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Repaying student loans is an important financial obligation. But doing so can take many years of dedication and sacrifice.

First, understand your repayment terms, specifically the current term of your loan and the interest rate. Can you get a lower interest rate if the loan amount is automatically debited from your checking account each month?

If you find yourself in financial difficulty and have federal student loans, the federal government offers several income-driven repayment programs (IBR) to certain borrowers that tie your monthly loan payments to the amount of your discretionary income and family size, with all debt being forgiven after a certain number of on-time payments. Research more to see if you qualify. As an alternative, you might consider an extended repayment plan or a graduated repayment plan. With an extended repayment plan, the loan term is extended more than ten years which will lower your monthly payment, but you'll pay more interest over the life of the loan. With a graduated repayment plan, your monthly payments will start off lower, but then they will increase over time as your income hopefully increases and you are better able to afford the higher payments.

If these choices aren't available to you, you must find a way to budget for your student loan payments. Review your household income and expenses. Can you reduce your spending on entertainment, luxuries, and discretionary items and use these saved funds to pay your student loans? You are always permitted to prepay the principal of student loans, partially or in full, without penalty.

If you have several loans, would consolidating your loans make the payment schedule easier? Check with your current lender to see what options you might have.

Are you in a position to take on a second, part-time job? The income from this job could be used to reduce your student loan indebtedness. Can you devote a tax refund, gift money, or inheritance to principal prepayment? Even infrequent payments of this sort will ultimately reduce your loan balance and save you both time (repaying the debt) and money (the interest on the debt).

And finally, consider your job. You may be surprised to discover that some or all of your indebtedness can be forgiven if you are employed in certain public-service sectors, teach in teacher-shortage areas, or go into the Peace Corps.

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