



## How to Thoroughly Research Your Consolidation Options

While student loan consolidation is a no-brainer, choosing a lender to consolidate with does require some research and investigation. Because federal consolidation is mandated by the government, all lenders are required to offer the same consolidation rates and repayment options as those set by the federal government. However, the difference lies in the benefits and service offered by the lender and the lender's track record. Below you will find some helpful guidelines for choosing a lender to consolidate your student loans.

### **Things to think about when choosing a lender to consolidate your federal student loans:**

- Is this lender on my school's preferred list?
- Look at the information the lender is sending you. Does it look like hype, or does it look legitimate?
- How long has the company been consolidating student loans?
- Ask around. See what other people's experiences are with their lenders.
- What is the lender offering other than the standard benefits that come with federal consolidation?
- What are the repayments options offered by the lender? Are they more flexible than other lenders'?
- Make sure everything a lender offers is in writing.
- As this will be a long-term relationship, be sure its customer service will meet your needs. Does the lender offer easy online access to your account and helpful tools? Does the lender service its own loans?
- How responsive is the lender?
- Can the lender's representatives thoroughly answer your questions? Does the representative seem to know the industry inside and out? Does the representative gloss over answers?
- Does the lender sell its loans?

Remember, there are some federal regulations that determine for you with whom you can consolidate. For instance, if all your loans are held by a single FFELP lender, then you must consolidate with that lender or the Department of Education. But if you do have the freedom to choose—meaning you have more than one FFELP lender or a mixture of FFELP loans and Department of Education or Perkins loans—then research thoroughly before you commit. The lender you choose will be with you for years to come. Make sure you find one that you feel most comfortable with.