How are you feeling about your student loan debt?
Student Loan Repayment Strategies

Julie Gilbert
Sr. Education Debt Management Specialist
April 11, 2017

East Tennessee State
Quillen College of Medicine

Disclaimer: All information and estimates are based on AAMC interpretation of federal regulations as of January 2017 and are subject to change. These are estimates only. Students should contact their servicer(s) to discuss exact loan balances and repayment options.
Online Resource

aamc.org/first/graduating-edm
Repayment Timeline

- **May**: Graduate
- **Nov**: End of Grace
- **Dec**: Start Forbearance or Repayment
- **Every Nov**: Re-submit Paperwork

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National Student Loan Data System (NSLDS)

Click for details
**Type of Loan:** DIRECT STAFFORD UNSUBSIDIZED

Loan obtained while attending the

**Scheduled Start of Repayment:** 12/02/2015

**Loan Period Begin Date:** 07/02/2012

**Loan Period End Date:** 05/17/2013

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### Loan Balance Information

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Amount</th>
<th>Loan Status</th>
<th>Status Description</th>
<th>Status Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$23,580</td>
<td>IA</td>
<td>LOAN ORIGINATED</td>
<td>07/10/2012</td>
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<tr>
<td></td>
<td>$23,580</td>
<td></td>
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</tbody>
</table>

---

**Servicer/Lender/Guaranty Agency/ED Servicer Information**

<table>
<thead>
<tr>
<th>Contact Type</th>
<th>Contact</th>
</tr>
</thead>
</table>
| Current ED Servicer: | DEPT OF ED/SALLIE MAE  
PO BOX 740351  
ATLANTA  
GA 30348  
800-722-1300  
www.salliemae.com |

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*Other Debt? Annualcreditreport.com*
MedLoans® Organizer and Calculator

A free tool for MD students and graduates!!

aamc.org/medloans
Grace Period

None

6 months

Consolidation
Some Direct Sub and Unsub
Private Loans

Direct Sub and Unsub
Direct PLUS

9 months

Perkins

12 months

Primary Care Loan
Loans for Disadvantaged Students (LDS)
### Interest Rates

<table>
<thead>
<tr>
<th></th>
<th>M1</th>
<th>M2</th>
<th>M3</th>
<th>M4</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERKINS*</td>
<td>5.0%</td>
<td>5.0%</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>DIRECT UNSUBSIDIZED</td>
<td>5.41%</td>
<td>6.21%</td>
<td>5.84%</td>
<td>5.31%</td>
</tr>
<tr>
<td>DIRECT PLUS</td>
<td>6.41%</td>
<td>7.21%</td>
<td>6.84%</td>
<td>6.31%</td>
</tr>
</tbody>
</table>

* PCL and LDS Loans are always disbursed at a fixed rate of 5%. All loans displayed have a fixed interest rate.
Capitalization

Amount Borrowed (Principal) + Interest = What You Owe
Capitalization

$190,000 + $29,200
Capitalization

$190,000 + $29,200 = $219,200
If You Can... 

... pay the interest before it capitalizes.
When sending voluntary payments:

1) Send as a separate payment
   • Instruct to APPLY NOW
   • Specify WHERE to apply it
     *(high interest rate loans are the priority)*

2) Verify payment was applied as requested

When possible, pay the interest on your loans before they capitalize!
Next Steps Timeline

- **May**: Graduate
- **Nov**: End of Grace
- **Dec**: Re-submit Paperwork
- **Every Nov**: Paid or Forgiven

Next Steps Timeline Image
Repayment Options During Residency

- Traditional Repayment Plan
  - or
  - Income - Driven Repayment Plan

- Mandatory Medical Residency Forbearance
Deferment

Interest free - subsidized loans
Interest accrues - unsubsidized loans

Contact each loan servicer

*Strict requirements to qualify*
Postponement Option

Forbearance

Contact each loan servicer

Yearly increments

Interest accrues - all loans

Interest will capitalize
Capitalization

$219,200 After Grace + $38,000 Residency Interest = $257,200 Post-Residency Balance
## Forbearance During Residency

<table>
<thead>
<tr>
<th>Principal Borrowed During Med School</th>
<th>Monthly Interest during residency</th>
</tr>
</thead>
<tbody>
<tr>
<td>$125K</td>
<td>$790</td>
</tr>
<tr>
<td>$190K</td>
<td>$1,230</td>
</tr>
<tr>
<td>$200K</td>
<td>$1,300</td>
</tr>
<tr>
<td>$250K</td>
<td>$1,680</td>
</tr>
<tr>
<td>$300K</td>
<td>$2,060</td>
</tr>
</tbody>
</table>
Medical Residency/Internship Forbearance

Might be for you, if...

