Student Loan Pro Tip: Making Interest-Only Payments While in School

[Angelic music]

Austin: Hey, guys. Can you believe our college career is done?

Daniel: Uh …

Austin [mocking tone]: And how awesome was that speech? So, you ready for your big move? … OK … Lauren, hear back about that job yet? … OK, seriously, what is with you two? Do I have something on my face?

[Record scratch]

Narrator:
Student loans can help pay for college, but most loans accrue interest while you're in school. And that interest can add up fast and weigh you down with additional debt. By the time you graduate, you could be carrying around hundreds or even thousands of extra dollars in student loan debt.

But if you earn or save some money while you're still in school, you can get ahead on your student loans by paying down the interest as it accrues, reducing your load and the total amount you carry with you to graduation.

Smart spending decisions, like budgeting to cut out unnecessary expenses or working at a job or internship while in school, can help you get the extra cash to make those payments. You'll pay less in interest overall and set yourself up for lighter student loan debt once you're out making your living.

For more information, visit iowastudentloan.org and check out the College Planning tools section.