

Student loan debt assignment

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Going to college has been taught to be the next step in education after graduating high school but is it truly that easy? The main factor to attending college now is the money issue. In today's generation receiving a scholarship would be the best way to get through college without the burden of student loan debt piling up as you get further into college. Even though financial aid is available for students seeking college education, some of those students will not all qualify for financial aid.

With them not being able to qualify, it leaves aging out student loans to afford those college expenses. By them having no other option but to take out student loans, it is the start to a long road of student loan debt issues. Majority of student loans today are through the popular loan company Sallies Mae. In 1972, Sallies Mae was founded as a private company for loans but since late 2004, it generally became a publicly traded company. The biggest challenge with student loans is finding one that offers the lowest interest rate.

Rising interest rates may make obtaining and paying off student loans more burdensome, particularly for students from financially disadvantaged shoulder. Students from lower income households rely on federal loans more heavily than their higher income counterparts, meaning that students from households with fewer financial resources may be disproportionately affected by increases in interest rates. For instance, over half of all lower income students pay for college with federal loans (ranging from 48% to 56%), whereas less than half of all higher income students pay with federal loans (ranging from 27% to 49%).

While some research suggests that the overall percentage of students is small who report substantial problems with paying their loans, those with lower current and lifetime earnings report the greatest difficulty and are perhaps overburdened. Given this, it is critical to find ways of reducing students' reliance on loans, particularly for those from households with fewer financial resources. Where some students take a turn for the worst is not paying attention to the interest rate numbers which adds up over the years causing the owed amount to double and even triple in some cases.

As of the beginning of this year, it has been reported that Sallies Mae will split in the fall for money reasons. Sallies Mae will split into two impasses with one keeping the name Sallies Mae and the other called Navigate who will service most of Sallies Mace's existing student loan portfolio. With Navigate taking over, payments will now go to them instead of Sallies Mae. Financial aid is given to students based on their household income. Students with a lower based income will be more likely to receive a full amount than a two parent wealthy home.

Even though Without the help of financial aid for students, taking out student loans would be the next step for affording college. At that time, student loans could be a great way to help dents by giving them a chance to still be able to attend college without the help of financial aid but there is also a downfall to student loans as well. According to the Federal Reserve Board of NY, there are approximately thirty seven billion student loan borrowers with large student loan debt amounts.

These student loan debts can take years before they are paid and in some cases, they never get fully paid. This situation with student loan debt is what makes the decision to attend college even more difficult. With the debt loan rapidly increasing from year to year, it is not only effecting young adults but the economy as well. With Students having this load of debt to pay, it decreases the ability for them to be able to afford things such as cars and their first homes. Without the purchasing of these items, it causes problems such as unemployment. (Biddable, n. Gag) The Student loan debt crisis not only affects the graduates of the university but also the future students as well. The future students who have one day dreamed about going to college are now taking a second look on attending school because of this debt problem. Without receiving a scholarship or financial aid it is virtually impossible for students to attend college without the Seibel outcome of being drowned in a large amount of student loan debt. (Biddable, n. Page) Because of the money issue with college, some students do not get to become better educated as well.

The skills that you will be able to learn in college are very different from high school teaching. You will learn to think more critically and have reasoning skills that will stay with you for a lifetime. Students will also have a much greater opportunity in the job market as well if they were able to obtain a college degree. Having a college degree is the main source that jobs look for in the work field today whether it is to become a rawer, doctor, or either some form of office worker.