain consolidation loans may have longer repayment terms.
- **Graduated Repayment:** Begins with lower monthly payments that increase at intervals over the repayment period.

- **Extended Repayment:** Allows eligible borrowers to extend the repayment period, which can reduce monthly payment but may result in more interest being paid over the life of the loan.
- **Income-Driven Repayment:** Monthly payments, depending on the specific plan and eligibility requirements, are calculated using factors such as the borrower's income and family size.

For federal student loans first issued on or after July 1, 2026, repayment options include:

- **Tiered Standard Plan:** A fixed-payment repayment option in which the payment amount is determined based on the borrower's outstanding loan balance.
- **Repayment Assistance Plan (RAP):** A new income-based repayment option that bases payments on the borrower's financial circumstances.

Student loan regulations and repayment programs can change, so it is important to confirm which options currently apply to your specific loans. Your loan servicer can provide information about available plans, eligibility requirements, and how changing repayment plans could affect your monthly payment and total interest paid over the life of the loan.

Small Habits Make a Big Difference

A few simple practices can help make your student loan repayment easier to manage:

1. Include your loan payment in your monthly budget.
2. Consider enrolling in automatic payments. Some loan programs or servicers offer an interest-rate reduction for borrowers who enroll.
3. Keep track of payment dates so you never miss a payment.
4. Consider making additional payments when you get a raise, bonus, or tax refund.

Potential Options for Payment Relief

Unexpected financial challenges can make it difficult to keep up with regular loan payments.

A job change, temporary reduction in income, or a significant unplanned expense may affect your ability to make a scheduled payment. Depending on the type of loan you may have certain relief options available.

Deferment or Forbearance

These options can provide temporary financial relief, but they may have different eligibility requirements and consequences. Interest may continue to accrue during some periods of deferment or forbearance, which can increase the total balance of your loan.

Loan Forgiveness

Some federal student loan programs may allow eligible borrowers to have a portion or all of their remaining loan balance forgiven after meeting specific requirements. Borrowers can review current requirements through an official government resource or their loan servicer.

Employer Student Loan Repayment Assistance

Student loan repayment assistance has also become an employee benefit offered by some employers. An employer may contribute toward an employee's qualifying student loan payment. If you are starting a new position or evaluating your employee benefits, check whether student loan assistance is included. Contributions, even if modest, will help reduce your loan balance while allowing you to work towards other financial priorities such as an emergency savings fund or saving for a large purchase.

Be Aware of Student Loan Repayment Scams

Borrowers seeking help with their student loan payments may be targeted by companies or individuals promising quick or guaranteed debt relief.

Be cautious of anyone who promises immediate loan forgiveness, claims they have special access to repayment programs, pressures you into making an immediate decision, or asks for sensitive or personal information.

When in doubt, contact your loan servicer directly using the contact information listed on your official account or statement.