
how much in student loans is too much??

Posted by D.Vanicora - 2009/09/08 22:51

My tuition alone is \$31K and i plan on having my student loans come in at \$40k to cover R&B. At this rate, I'll end up around \$120K in the hole when I graduate!! (Assuming summer jobs and accrued interest cancel each other out.) I'm kind of freaking out about it, but then again, I have no idea what people pay for law school. Is this too much?

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Re:how much in student loans is too much??

Posted by laurie - 2009/09/10 22:18

I wouldnt borrow more than tuition if you can help it. While subsidized student loan rates are at about 6%, take 6% on 120k and thats 7,200 year in interest or 600/month. So, if you plan starting with the end in mind: Get out of law school, make \$85k, less taxes you have say \$48k then, less your personal expenses, it would take you 20 years to pay off law school. So, unless you are independently wealthy, come from money, or marry rich, it will be hard to break even.

Where are you going to law school? What is your GPA?

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Re:how much in student loans is too much??

Posted by Wizkid - 2009/09/21 22:53

120k in LS debt is no biggie if you land a \$100k++ job to start. However, if you get out of LS with no job offers or a starting salary of \$50k then it will take you a while to recoup your investment. So, the debt is good debt if it helps you land a better paying job. What are your stats: LS; GPA; rank?

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Re:how much in student loans is too much??

Posted by Tom Weselman - 2009/09/23 21:55

I think a good rule of thumb is that if you're a student, your payments shouldn't exceed 10% of your expected monthly gross income once you graduate.
If you're a parent, all your debts -- including mortgage payments, credit cards, car loans and education loans -- shouldn't eat up more than 35% of your gross pay.

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Re:how much in student loans is too much??

Posted by D.Vanicora - 2009/09/26 20:07

In this job market who knows what my monthly income will be. I'd love to say foresure that i have a job lined up, but its no possible. So, my only choice is to continue building up law school debt and hope that i can pay it off before my kids co to college. Has anyone discharged their law school debt or a portion of it?

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Re:how much in student loans is too much??

Posted by TomWeselman - 2009/10/07 21:48

Look at it this way. if you have \$120,000 in law school student loans and you get a job for \$75K then after taxes you have \$50k per year as disposable income. If you spend 50% of the income then you will have \$25k remaining to pay the loan. That would take you 6 years. So, it will take you approximately 6 years to pay off your law school student loans. Thats about the same time that it would take you to payout a vehicle. Not a back deal.

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Re:how much in student loans is too much??

Posted by D.Vanicora - 2009/10/13 22:09

Thanks for all your input. Hopefully i can maintain my grades and enter the work force when the economy is stronger.

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Re:how much in student loans is too much??

Posted by nic - 2009/11/10 23:16

I've maxed out federal, school and parent loans. I expect that between under grad, law school, room and board i will owe north of \$250,000. Even if i get a job making \$85,000 (in a jobs market where there are few jobs), net of income taxes and after i pay my personal bills it will take me 20+ years to pay it off. Its like having a mortgage without the real estate. If i dont go to school to get an advanced degree then i may never get a chance to increase me earning potential. And, if i do go to law school and get a law degree, then i will be burdened with student loans. There is no easy way to get ahead. Thats foresure.

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Re:how much in student loans is too much??

Posted by Olivia - 2009/12/07 21:52

Talk about stress. My grade are average at best, the economy stinks and i am worried about how long it will take to pay off everything even though i wont be able to get top pay. So, i laughed for about 30 seconds after reading this thread and now i feel like crying. What a sorry state of the world when a college grad and law school grad have so much in student loans that it will take them near 20 years to payoff the debt. Is it even worth it? I wonder if i would have been further ahead by going to cosmetology school and got started doing hair and nails and avoided college.

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Re:how much in student loans is too much??

Posted by laurie - 2009/12/10 16:36

My law school debt alone will be \$130k. According to a college calculator, estimating a 7% return, college would cost \$240k in 18 years. With costs so high, i wonder how the next generation will able to pay off their debt. The cost of higher education is getting out of hand.

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Re:how much in student loans is too much??

Posted by nic - 2009/12/11 11:51

The cost f law school is getting out of hand. Definately. I came across a site for a company called IBR; Income-Based Repayment (IBR) is a non-profit company new payment option for federal student loans. It can help borrowers keep their loan payments affordable with payment caps based on their income and family size. For most eligible borrowers, IBR loan payments will be less than 10 percent of their income - and even smaller for borrowers with low earnings. IBR will also forgive remaining debt, if any, after 25 years of qualifying payments. Its a good option for those that are already biting the law school cost bullet.

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Re:how much in student loans is too much??

Posted by t. rowe - 2010/01/27 21:15

Student loan debt is relative. For an attorney, 150k is a lot to repay. For a doctor, 150k is 5 months wages. So, i'd say get realistic about the wages you expect out of law school and pic a law school where you can get in state tuition. If you graduate law school with 150++ of debt and its gonna take you 15 years to pay it off, then what did you accomplish?

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Re:how much in student loans is too much??

Posted by laurie - 2010/02/01 21:07

Noone has really mention interest rates on the student loan debt. Expect an interest rate of 8%. Federal Stafford loans are scheduled to drop to 3.4% by 2011, but the rate is 6% for the 2008-09 school year. PLUS loans are at 8.5%. This entire discussion could be moot if Obama limits the payment term for student loan debt to 20 yrs as he stated in the state of the union speech. If there is a max of 20 yrs of repayment, then the sky's the limit.

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Re:how much in student loans is too much??

Posted by thrillseeker - 2010/02/03 15:50

The best advice for students is to exhaust all non loan financial aid opportunities and sources and look into scholarships, work study, grants and other forms of financial aid that do not require repayment. These are often over looked.

I work at a university and its amazing that cost and student loans is not a more important factor when deciding which university to attend. Students should apply to multiple colleges and examine closely the financial packages of each. In many, if not most instances, students should not be overly swayed by a college's claim of being the best in a given field of study. I think that students should look at the school's graduation rates, average length of attendance as well as default rates for graduates. Most universities have this information available on request.

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Re:how much in student loans is too much??

Posted by abr41 - 2010/02/05 21:08

Everyone is talking about the cost and the job market. Noone is talking about education cost reform. I dont understand why the cost of higher education is so high when the colleges and universities are subsidized by the state and federal government.

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Re:how much in student loans is too much??

Posted by bwfortytwo - 2010/02/07 21:32

are you part of the tea party?

no one will reform higher education as long as there is money to be made.

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Re:how much in student loans is too much??

Posted by laurie - 2010/02/08 21:49

according to recent statistics, although the percentage of people ages 22 to 29 with debt has declined, their total debt is up 10%, to an average \$16,120 as of Aug. 1, 2009 compared with five years earlier. In addition, for students, every other type of debt from credit cards to college to personal loans has also risen.

Student-loan balances rose 16% to an average of \$14,379; revolving debt, including credit cards, surged 24% to \$5,781; and total installment debt, including student and personal loans, rose 4% to \$17,208.

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