- Seeking to REDUCE financial obligations
- Needing/wanting to INCREASE disposable income
- Needing/wanting to focus on repaying PRIVATE loans

Probably NOT for you, if...

- Seeking Public Service Loan Forgiveness (PSLF)
- Considering an Income-Driven Repayment (IDR) plan term forgiveness
- Want to start paying during residency
Financial Aid

The AAMC's FIRST (Financial Information, Resources, Services, and Tools) program provides free resources to help you make wise financial decisions. Whether you’re thinking about how to afford medical school, applying for student loans, or determining your loan repayment options, you’ll find unbiased, reliable guidance from FIRST.

Search: forbearance

Next Steps
Use this guideline to determine when to take the steps to organize your loans, deal with your grace period, determine when to consolidate, apply for a forbearance, or begin repayment on your student loans.

Postponing Loan Repayment During Residency
There’s a benefit to federal student loans of which you may be unaware, and that’s the ability to temporarily postponing loan repayment through grace, deferment, or forbearance.

Grace, Deferment, and Forbearance
After graduation, you will likely have a grace period on your student loans, but after that time, if making payments becomes a challenge, a deferment or forbearance could be used to help you get through residency without having to make monthly loan payments.

Want more info? aamc.org/first
What’s Most Important to You?

Public Service Loan Forgiveness
Repayment Plans

**Traditional**
- Standard: $2,410
- Graduated: $1,060
- Extended: $1,380

**Income-Driven**
- IBR: $460
- ICR: $710
- PAYE: $300
- REPAYE: $300

Figures based on $190,000 borrowed during 4 years of medical school
Repayment Plans

Traditional

- Standard $2,410

Income-Driven

- IBR $460
- PAYE $300
- REPAYE $300

Figures based on $190,000 borrowed during 4 years of medical school
All Borrowers Eligible

- Same Monthly Payment For 10 years
- Aggressive Payment
- No Forgiveness
- No Interest Subsidy
- No Interest Capitalization
Pay As You Earn (PAYE)

Must Show a Partial Financial Hardship

PFH if your Standard Payment is Greater Than PAYE Payment
The Test for a PFH

Partial Financial Hardship (PFH)

$2,410 / mo > $460 (IBR) or $300 (PAYE)

Based on indebtedness of $187,000 with a PGY1 stipend of $54,600 and a family size of one.
Pay As You Earn (PAYE)

Must Show a Partial Financial Hardship

- No Balance on Fed. Loan Taken Out Prior to 10/1/07 AND Direct Loan
- Capitalization Limited To 10% of Accrued Interest
- Subsidized Loans, First 3 Years Only
- Payment Capped at 10 Year Standard Pymt. Amt.
- Interest Subsidy

Changes Yearly - Based On Income and Family Size

Forgiveness – 20 Years

Payment = 10% of Discretionary Income

Pay As You Earn (PAYE)
Revised Pay As You Earn (REPAYE)

All Borrowers Eligible

Payment = 10% of Discretionary Income
Changes Yearly - Based On Income and Family Size

No Cap on Payment

Forgiveness – 25 Years

Interest Capitalizes When You Leave Plan

50% of interest not covered by payment on Unsub
Income-Based Repayment (IBR)

Must Show a Partial Financial Hardship

Payment = 15% of Discretionary Income
Changes Yearly - Based On Income and Family Size

