

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.

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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.