

## What is Student Loan Consolidation?

Nearly half of all college graduates have reported taking out some sort of debt in order to help finance their education. Since most graduates do take out debt to pay for their college, many are choosing to use student loan consolidation to help relieve their financial burden after graduation. The following paragraphs will take a closer look at what this is, as well as discuss the interest rates associated with the issue.

It is the act of combining more than one student loan into one loan, then repaying all of the initial debt with just one monthly payment. Commonly with this, the monthly payment will be lower than the payments of the combined unconsolidated loans, as well as the rates of interest. You can also choose time limits up to 30 years to repay the new debt. While this is all beneficial thus far, there is one clear disadvantage associated with it.

It is a true fact that you get a longer time period for repayment when you consolidate your debt, and most commonly a lower monthly payment, but that means you will be paying back far more interest than you would have paid with your original agreements. In other words, you will get more time to pay back your debt, with a lower interest rate, but you will be required to pay this interest for the entire duration of your student loan consolidation agreement.

Currently, the common rates are fixed for the life of the loan, which is another advantage. Most private student loan rates are variable, and can change at any time during the contract. Having a fixed rate means you will have the same interest rate throughout the duration of your agreement; it will never change.

So, while you will likely have to pay back more interest when you consolidate, there are many advantages that can outweigh that disadvantage. If you are considering this, first do your research to ensure you get the best result suited for your individual needs.

If you need more information on the subject, you can use the Internet. By utilizing your favorite search engine, you can generate a list of links that can help you to determine if student loan consolidation can help you. Just enter "student loan consolidation" into the search engine to generate the list. It has helped many people after graduation to help manage the debt they incurred through their education.

If you are still trying to decide whether or not consolidation is right for you, you may need to do some research, and learn all the facts before you can make an informed decision. Not knowing all the facts could lead you into making the wrong decision, as well as cause you to get a higher interest rate.

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

### About the Author

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