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After a student graduates, he/she usually has a period of six to nine months before the repayment starts. The lending institutions inform the borrower about the date on which they have to start the repayment. Any default in repayment can lead to negative consequences. Student loan is a necessary evil but there are several ways to make a student loan repayment manageable through consolidation.

Non Payment of Loans

Often students find it difficult to meet the expenses and also maintain a regular payment on the education loan. So it is advised to plan about the repayment when they apply for a loan. A very wise idea is to start paying early, even before the completion of the course. One can also opt for an extended payment period. Although it increases the total amount repaid, it reduces the immediate burden as the amount repaid is significantly reduced. Failure to repay a debt can lead to serious consequences.

Defaulted debts are often placed by suspected debt owners on oneâ€™s credit record, and usually remain for several years especially if it is being dealt with by a third party collector. This can be very harmful for students who are just beginning their life and have a long way to go. The laws differ from country to country but on the whole the outcomes are not pleasant. The IRS keeps track of every loan issued and a default can bar a borrower from further receiving a loan. It can also intercept tax refund to pay off outstanding taxes.

Debt Collection Agencies

More often than not lenders hire an independent company which specializes in debt collection. These are called Third-party collectors. These companies are often guilty of harassment and using unfair means of collection.

In many countries there are laws limiting these practices such as stipulating the hours during which the agency may contact the debtor and hindering him from from providing debt related information to a third party, prohibiting deceptive representations as well as threats.

Some companies are turning to debt collection programs. This has several benefits. The collectors can be trained in lesser time and thereby increase productivity. Report creation and delivery can be automated which eliminates last minute rush. Some of these programs also offer remote management. Through this the owners and managers can remotely view all the information and statistics which allows them a greater freedom.

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Smith Jhonson is a legal advisor who has good information on a debt collection programs. To know more, please visits a http://www.consumerlawfirmcenter.com/.

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