Early Childhood Education Association of Colorado
The Voice for Child Care Providers & the Children They Educate

Got a Student Loan Refinance Offer?

Read this before you click "Check My Rate."

Many early childhood teachers are getting "you're pre-qualified" emails promising a lower rate on their student loans. Most come from real lenders, and for some people refinancing is a smart move. For others, it can quietly take away protections they may need later. One question decides which group you are in.

Step 1: Find out what kind of loans you have

Log in at StudentAid.gov. Every loan listed there is a **federal** loan. Anything not listed (from a bank, credit union, or online lender) is a **private** loan. Many people have both.

Private loans

Shopping for a lower rate carries very little risk. You are trading one private loan for another.

Do this: compare offers from at least three lenders and take the best one.

Federal loans: slow down

Refinancing turns them into a private loan, permanently. You would give up:

- **Income-based payments:** plans like Income-Based Repayment (IBR) and the new Repayment Assistance Plan (RAP) that lower your bill when pay is tight
- **Hardship pauses:** federal deferment and forbearance
- **Discharge:** federal loans are forgiven if the borrower dies or becomes permanently disabled
- **Forgiveness:** including Colorado's Early Childhood Education (ECE) Educator Loan Forgiveness, which pays up to $5,000 toward federal loans when it is open

Step 2: Before you click anything

- **Go to the lender's website yourself.** Type the address in your browser instead of clicking the email link; look-alike scam emails exist.
- **Read "as low as" carefully.** The advertised rate is the best case and often already includes an autopay discount. Your real offer may be higher.
- **Know which credit check you are getting.** Checking your rate is usually a soft check that does not affect your score. A full application may be a hard check.
- **Have both kinds of loans?** You can refinance only the private ones and keep your federal loans federal.
- **Ignore the deadline pressure.** "This offer expires" is a sales tool. Take the time you need to check your loans first.

Step 3: Get free help

1. **Call your federal loan servicer** (listed on StudentAid.gov) and ask which repayment plans you qualify for. It is free.
2. **Watch for Colorado ECE loan forgiveness** to reopen at highered.colorado.gov.
3. **Talk to a nonprofit student loan counselor** before you sign anything with federal loans involved.

Owners and directors: share this with your team. Money stress follows good teachers to work, and sometimes out the door. A five-minute handout that keeps someone from a costly, permanent mistake is a simple way to show your staff you are in their corner.

General information only, not financial advice. Program details current as of November 2026.