

8 investing mistakes you should avoid in 2012.

If you have a \$500,000 portfolio, download the guide by *Forbes* columnist and money manager Ken Fisher's firm. It's called "The Eight Biggest Mistakes Investors Make and How to Avoid Them." Even if you have something else in place right now, it *still* makes sense to request your guide! [Click Here to Download Your Guide!](#)

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5 Things to Know Before Taking Out a Student Loan

By Josh Mitchell

Wednesday's [Wall Street Journal reports](#) that the federal lending program designed to make college education available to everyone is creating a pile of debt so large it is fanning worries that it has become too easy to borrow too much.

Looking to take out a student loan? Here are five things to know.

1. Research what aid is available to you—including scholarships, state and federal grants, and then federal loans. Meet with your school's financial-aid counselor to learn these options. Visit the [government's website](#). The private website [www.Finaid.org](#) also has good resources.
2. Know the terms of your loans. What is the interest rate, what is the repayment period, and when precisely will payments begin? More importantly, find out what your expected monthly payment will be upon graduation. The financial aid counselor should be able to provide this. Also, learn about the federal government's income-based repayment program.
3. Once you take out loans, be aware that this debt will not go away until you pay it. Federal loans are often called "aid," but they are not grants—they must be repaid. Also, it is extremely difficult to discharge student loans—federal or private—through bankruptcy. If you don't make payments, a mark will show up on your credit report, lowering your credit score. And the government could ultimately garnish your wages to recoup the debt. Also, if your parents co-sign on the loans, they are on the hook, too.
4. Look up information on your institution. Don't just find out your school's overall ranking or graduation rate. Also look up its "three-year cohort default rate," a figure intended to show how many students pay back their loans within three years of graduation. That reflects how many students from that school are finding work and decent pay. Information on your school, including default data, can be found [here](#).
5. Look up the earnings potential of your major. [This website](#) has information on different careers, including average salaries. Consider whether your debt load is too high relative to the expected earnings of your chosen field.

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