

Student Loans and College loans

Having a mere graduation degree is no longer considered enough to get you that dream job. Experts say that organizations often prefer to hire the services of a person having atleast one postgraduate degree too. Add to the fact that education these days is only getting more expensive. In spite of parents keeping aside money to meet college expenses, very often they are not enough to pay the fees. In such situations, a student loan comes to the rescue.

A student loan is given to students to help them pay their tuition fees, lab fees, cost of living expenses and maintenance loans. Such loans are granted by the government, private lenders and especially banking institutions. They can be applied for by a student who is 18 years of age, and usually need to be repaid within a ten year frame. Student loans generally come at a lower interest rate, as the lenders are well aware that the borrower does not have any securities or assets in his name. However it is still important to be careful before signing anything. Most loans however require that the repayment begin only after the particular course is over, and the student has found a job. If a college offers the chance to win a scholarship, it is in the student's best interests to try for the same, as in a scholarship the student would not have to pay the tuition fees at all.

Student loans generally fall into two brackets. The first is a 'Subsidized Student Loan', where the rate of interest is kept at a nominal and the subsidy provided is taken care of by the government. It means that the government actually pays for a good part of the interest, while the student has to pay only a small amount. There are some conditions that need to be fulfilled while applying for such a loan, on the part of the student. The second kind of loan is an 'Unsubsidized Student Loan', where the loan is given at a normal rate of interest. While the interest may not be a small amount, it still has the advantage of being repaid six months after graduation. Applying for any loan however, should be done as early as possible as it is mostly done on a first come first served basis. The Internet has helped speed up processes and cut down on paperwork. It is possible to apply online, in addition to having sites that help getting a loan easier. On the other hand, if you find that you have not been able to get the amount you wanted through a student loan, there are other options such as government loans that can be looked at. It is still best that you review the market for all your options as, some institutions may ask a student to sign a bond with them, which could indicate penalties if the entire sum plus interest is not repaid in the stipulated timeframe. On the other hand, sometimes 75 % of the loan applied for will be given at the start of a course, and the rest is income assessed.

Another option to repay the loan in small installments is to take up a part time job, while still at college. This would help ease the repayment process too, as you would not end up paying a huge lumpsum, after securing a proper job. Remember that the course you apply for, in addition to whether you are studying full time, part time or distance learning itself can play a huge part in deciding the amount you can get.

About the Author

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