

Repay your loans video transcript

Title: **Repay your loans**

Duration: 2:21

Narration: If you have taken out a Federal student loan, there will come a time when you have repay what you have borrowed. That time comes after you graduate, leave school, or drop below half time enrolment, but don't worry in most cases you won't have to begin making repayments right away. For instance you won't have to start repaying your Direct Subsidized loan or Direct Unsubsidized loan for six months and your Federal Perkins loan begins repayment after nine months. If you have a Plus loan, your loan enters repayment after your final disbursement, but you may be able to postpone your payments.

Before your loan enters repayment, you will be contacted by a Loan Servicer. A Loan Servicer is an organization that manages loans and collects payments on behalf of the lender. For loans you receive from the US Department of Education, you will submit your payments to your loan servicer. If you have a Perkins loan from your school, you will make payments to your school or your school's loan servicer. Your loan servicer can help you select the repayment plan that works best for you.

There are different types of plans so you can choose based on the type of loan you received and how much you borrowed. For example, you may select a fixed monthly payment, but some people opt for a graduated repayment plan where payments start low and increase every two years. If you think you will need a longer amount of time to pay back the loan, you may be eligible for an extended repayment plan. There are also options that base your loan payments on your income in order to help you better manage your debt.

If you ever find yourself having difficulty making payments, contact your loan servicer immediately to discuss the options available to you. If you need to look up the contact information of your loan servicer, we have a great resource available; the National Student Loan Data System can provide your loan servicer's name and contact information, as well as other details about your loan. Visit www.nslds.ed.gov.

If you're interested in estimating your monthly loan payments or if you would like more information, please visit studentaid.gov.