

Title:

5 Benefits of Student loan consolidation

Word Count:

425

Summary:

Are you sick of paying interest on your monthly student loans with no end in sight? Afraid of cash-flow problems that may prevent you from paying your student loans on time? I know I was and there is a solution to this problem. It is called student loan consolidation.

Keywords:

student loans, student loan consolidation, federal student loans, consolidate student loan, college student loan

Article Body:

Are you sick of paying interest on your monthly student loans with no end in sight? Afraid of cash-flow problems that may prevent you from paying your student loans on time? I know I was and there is a solution to this problem. It is called student loan consolidation.

What is Student Loan Consolidation?

Student loan consolidation simply means consolidating all your student loans into a single loan with a monthly payment plan. Effectively, all your previous student loans are written off and a new student loan is created which you have to pay off monthly.

Benefits of Student Loan Consolidation

Here are some of the benefits of student loan consolidation

1. Lower monthly payments

By consolidating all your student loans into one loan, you only need to pay off one loan monthly instead of several student loans monthly. Thus, your monthly payment is lower

2. Pay only one loan monthly instead of several student loans monthly

It is a lot easier if you have to manage only one student loan instead of

several student loans with different payment deadlines. Also, sometimes with many student loans, you may ended up forgetting to pay one student loan.

3. Low, fixed interest rate

By consolidating your student loans, you will be able to take advantages of low, fixed interest rates. Currently, by law, student loan consolidation rates cannot exceed 8.25%. Furthermore, national interest rates are at a 40-year low therefore this is a good time to get one.

4. No credit card check or processing fees

No credit card check is required during the application of a student loan consolidation. The payment plans and terms are usually quite flexible in that they can customize it according to your financial standing.

5. Make monthly student loan payment electronically

While it is not necessary to make payment electronically, most lenders will knock 0.25% off your student loan rates if you make payment electronically. Also, using direct debit from your bank account will prevent you from forgetting to make a payment.

Sometimes it can get quite confusing as to the qualification of applying for a student loan consolidation. The official stand from the government is that students who are still in their grace period or who are still studying in school may qualify for government student loan consolidation

The government student loan consolidation nowadays are quite competitive compared to private sector, therefore I would recommend going for a government student loan consolidation. With so many benefits of getting a student loan consolidation, it is quite obvious to save money in the long run is to get one.