Take Charge America Educates Seniors on Repaying Student Loans
Nonprofit credit, student loan counseling agency provides tips for growing number of seniors struggling with student loan debt nationwide

PHOENIX – (Oct. 8, 2014) – Student loan debt is wreaking havoc on Americans’ finances. Many assume it’s a young person’s problem, but senior citizens are now shouldering a hefty debt load. While their share of total student debt is relatively small, it has skyrocketed in recent years – and it’s especially disastrous for their financial stability.

The Government Accountability Office recently reported seniors’ share of federal student debt has increased 600 percent since 2005, reaching more than $18 billion last year. Seniors also are more likely to default, with default rates of 27 percent for seniors ages 65 to 74, and more than 50 percent for people 75 and older.

“Many seniors are spending their golden years worrying about student loans,” said Mike Sullivan, director of education for Take Charge America, a national nonprofit credit counseling and student loan counseling agency. “The government can garnish Social Security benefits to pay off delinquent loans, pushing some seniors into poverty, but there are ways to avoid such devastating consequences.”

Sullivan offers four tips for seniors dealing with student debt:

1. **Know the true cost of student debt.** Many seniors took out loans to help their dependents afford college, but 80 percent of the debt was incurred for their own education. The recession sent droves of older Americans back to school to become more competitive in the workforce, but many couldn’t pay off their debt before retirement. Seniors should seek financial guidance to understand the true impact of student debt – and to get help paying it back.

2. **If you want to help, give cash.** Seniors must understand that cosigning loans for children or grandchildren may lead to full responsibility. It is best to loan or gift cash. Seniors who don’t have the money to spare simply aren’t in a position to help with the burden of college expenses.

3. **Understand the ins and outs.** The government can reduce monthly Social Security to $750 to pay down student debts, creating difficulty for seniors who rely on their benefits to pay basic living expenses. In addition, student loans cannot typically be discharged in bankruptcy, limiting the options for seniors struggling with debt.

4. **Rehabilitate your loans.** It’s never too late to rehabilitate student loans, even if they’re in default. Income Based Repayment is one option that provides for reasonable student loan payments based on the debtor’s income.
Take Charge America and other nonprofit agencies provide credit counseling, debt management and student loan repayment guidance to seniors who need help. To learn more, visit takechargeamerica.org or call (877) 784-2008.

About Take Charge America, Inc.

Founded in 1987, Take Charge America, Inc. is a nonprofit agency offering financial education and counseling services including credit counseling, debt management, student loan counseling, housing counseling and bankruptcy counseling. It has helped more than 1.6 million consumers nationwide manage their personal finances and debts. To learn more, visit takechargeamerica.org or call (888) 822-9193.

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