Payment Capped at 15% of Discretionary Income

Interest Capitalizes When You Leave Plan

Interest Subsidy

No limit to interest capitalization
<table>
<thead>
<tr>
<th></th>
<th>Standard</th>
<th>PAYE</th>
<th>REPAYE</th>
<th>IBR</th>
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<tbody>
<tr>
<td><strong>Eligibility</strong></td>
<td>All</td>
<td>“New” borrowers</td>
<td>All borrowers</td>
<td>All borrowers</td>
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<tr>
<td><strong>Partial Financial Hardship</strong></td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Payment Amount</strong></td>
<td>10 year plan</td>
<td>10% of discretionary income</td>
<td>10% of discretionary income</td>
<td>15% of discretionary income</td>
</tr>
<tr>
<td><strong>Payment Term</strong></td>
<td>10 years</td>
<td>20 years</td>
<td>25 years</td>
<td>25 years</td>
</tr>
<tr>
<td><strong>Forgiveness</strong></td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Payment Cap</strong></td>
<td>N/A</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Interest Subsidy</strong></td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Capitalization</strong></td>
<td>N/A</td>
<td>No more PFH or if you leave PAYE</td>
<td>If you leave REPAYE</td>
<td>No more PFH or if you leave PAYE</td>
</tr>
<tr>
<td><strong>Spouse’s Income Required</strong></td>
<td>N/A</td>
<td>If you file jointly</td>
<td>Yes</td>
<td>If you file jointly</td>
</tr>
</tbody>
</table>
MedLoans® Organizer and Calculator

- Upload your NSLDS loan data (details on page 6)
- Keep track of your student loan information
- Develop personalized repayment strategies

“Loans are less scary, and I’ve made a strategy to confront them. I’m also more confident that I can manage my debt during residency and beyond after using the MedLoans® Calculator.”

Nathaniel Bayer, 2015 Graduate, U Rochester SOM

aamc.org/medloans

A free tool for MD students and graduates!!
Career: Primary Care

Residency Length: 3 Years

Starting Residency Stipend: $54,600

Post Residency Starting Salary: $185,000

Net Monthly Income: Residency $3,200  
Post Residency $10,400
# Primary Care

**Net Monthly Income:** Residency $3,200  
Post Residency $10,400

**Student Loan Debt:** $90,000

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>Payment During Residency</th>
<th>Post-Residency Payment</th>
<th>Total Repayment Amount</th>
<th>Forgiven</th>
<th>Total Years including Residency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forbearance then Standard</td>
<td>$0</td>
<td>$1,300</td>
<td>$159K</td>
<td>$0</td>
<td>13</td>
</tr>
<tr>
<td>Pay As You Earn (PAYE)</td>
<td>$300 - $350</td>
<td>$1,100</td>
<td>$159K</td>
<td>$0</td>
<td>14</td>
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<tr>
<td>Revised PAYE (REPAYE)</td>
<td>$300 - $350</td>
<td>$1,500 - $1,700</td>
<td>$140K</td>
<td>$0</td>
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</table>

Note: Based on PGY-1 median stipend and MGMA starting salaries – 2017 Graduate. All figures approximate.
# Primary Care

### Net Monthly Income:
- Residency: $3,200
- Post Residency: $10,400

### Student Loan Debt: $150,000

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>Payment During Residency</th>
<th>Post-Residency Payment</th>
<th>Total Repayment Amount</th>
<th>Forgiven</th>
<th>Total Years including Residency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forbearance then Standard</td>
<td>$0</td>
<td>$2,200</td>
<td>$266K</td>
<td>$0</td>
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<tr>
<td>Pay As You Earn (PAYE)</td>
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<td>$285K</td>
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<td>$1,500 - $2,000</td>
<td>$268K</td>
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<td>16</td>
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</table>

Note: Based on PGY-1 median stipend and MGMA starting salaries – 2017 Graduate. All figures approximate.
## Primary Care

**Net Monthly Income:**
- **Residency:** $3,200
- **Post Residency:** $10,400

**Student Loan Debt:** $190,000

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>Payment During Residency</th>
<th>Post-Residency Payment</th>
<th>Total Repayment Amount</th>
<th>Forgiven</th>
<th>Total Years including Residency</th>
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</thead>
<tbody>
<tr>
<td>Forbearance then Standard</td>
<td>$0</td>
<td>$2,800</td>
<td>$339K</td>
<td>$0</td>
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<tr>
<td>Pay As You Earn (PAYE)</td>
<td>$300 - $350</td>
<td>$1,500 - $2,200</td>
<td>$390K</td>
<td>$25K</td>
<td>20</td>
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<tr>
<td>Revised PAYE (REPAYE)</td>
<td>$300 - $350</td>
<td>$1,500 - $2,200</td>
<td>$387K</td>
<td>$0</td>
<td>20</td>
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</table>

*Note: Based on PGY-1 median stipend and MGMA starting salaries – 2017 Graduate. All figures approximate.*
## Primary Care

