

Consolidation Of Government Student Loans

Growing trends indicate that being educated is the only way to get ahead in the world today. More demand for education as well as economic strains have led educational institutes to increase tuition. If you want to stay ahead of the game, you must have a way to pay for increasing costs. For those struggling with this, there consolidation of government student loans consolidation can help you out.

You might not be aware that the united States Government offers an Education's Direct Loan Program or the FFEL. Both of these programs were started to help students and parents cope with the growing costs. This type of loan consolidation takes all your governmentally funded loans, and combines them all into one. You must be enrolled in school full time to qualify for either of these programs.

The FFEL program can help you reduce all your loans into one payment. The good thing about this is that these consolidation loans have a fixed interest rate that will never exceed 8.25%, so you always know how much your payments will be. The interests rates are generated by finding the weighted average of the current interest rates on the loans that are being consolidated.

The different educational loans include Federal Perkins Loans, SLS, Federal Nursing Loans, Health Education Assistance Loans and, subsidized and unsubsidized Direct and FFEL Stafford Loans. All of these are eligible for consolidation. PLUS Loan borrowers like parent and graduate/professional degree students are eligible for consolidation as well.

After graduation you are eligible for consolidation if you have a FFEL and Direct Stafford Loan. You can also consolidate if your enrollment drops to half-time. However, in order to consolidate PLUS loans they must have been fully paid out. In order to be considered for a William D. Ford Direct Consolidation Loan, you must have a Direct Stafford subsidized or unsubsidized loan or, have at least one Federal Family Education Loan (FFEL) program Stafford subsidized or unsubsidized loan.

Within 60 days of total disbursement of the loan, you must begin repayment. Depending on the amount being repaid and the type of repayment option you select, you could finish repaying he loan in 10 to 30 years. Repayment time includes any loans you have that aren't consolidated.

As a borrower, you should not have to pay any application fees or prepayment penalties. And under FFEL loans, credit checks are not required. Remember that loans are serious business. If you take one out, you can't undo it.

If you want the most of your education, you can use these programs. It is good to know what kinds of programs are in place to help you keep up with your educational finances.

About the Author

Whether you're interested in [government student loans](#), or you wish to look for various [student loan consolidation services](#), StudentLoans-101 has got you covered!

Source: <http://www.diyresource.com>