

## CHAPTER EIGHT

### COMBINING STUDENT LOANS

The number of lenders, servicers and secondary markets a borrower can be involved with at any one time can be overwhelming. Combining loans can be a helpful tool in simplifying the process.

This process enables the borrower to reduce the number of parties he/she must deal with by selling his/her student loans from one lender/secondary market to another or simply switching servicers so that all student loans can be serviced in one place. This is called “**combining**” loans and should not be confused with “**consolidating**.”

Combining loans does not effect interest rate, deferment provisions or repayment status of the original loan. The borrower is simply choosing to reduce the number of agencies that need to be dealt with. **Be aware that not all lenders are willing to buy or sell loans.**

#### HOW TO COMBINE LOANS:

- Identify a servicer/secondary market you prefer to deal with. (Refer to those you are currently doing business with). You must have at least one original loan with the one you choose.
- Contact that agency and indicate you wish to “**combine**” your loans. Are they willing to purchase the others? Only Federal Stafford loans can be combined. Private loans such as ALP and NJCLASS can be combined only if they are from the same lender.
- Federal Perkins, Primary Care Loans, Health Professions Student Loans and Loans for Disadvantaged Students cannot be sold or purchased.
- Your selected agency will send you the appropriate paperwork to achieve your goal.

**NOTE:** Remember you must be current on all loans before you combine. In other words, you cannot be in delinquent or default status on any loan you wish to combine. Once this has been rectified (if needed) you can pursue combining again.

- Once the process is completed, the borrower will send all forms and checks to the one agency.