**Net Monthly Income:**
- Residency $3,200
- Post Residency $10,400

**Student Loan Debt:** $250,000

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>Payment During Residency</th>
<th>Post-Residency Payment</th>
<th>Total Repayment Amount</th>
<th>Forgiven</th>
<th>Total Years including Residency</th>
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<tbody>
<tr>
<td>Forbearance then Standard</td>
<td>$0</td>
<td>$3,800</td>
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<td>$1,500 - $2,500</td>
<td>$535K</td>
<td>$114K</td>
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Note: Based on PGY-1 median stipend and MGMA starting salaries – 2017 Graduate. All figures approximate.
Career: Cardiology

Residency Length: 6 Years

Starting Residency Stipend: $54,600

Post Residency Starting Salary: $350,000

Net Monthly Income: Residency $3,200
Post Residency $19,600
Cardiology

Net Monthly Income: Residency $3,200  Post Residency $19,600

Student Loan Debt: $90,000

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>Payment During Residency</th>
<th>Post-Residency Payment</th>
<th>Total Repayment Amount</th>
<th>Forgiven</th>
<th>Total Years including Residency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forbearance then Standard</td>
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<td>$1,500</td>
<td>$183K</td>
<td>$0</td>
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<tr>
<td>Pay As You Earn (PAYE)</td>
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<td>$144K</td>
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</table>

Note: Based on PGY-1 median stipend and MGMA starting salaries – 2017 Graduate. All figures approximate.
# Cardiology

**Net Monthly Income:**
- Residency $3,200
- Post Residency $19,600

**Student Loan Debt:** $150,000

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>Payment During Residency</th>
<th>Post-Residency Payment</th>
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<th>Forgiven</th>
<th>Total Years including Residency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forbearance then Standard</td>
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<td>$305K</td>
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<tr>
<td>Pay As You Earn (PAYE)</td>
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<td>$315K</td>
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<td>$3,300 - $3,600</td>
<td>$247K</td>
<td>$0</td>
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</table>

*Note: Based on PGY-1 median stipend and MGMA starting salaries – 2017 Graduate. All figures approximate.*
# Cardiology

**Net Monthly Income:** Residency $3,200  
Post Residency $19,600

**Student Loan Debt:** $190,000

<table>
<thead>
<tr>
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<th>Forgiven</th>
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</thead>
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<td>Forbearance then Standard</td>
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<td>$410K</td>
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<td>20</td>
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<td>$3,300 - $3,800</td>
<td>$326K</td>
<td>$0</td>
<td>14</td>
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</table>

Note: Based on PGY-1 median stipend and MGMA starting salaries – 2017 Graduate. All figures approximate.
### Cardiology

**Net Monthly Income:**
- Residency: $3,200
- Post Residency: $19,600

**Student Loan Debt:** $250,000

<table>
<thead>
<tr>
<th>Repayment Plan</th>
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<th>Total Repayment Amount</th>
<th>Forgiven</th>
<th>Total Years including Residency</th>
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<td>$3,300 - $4,100</td>
<td>$470K</td>
<td>$0</td>
<td>17</td>
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Note: Based on PGY-1 median stipend and MGMA starting salaries – 2017 Graduate. All figures approximate.
So...
Are Payments Possible
On A Resident’s Salary?
Living on a Resident Stipend of $54,600*

CAN YOU AFFORD A STUDENT LOAN PAYMENT?

Monthly Gross Pay $4,550

WHAT HAPPENS TO YOUR PAYCHECK?

- Medicare $66
- State/Local Tax $244
- Social Security $282
- Federal Income Tax $738
- Monthly Net Pay $3,220

PAYMENTS DURING RESIDENCY ARE POSSIBLE

- $1,500 Rent/Mortgage
- $430 Transportation/Car
- $400 Groceries/Dining
- $300 Student Loans
- $160 Discretionary
- $150 Utilities
- $100 Smart Phone
- $100 Insurance/Health
- $60 Savings

$300 Student Loans (PAYE or REPAYE)

75% of recent graduates say they'll make payments during residency

*Based on a projected 2017 resident stipend. Paycheck breakdown and budgeted living costs are based on FIRST analysis of national averages.
Sample Monthly Budget After Residency in 2019 Earning $195K

- **Rent/Mortgage**: $3,500
- **Student Loans (PAYE)**: $1,500
- **Discretionary**: $1,400 or $350/week
- **Savings**: $1,000
- **Grocery/Dining**: $1,000
- **Transportation/Car**: $800
- **Insurance/Health**: $300
- **Utilities**: $250
- **Smart Phone**: $150

Notes: 2017 Graduate, $190K borrowed during med school
2020 Estimates for net salary ($9,900/month) and PAYE amounts
Financial Aid

The AAMC’s FIRST (Financial Information, Resources, Services, and Tools) program provides free resources to help you make wise financial decisions. Whether you’re thinking about how to afford medical school, applying for student loans, or determining your loan repayment options, you’ll find unbiased, reliable guidance from FIRST.

