

Your Credit and Student Loans

Student loans are more affordable than ever says the Department of Education. In 1987 an undergraduate student who graduated with \$8,000 in student loan debt and an interest rate of 9% could expect to pay about \$4,200 in interest costs. Student loans are a great tool to ensure more students have access to higher education and are able to fulfill their dreams, however, student loans are serious business and bring with them a responsibility to fulfill the obligations of the loans. Student loans are borrowed money that must be repaid, with interest. When used properly, student loans can be a good resource to assist with college costs.

Student loans are a good investment in your education; however, students should be good consumers when it comes to borrowing by limiting your spending to necessary school related expenses. Student loans are unsecured because Lenders are betting that students will get jobs when they graduate and pay them off. Most loans are expected to be repaid from your income after graduation therefore loans should be viewed as an investment in your education that makes future income possible.

Student loans are considered financial aid because of the special interest rates for which you qualify. Most student loans are subsidized by the federal government' and repayment does not begin until after graduation student loans therefore are generally incurred in good faith; indeed, they are encouraged as wise investments

Student loans are one of the most popular methods used to help pay for college, but sorting out the different types and how they are different can be confusing. Some types of student loans include Stafford loans, Perkins loans, and Plus loans. Student loans are offered to the students to help them financially for their higher or professional studies. They usually carry a low interest rate.

Interest rates and fees on federal student loans will not increase. A far smaller group of students rely on private student loans or other forms of consumer financing like home equity loans. Interest charges and repayment begins nine months after the student graduates, withdraws or drops below half-time status. Repayment can be extended for as long as ten years.

College graduates make over \$1,000,000 more on average over their lifetimes than those who stop school after high school. Today, roughly two-thirds of graduates from public universities leave with student loan debts averaging \$15,500 per student. College is the greatest time of your life, or so you will be told countless times, as you get ready to enter a new phase of your life. Whether it is as a student fresh out of high school, as a full time worker returning to college for night classes, or a parent of a student, there is no other place quite like college.

About the Author

Bennie Perry Is Real Estate Broker and credit Counseling Specialist with over 9 years of experience and Hundreds of clients helped. Visit more of his works at http://www.associatedcontent.com/user/265375/bennie_perry.html Also visit COMPOSEDARTICLES to read more about [student loan](#)

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