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# The Ultimate Guide to **STUDENT LOAN REFINANCING**

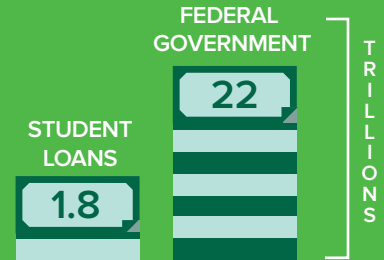
Student loan refinancing means you are taking out a brand new student loan to pay off your current loans. You still owe the same amount of money you initially borrowed, but you now just have one loan to pay with a new interest rate and different repayment plan. Refinancing simplifies your finances and can save you money by reducing your total interest.



## The Statistics are Startling

There is **\$1.56 trillion** in outstanding student loan debt in the US. To put that in perspective, the average amount national debt, all the money owed by the federal government, is **\$18.2 trillion**.

<https://studentloanhero.com/student-loan-debt-statistics/>



have student loan debt.

<https://www.cnbc.com/2018/08/23/student-debt-makes-homeownership-a-challenge.html>

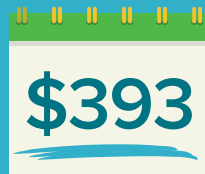
**\$37,172**

average amount of student loan debt



<https://www.cnbc.com/2018/02/15/heres-how-much-the-average-student-loan-borrower-owes-when-they-graduate.html>

The average **monthly** student loan payment



<https://www.comeffi.com/student-loan-debt-statistics>



**AGE 36**

The class of 2018 can expect to purchase their first home with a 20% downpayment by age 36

<https://www.nerdwallet.com/blog/loans/student-loans/student-loan-debt/>

**21%**



of employed adults ages 25-39 with at least a bachelor's degree and student loan debt work more than one job to make ends meet

<http://www.pewresearch.org/fact-tank/2017/08/24/5-facts-about-student-loans/>

**25%** of adults with student loans

don't know what interest rate they are being charged.



LendKey's 2019 Student Loan Survey

In 2017-2018, nearly **800,000** Americans filed for bankruptcy.



Student loan debt cannot be discharged in a bankruptcy.

<https://www.uscourts.gov/news/2018/07/24/june-2018-bankruptcy-filings-fall-26-percent>

**AGE 72**

It's projected that the class of 2018 will not be able to retire until age 72 due in large part to student loan debt.



<https://www.nerdwallet.com/blog/loans/student-loans/student-loan-debt/>

## The Solution

The statistics are startling, but there is a way out from under crushing student loan debt, student loan refinancing.



## Student Loan Refinancing Frequently Asked Questions

Deciding to refinance is a big decision. These are the questions we receive most often from our borrowers.

### What is student loan refinancing?

When you refinance your student loan, you borrow money from a lender to pay off your current loans. The amount of money you owe doesn't change, but you save money by getting a lower interest rate than you currently have. Even a 1% difference in interest rates can save hundreds, even thousands of dollars over the life of the loan.

You can also choose your repayment time frame. Choosing a longer repayment period can reduce your monthly payment choosing a shorter one will save you on interest.

You can use this [calculator](#) to see how much you can save by refinancing your loans through LendKey.

### What is the difference between student loan refinancing and student loan consolidation?

Refinancing student loans saves you money because you have a new, lower interest rate. Consolidating loans just means combining multiple loans into one.

### Why should I refinance?

If you want to save money, you should refinance your student loans. There are two ways to save by refinancing. Borrowers who refinance to a lower interest rate but for the same or a shorter time period may have a higher monthly payment but can save as much as \$10,000-\$30,000 over the life of the loan due to the lower interest rate.

For borrowers currently struggling to make their monthly payments, refinancing for a longer term, extending the life of the loan, can reduce those monthly payments considerably giving them some breathing room in their budgets. Look below for a testimonial from a happy customer who was able to reduce her monthly student loan payment by \$300 when she refinanced through LendKey!

### Can I refinance private and federal student loans together?

Yes! However, if you want to combine your federal and private student loans, you'll have to do it through a private lender like Lendkey since the Federal Direct Consolidation Loan program does not consolidate private loans into Federal loans.

When a borrower refinances Federal loans, they do lose access to some repayment programs like Income-Based Repayment and Pay As You Earn.

## LendKey Student Loan Refinancing FAQs

### What are the requirements to refinance through LendKey?

- A minimum loan balance of \$5,000 and a maximum of \$125,000 for undergraduate degrees, up to \$250,000 for graduate degrees, and up to \$300,000 for medical, dental, or veterinary degrees.
- You are earning a minimum of \$24,000 per year.
- Your monthly debt payments are no higher than 33% of your monthly income.
- Your credit score is at least 660 (Fair).
- You graduated from a school that participates in Title IV federal student aid programs.
- You are an American citizen or permanent resident. LendKey does not service borrowers in Maine, Nevada, North Dakota, Rhode Island or West Virginia.

### What is the difference between a fixed rate loan & a variable rate loan?

The interest rate on a fixed rate loan stays the same for the life of the loan. Variable rate loans can fluctuate during the life of the loan with changes in the LIBOR rate.

Which is better? If you like the certainty of knowing exactly how much money you will owe each month or are going to take several years to pay off your student loan, the fixed rate is the better choice.

If you can pay your student loan off quickly, a variable rate loan may appeal to you because of the lower rates of interest they offer.