SALT
Get practical information on budgeting, money management, credit, debt management, and more!
Unlock Your Future
We've teamed up with Salt® to help you own your personal finances.
Sign up for free!

Association of American Medical Colleges wants you to punch your ticket to money knowledge below.

Create Your Free Account

First Name

Last Name

Email

Password

Year Of Birth

Select Your Affiliations (up to two)

Association of American Medical Colleges

Add School

Add Organization
Repayment Timeline

May
Graduate

Nov
End of Grace

Dec
Start Forbearance or Repayment

Every Nov
Re-submit Paperwork

Paid or Forgiven
IMPORTANT! Re-Submit Paperwork On Time

**ICR**
- Continue In Plan
- Payments Change – No Longer Income – Based; Payment is Now 10-Year Standard Payment Amount

**IBR**
- Continue In Plan
- Interest Capitalizes
- Payments Change – No Longer Income – Based; Payment is Now 10-Year Standard Payment Amount

**PAYE**
- Continue in Plan
- Interest Capitalizes
- Payments Change – No Longer Income – Based; Payment is Now 10-Year Standard Payment Amount

**REPAYE**
- Removed From Plan
- Interest Capitalizes
- Loan Payment is Recalculated Over 10 Years or Time Remaining to Forgiveness
Loan Forgiveness and Repayment

aamc.org/repayasst
Public Service Loan Forgiveness

Eligible Loans

Eligible Payments

Eligible Employment

Direct Loans Only

Public Service
Public Service Loan Forgiveness (PSLF)

Other Considerations

Public Service Loan Forgiveness (PSLF)

If you decide to work in public service, you may be eligible after 10 years of full-time work. The information below is for the PSLF program, and a timeline of action to enter PSLF:

Fine steps to ensure eligibility for Public Service

Step 1: Review a qualifying employment puts you on eligible federal family Plan.

Step 2: Ensure that your employer is eligible under PSLF and that you meet the employment and loan repayment requirements of the program.

Step 3: Submit an Employment Certification Form (ECAF) to your employer.

Step 4: Confirm with your employer if you are meeting eligibility requirements.

Checklist for Public Service Loan Forgiveness (PSLF)

- Clarify the requirements of your loan
- Verify that you meet the eligibility criteria
- Submit the Employment Certification Form (ECAF)
- Monitor your progress

Qualifying Payments

- Direct federal student loan
- Federal Perkins loan
- Federal Direct Unsubsidized
- Federal Direct Subsidized
- Federal Direct PLUS
- Federal UnSubsidized
- Federal Subsidized
- Federal UnSubsidized
- Federal Direct

Qualifying Employment

- Full-time employment for a not-for-profit organization
- Full-time employment for a government agency
- Full-time employment for a small business
- Full-time employment for a hospital
- Full-time employment for a university
- Full-time employment for a non-profit organization
- Full-time employment for a law firm
- Full-time employment for a medical school

PSLF Action Plan: Entering PSLF

For Every PSLF Applicant:

ACTION 1: Verify that your loans are eligible for PSLF.

ACTION 2: Submit the Employment Certification Form (ECAF) to your employer.

ACTION 3: Confirm that you are meeting eligibility requirements.

If You Have Only Direct Loans:

ACTION 1: Verify that your loans are eligible for PSLF.

ACTION 2: Submit the Employment Certification Form (ECAF) to your employer.

ACTION 3: Confirm that you are meeting eligibility requirements.

If You Have Only Unsubsidized Loans:

ACTION 1: Verify that your loans are eligible for PSLF.

ACTION 2: Submit the Employment Certification Form (ECAF) to your employer.

ACTION 3: Confirm that you are meeting eligibility requirements.

If You Have Only Perkins Loans:

ACTION 1: Verify that your loans are eligible for PSLF.

