## **FIRST**

Financial Information, Resources, Services, and Tools



# **Tips During Medical School**



#### **REVIEW YOUR FINANCING OPTIONS**

- Use the <u>AAMC's FIRST program</u> to obtain financial information, resources, services, and tools to help you manage your finances during and after medical school.
- Check out <u>alternatives to borrowing</u> 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 <u>FIRST's budgeting resources</u>, access money management tools and activities from the <u>AAMC Financial</u> <u>Wellness program</u>, 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 <u>Federal Trade Commission's website</u>.
- Increase your credit score by paying your bills on time, reducing your debt (e.g., credit cards, loans), and limiting applications for new credit.

24-006E (10/24)

## **FIRST**

Financial Information, Resources, Services, and Tools



# **Tips During Medical School**



### **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 <u>MedLoans® Organizer and Calculator (MLOC)</u> to securely organize your loans and review repayment scenarios.



### LEARN THE FACTS ABOUT FEDERAL DIRECT LOANS

- Locate your federal loan information on the <u>Federal Student Aid</u> (<u>FSA</u>) website, and set up an account on your servicer's website.
- <u>Direct Unsubsidized Loans</u> and <u>Direct PLUS Loans</u> 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.
- <u>Interest capitalization</u> 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 <u>FIRST Loan</u> Repayment, Forgiveness, Scholarship, and Other Programs database for opportunities at the federal, state, and county levels.
- The <u>Public Service Loan Forgiveness (PSLF) program</u> 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 <u>postpone loan repayment</u> with a deferment or forbearance.
- An <u>income-driven repayment (IDR) plan</u> may make monthly payments during residency more affordable for borrowers.

24-006E (10/24)