### Does browsing my LendKey offers affect my credit score?

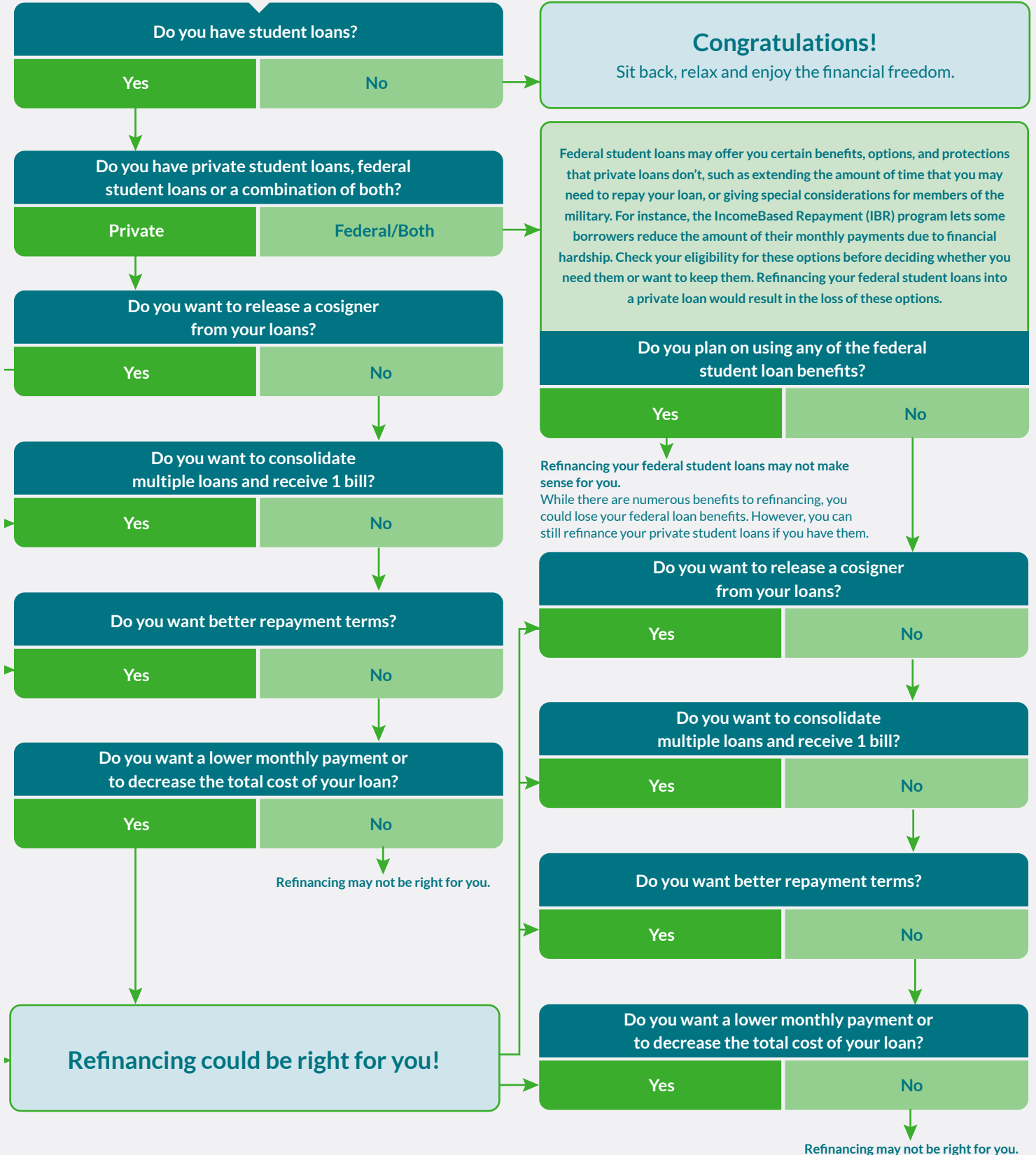
No, once you have provided LendKey some general information and current student loans, you will be able to see your preliminary loan offers. This does not affect your credit score at all.

### What if I lose my job or am having trouble making my monthly payments?

When you refinance federal student loans, you do give up some protections like income-based repayment. But LendKey offers borrowers some protections.

Should you lose your job, you can snooze your payments for up to six months at a time, up to three times over the life of the loan. This option to defer payments for 18 months, is the longest offered in the student loan refinancing industry.

# Is Refinancing Right for Me?



## Don't Take Our Word For It

We get great feedback from happy customers every day. Read some of our favorites!



“

Stephanee Kammer:

My previous student loan provider had the worst rates and customer service, I tried everything to get far far away from them and was unsuccessful until I found LendKey. Their customer service was fantastic, even before I was a member. My rates and payments were cut nearly in half, and I can breathe again. Thanks, LendKey! ”

“

J. Shaw:

We were thrilled that LendKey was willing to take on my wife's student loan refinancing. Unfortunately, she was on some variable rate loans that just kept climbing. We felt we weren't really making a dent. LendKey's online portal made it fairly easy to refinance. It was great to meet a lender willing to work through any financial concerns and give us a great set of options to choose from. Highly recommend! ”

“

Elizabeth McGavran:

I honestly thought I was out of options. My payments were so high, but according to the government, I make enough money to avoid IDR plan. I lost hope and thought I would have to be broke for years to come. Then I tried LendKey! They helped me find a way to consolidate my private loans and ultimately save me over \$300 a month in payments! THANK YOU LENDKEY!!! ”