

# 5 biggest student loan mistakes

By Christine Romans @CNNMoney

Many of you worry that all that borrowed money chasing after ever-more expensive tuition prices is simply a bubble ready to pop -- just like the real estate bubble a few years ago. It's a perfectly legitimate fear. But many students can't afford to spend time worrying: They need the money now to go to college.

To avoid getting into a debt trap, it's critical to keep borrowing to a minimum while you're in school. And when you do borrow, here are the 5 biggest student loan mistakes to avoid:

**1. Borrowing as much as you can, rather than just as much as you need.** The road to debt is paved with students who took out the maximum amount of loans to live on during college. Borrow only enough to cover your tuition, room and board and books. Skip the beer money and shopping trips. As the saying goes, live like a student in college, so you don't have to later.

**2. Not graduating in four years.** Only 39% of college students graduate in four years. The majority -- 59% -- graduate in six. On borrowed money, adding another two years of debt and losing two years of earnings on top of it just isn't feasible.

**3. Borrowing more than your future earnings bring.** Use this rule of thumb: You can only afford to borrow as much as you expect to earn your first year working in your field. For engineers, of course, that's usually a much bigger number than for music or art majors. For guidance on the average starting pay for your degree, check out the [National Association of Colleges and Employers salary survey](#).

**4. Overlooking your public in-state colleges.** State schools are often the best value because they offer a discount to residents. Check them out first before looking further afield.

**5. Missing student loan payments.** Once you are in default, it is next to impossible to discharge the loans in bankruptcy. You are considered technically in default if you don't pay federal student loans for six to nine months, depending on

the type of loan. And missing payments or just paying late can blow your chance of qualifying for a [federal program that offers loan forgiveness](#).