Tips During Medical School

REVIEW YOUR FINANCING OPTIONS

• Use the AAMC’s FIRST program to obtain financial information, resources, services, and tools to help you manage your finances during and after medical school.
• Check out alternatives to borrowing and investigate scholarships annually.
• Talk with your school’s financial aid staff to find out if institutional aid is available.

DEVELOP A SPENDING PLAN

• Annually, review the school’s website to plan for direct costs (tuition, fees) and indirect costs (food, housing, travel, exam fees, miscellaneous expenses).
• Put your plan in writing (or use a free online budgeting tool), review it periodically, and adjust it as necessary.
• Use FIRST’s budgeting resources, access money management tools and activities from the AAMC Financial Wellness program, and consult with your financial aid staff about how to budget for upcoming expenses.

GET ORGANIZED

• Save all your important financial aid documents in one place.
• Be aware of application deadlines and required materials for scholarship opportunities.
• Adhere to your school’s policies regarding financial aid application procedures and deadlines.

PROTECT (AND IMPROVE) YOUR CREDIT

• Access your credit reports to view your outstanding credit obligations, monitor your credit, and prevent identity theft.
• Report inaccuracies to the appropriate credit bureaus by filing a dispute online. Report identity theft or fraud via the Federal Trade Commission’s website.
• Increase your credit score by paying your bills on time, reducing your debt (e.g., credit cards, loans), and limiting applications for new credit.
BORROW WISELY

• Take advantage of loans with the lowest interest rate and origination fees over loans with higher interest rates and fees.
• Understand the differences between federal and private loans.
• Borrow only what you need. You aren’t required to accept everything that’s offered.
• Use the MedLoans Organizer and Calculator (MLOC) to securely organize your loans and review repayment scenarios.

LEARN THE FACTS ABOUT FEDERAL DIRECT LOANS

• Locate your federal loan information on the Federal Student Aid (FSA) website, and set up an account on your servicer’s website.
• Direct Unsubsidized Loans and Direct PLUS Loans are the most common loan types for financing a medical education. Both loans are unsubsidized, and no payments are required while enrolled at least half time.
• The Direct PLUS Loan has a higher interest rate and origination fee compared with the Direct Unsubsidized Loan, so the total repayment cost for a Direct PLUS Loan will be higher than the total repayment cost for a Direct Unsubsidized Loan.

UNDERSTAND THE IMPACT OF INTEREST AND CAPITALIZATION

• Interest accrues on unsubsidized loans from the date of disbursement.
• Interest capitalization may occur for some loan types. If capitalization occurs, it will increase your principal balance.

PLANNING FOR LOAN REPAYMENT

• Federal agencies and other programs may offer loan repayment assistance or forgiveness programs. Review the FIRST Loan Repayment, Forgiveness, Scholarship, and Other Programs database for opportunities at the federal, state, and county levels.
• The Public Service Loan Forgiveness (PSLF) program may be an option for Direct Loan borrowers who make 120 payments while enrolled in a qualifying repayment plan and while working full time for a qualifying nonprofit employer.
• It’s possible to postpone loan repayment with a deferment or forbearance.
• An income-driven repayment (IDR) plan may make monthly payments during residency more affordable for borrowers.