

Ten Tips for Managing Your Money During Medical School

1. Review Your Financing Options

- Check out alternatives to borrowing (aamc.org/FIRST).
 - Investigate scholarships and look to your personal support system.
 - Talk to the financial aid administrator (aamc.org/top10questions).
- Learn about types of loans, interest rates, and repayment terms—before you borrow.

2. When You Borrow, Borrow Smart

- Download and review the Education Debt Manager (aamc.org/first/edm).
- Maximize the least expensive aid first (that is, loans with the lowest interest rate)—this can save you money during repayment.
- Borrow only what you need. You don't need to accept everything that you are awarded.

3. Pay the Interest on Loans Before Capitalization Occurs

- Interest accrues on unsubsidized loans from the date of disbursement. After graduation, unpaid interest will be added to the original principal balance (capitalized) and will increase the total cost of loan repayment.
- To help reduce the total cost of your loan debt, make interest payments while in school, if you can.

4. Know the Facts About Direct PLUS Loans

- PLUS Loans are federal unsubsidized loans that qualify for an in-school deferment (as long as you are enrolled at least half-time).
- PLUS Loans have a higher interest rate than Direct Unsubsidized Loans.

5. Be Proactive and Get Organized

- Use FIRST's MedLoans® Organizer and Calculator (aamc.org/medloans).
 - Securely track and organize your loans; review repayment scenarios.
- Know the details of your loans by reviewing your federal student loan information at studentaid.gov.

- Stay organized and save all your important documents in one place.

6. Develop a Spending Plan

- Put your plan in writing, review it periodically, and make adjustments as necessary.
- Use the budgeting resources on the FIRST website (aamc.org/studentbudget).

7. Check Your Credit Reports

- Use the free website (annualcreditreport.com) to review your three credit reports.
- Report any inaccuracies to the appropriate credit bureaus.

8. Protect (and Improve) Your Credit Scores

- ALWAYS pay your bills on time.
- Charge only what you can pay in full each month, if possible.
- Pay down your debt and apply for new credit sparingly.

9. Know Your Options During Residency

- It's possible to postpone loan repayment with a deferment or forbearance (aamc.org/first/postponing).
- An income-driven repayment plan may make monthly payments more affordable (aamc.org/repayplans).

10. Explore Forgiveness and Repayment Programs

- Federal agencies—the NIH, NHSC, IHS, and VA,
- to name a few—may offer loan repayment assistance or forgiveness (aamc.org/repayasst).
- The Public Service Loan Forgiveness (PSLF) program may be available to those working in public service (aamc.org/first/pslfebook).
- Additional programs may exist at the federal, state, and/or county levels (aamc.org/stloan).