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Know What You Owe: A Step-by-Step Guide to Beating Student Debt

The Washington Post's Michelle Singletary explains why ignoring student debt is not a good strategy and provides tips on how to manage it.

During your college career, your student loans feel like a future person's problems.

But that tomorrow has now become your today.

So, the first thing you need to do is know what you owe.

With so many legislative changes around student loan repayments and forgiveness, it's OK if you're confused about your options.

Here's where to start.

Confirm the status of your loans: Log in to your StudentAid.gov account. If you have private loans, contact the lender to confirm what you owe.

Face the numbers: I was working with one student who realized she had forgotten about a loan. She had been receiving notices, which she didn't open because, as she said, "I just couldn't face the debt."

List every servicer, every interest rate, whether the loans are subsidized or unsubsidized, and that final, terrifying bottom line. It's going to sting. It might even make you want to throw your laptop out the window.

If you're going to be dancing with this debt for the next decade (or two), you need to know the rhythm. You cannot defeat a monster you haven't faced.

Explore your repayment options: Use the loan simulator on studentaid.gov to select a repayment plan and estimate monthly payments. Consider an income-driven repayment (IDR) plan that adjusts monthly payments based on your income and family size.

A 2025 law made major changes to federal student loan repayment options. A new IDR plan, the Repayment Assistance Plan (RAP), is scheduled to replace existing IDR plans, including SAVE, for new borrowers beginning July 1, 2026. Current borrowers would have until July 1, 2028, to switch.

The RAP calculates payments based on your adjusted gross income (AGI), not on discretionary income. This means a larger portion of your income is subject to a payment. AGI is your total income from all taxable sources minus specific deductions you can take, such as student loan interest or contributions to an IRA.

RAP requires a minimum monthly payment of at least $10, even for borrowers with very low incomes. The loan forgiveness period is extended to 30 years, longer than the 20- or 25-year periods in current IDR plans.

If you took out loans before July 1, 2026, you will still have access to the three existing non-income-based plans: the standard, graduated and extended repayment plans.

Update personal data: I've heard from a lot of students complaining that they never received notices about their payments, or a lack thereof. It's your responsibility to ensure your loan servicer has your most up-to-date information.

Practice paying: Even if you have a grace period, don't wait until you have to start repaying your loans (typically six months after you stop attending a school at least half-time) to get used to making monthly payments. Before your grace period starts, set aside your loan payments so you get a feel for what it's like to have that bill. This will give you a sense of how the loan payment will affect your monthly budget.

Loan forgiveness: Don’t look for Biden-era-style loan forgiveness. However, one major program hasn’t been cut. Under the federal Public Service Loan Forgiveness (PSLF) program, the remaining balance of a borrower’s debt is forgiven after 120 qualifying monthly payments.

Only federal Direct Loans are eligible for PSLF. You also have to be repaying the debt under a specific income-driven repayment plan while working full-time for a qualifying employer. To qualify for forgiveness, you have to be employed by a qualified government organization (federal, state, local or tribal) or a not-for-profit organization.

For more details on what employers and student loans qualify for PSLF, go to studentaid.ed.gov.

One more thing: Graduates often ask whether they should save for retirement or pay off debt.

You’re constantly told you have to save for retirement or risk not having enough for your old age. It’s good advice on paper, but you only have so much room in your budget when you’re starting out. Don’t put too much financial pressure on yourself.

Because you're young, I think you should pay off your student loans first. Pay off your student loan debt aggressively, then save as much as you can for retirement. You still have time to catch up on your retirement savings. But it will take discipline, including living below your means even as your income rises. Every dollar you send to a debt collector is a dollar that isn't working for you. The faster you pay off your loans, the sooner you stop paying interest.

One caveat to this advice: If your employer offers matching contributions to your workplace retirement account, at least save enough to take full advantage of that benefit. If you can pay off your loans early and invest, go for it.

Don’t wait until later; time will make your student loans grow, and your resolve will weaken. If you don't make paying them off early a priority, you’ll find plenty of ways to spend your income on things that won’t increase your net worth, leaving you with less financial freedom.