

# 12 Tips to Pave the Way for a Graceful Exit

1. **Get organized** by capturing and keeping track of key loan information, such as your lender or loan servicer, balance, repayment status, interest rate, loan type, and grace period.
2. **Establish an online relationship with your loan servicer(s)** as soon as possible so you can access repayment assistance, learn about options, and easily complete many tasks, such as requesting a deferment or forbearance, making a payment, or changing repayment plans, at any time.
3. **Keep all of your lenders and servicers informed** of where you are and how to contact you. You're responsible even if you don't get (or open) communications from them. Avoiding servicers because you're having trouble making payments only makes it worse, so just engage with these people; they're there to help you resolve problems.
4. **Take time to learn about all of the repayment options** available to you—including income-driven repayment plans—and choose a repayment option that works for you. Otherwise, you'll be set up with standard repayment, which may not suit your financial situation.
5. **If you leave without completing your program**, you're at particular risk for unemployment or underemployment, so make sure you learn about deferment and income-driven repayment options that may help you out of a financial snag. Depending on how you left school, you may have missed out on important exit counseling where you would have learned about your loan options and how to get the help you need.
6. **Stay calm**, even if things seem bleak. You can use deferment or forbearance if needed, but before you do that, consider making interest-only payments, since interest may likely be accruing, depending on your situation.
7. **Lower your principal**, and you'll pay substantially less over time. Whenever you can, pay more than required. To ensure that additional amounts are put toward principal, send a written request to your servicer, and follow up to be sure they are correctly applied to your principal balance.
8. **Pay off loans with the highest interest rate first.** If you have both private and federal loans, start with the private loans, which generally have a higher interest rate and less flexible repayment options.
9. **Before consolidating** your loans into one single monthly payment and interest rate, make sure you consider what your interest rate would be. Also, never consolidate federal loans into private loans, since you lose benefits that come with them.
10. **Make paying off your student loans a top priority**, especially if you leave school early. Even though your interest rates may be relatively low, you'll want to pay them off as soon as possible to avoid paying more in the long run—and to position yourself for a favorable return to school later on, should you choose that.
11. **Continue part-time enrollment** to keep payments at bay—and to make progress toward getting your degree. Without program completion, a partial education is especially costly.
12. **Make changes to your repayment plan** when your situation changes—and continue to supply your servicer with annual income information that keeps you enrolled in income-based repayment plans. If you fail to provide this, your payments can drastically change and put you in a bind until you are re-enrolled in a plan you can afford.