

# Keeping Educational Debt Manageable

## Prepare to be a Student

- Pay down any outstanding consumer debt before enrolling in graduate or law school. Federal education loans cannot be increased to pay for consumer debt.
- Save as much money as possible for unexpected expenses.
- Review your credit and take steps to maintain a good credit history.

## Limit Your Borrowing

The estimated Cost of Attendance for each year includes estimated tuition charges as well as modest allowances for living expenses, books & supplies, personal spending, and local transportation. Your financial aid award will include student loans to cover your full Cost of Attendance. However, you may not need to borrow the full amount offered. We advise: Borrow only what you need – Budget Wisely!

The following allowances are used to estimate the Cost of Attendance:

- |                                                       |                                   |
|-------------------------------------------------------|-----------------------------------|
| • <b>Living Expenses (rent, food &amp; utilities)</b> | <b>\$1400/month of enrollment</b> |
| • <b>Books &amp; School Supplies</b>                  | <b>\$525-\$800/semester</b>       |
| • <b>Personal Expenses</b>                            | <b>\$475/month of enrollment</b>  |
| • <b>Local Transportation</b>                         | <b>\$325/month of enrollment</b>  |

## Live Like a Student

While in law or graduate school, committing to *live like a student* will help you limit your spending and the amount you need to borrow. Consider the following to reduce expenses:

### Living Expenses

- Consider finding a roommate
- Look for housing that will cost less than what you *could* spend
- Learn to cook healthy, inexpensive meals & pack a lunch when you come to campus.

### Transportation Expenses

- Find housing along LC shuttle lines or TriMet bus lines, or within walking/biking distance of campus
- Even if you don't live right on a bus line, research Park & Ride lots or carpooling, so you can save on gas and on-campus parking.

### Personal Expenses

- Carefully consider the difference between your needs and your wants. Dining out, dry cleaning, recreation, entertainment, cable TV, lattes, haircuts, medications, etc. can really add up. You may find, in the long-run, that borrowing loans to cover some of these expenses just isn't worth it.
- Plan for the unexpected by not spending all of your budgeted money each month. Build up a small cushion for when those unexpected expenses come along.

## **Keep Good Records**

- Keep accurate records of your graduate school (and undergraduate) loans.
- Know how much you have borrowed, who you borrowed it from, and who the loan is serviced by.
- Create a folder for your any correspondence you receive from your lender/loan servicer.

## **Be Pro-Active in Managing Your Loan Repayment**

- Pay attention to the material covered in your on-line Loan Entrance and Loan Exit Counseling sessions. These counseling sessions detail your rights and responsibilities as a Federal student loan borrower as well as the repayment plans available to you.
- Remember: Unsubsidized Federal loans begin accruing interest from the time the loan is disbursed. If you are able to pay part or all of the interest as it accrues, rather than have it capitalize, you can save yourself money in the long-run. (Capitalized interest means upon entering repayment, outstanding interest is added to the principal balance of the loan. This increases your loan amount; and future interest is assessed on this higher amount).
- Your monthly payment depends on several factors, for example: loan type, the amount you borrowed, the interest rate, whether there is capitalized interest, your repayment plan, etc.
- Be in contact with your loan servicer. They can help answer questions about the material the send you, repayment options, what to do if you have difficulties making a payment, etc.
- Remember: Private loans are separate from Federal student loans. If you have private loans you will have separate payment(s), options, and lender/servicer contacts for the loan.

## **SALT**

Lewis & Clark has partnered with neutral, non-profit American Student Assistance (ASA) to bring our students and alumni a FREE loan management and financial literacy program called SALT. With SALT you can:

- Use interactive tools to get money savvy.
- Search for scholarships, internships, and jobs.
- Manage all your student loans in one place.
- Get advice from expert student loan counselors.
- Join now at [saltmoney.org/lclark](https://saltmoney.org/lclark). Make sure to register with your LC email address!

Office of Financial Aid: [fao@lclark.edu](mailto:fao@lclark.edu)  
(503) 768-7090