ACTION 2: Submit the Employment Certification Form (ECAF) to your employer.

ACTION 3: Confirm that you are meeting eligibility requirements.

If You Have Only Subsidized Loans:

ACTION 1: Verify that your loans are eligible for PSLF.

ACTION 2: Submit the Employment Certification Form (ECAF) to your employer.

ACTION 3: Confirm that you are meeting eligibility requirements.

If You Have Only PLUS Loans:

ACTION 1: Verify that your loans are eligible for PSLF.

ACTION 2: Submit the Employment Certification Form (ECAF) to your employer.

ACTION 3: Confirm that you are meeting eligibility requirements.

If You Have Only Perkins Loans:

ACTION 1: Verify that your loans are eligible for PSLF.

ACTION 2: Submit the Employment Certification Form (ECAF) to your employer.

ACTION 3: Confirm that you are meeting eligibility requirements.

https://aamc.org/first/graduating-edm

aamc.org/first/pslfebook
# Public Service Loan Forgiveness

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>Total Years – Including Residency</th>
<th>Post-Residency Payment (range)</th>
<th>Total Repayment Amount</th>
<th>Forgiven</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay As You Earn (PAYE)</td>
<td>10</td>
<td>$1,100</td>
<td>$107K</td>
<td>$46K</td>
</tr>
<tr>
<td>Revised PAYE (REPAYE)</td>
<td>10</td>
<td>$1,400 – $1,600</td>
<td>$135K</td>
<td>$8K</td>
</tr>
</tbody>
</table>

Debt: $90,000  
Starting Salary: $167,000
# Public Service Loan Forgiveness

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<tr>
<th>Repayment Plan</th>
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<th>Post-Residency Payment (range)</th>
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<td>Pay As You Earn (PAYE)</td>
<td>10</td>
<td>$1,400 – $1,600</td>
<td>$135K</td>
<td>$210K</td>
</tr>
<tr>
<td>Revised PAYE (REPAYE)</td>
<td>10</td>
<td>$1,400 – $1,600</td>
<td>$135K</td>
<td>$195K</td>
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</tbody>
</table>
### Public Service Loan Forgiveness

<table>
<thead>
<tr>
<th>Debt: $250,000</th>
<th>Starting Salary $167,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Repayment Plan</strong></td>
<td><strong>Payment Amount</strong></td>
</tr>
<tr>
<td>Pay As You Earn (PAYE)</td>
<td>10</td>
</tr>
<tr>
<td>Revised PAYE (REPAYE)</td>
<td>10</td>
</tr>
</tbody>
</table>

But this one does – higher the debt, higher the forgiveness.

For higher debt amounts, this number does not change.
Loan Forgiveness – Taxable?

Yes
Income-Driven Plans

No
Public Service Loan Forgiveness
Medical Schools and Student Aid

Federal Loans | Repayment | NHSC | Title VII Loans | Regulations | Tax Benefits

Looking for help with your student loans? Visit AAMC’s FIRST for Medical Education.

Medical school is expensive and high graduating debt can pose a significant financial burden, especially with the unique repayment challenges of medical residency training. Lowering interest rates on federal student loans can significantly ease this burden. View the AAMC’s Medical Education Debt Fact Card.

The AAMC works with the Federation of Associations of Schools of Health Professions (FASHP) to improve federal loan and repayment programs under the Department of Education and the Health Resources and Services Administration (HRSA), such as the Title VII health professions student aid programs and the National Health Service Corps (NHSC).

To help ensure medical education remains affordable for students from all backgrounds, AAMC supports a budget-neutral legislative proposal: Debt in Health Education Loan Programs (Debt HELP) PDF

Fast Facts: President’s Budget and Student Aid PDF
## Taxpayer Relief Act of 1997*

<table>
<thead>
<tr>
<th></th>
<th>Full Deduction</th>
<th>Partial Deduction</th>
<th>NO Deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Single</strong></td>
<td>$65,000 or less</td>
<td>$65,001 to $79,999</td>
<td>$80,000 or more</td>
</tr>
<tr>
<td><strong>Married filing Jointly</strong></td>
<td>$130,000 or less</td>
<td>$130,001 to $159,999</td>
<td>$160,000 or more</td>
</tr>
</tbody>
</table>

**Max student loan interest deduction:** $2,500/year

**May be eligible:** Voluntary payments & capitalization

* Numbers reflect effect of MAGI on Student Loan Interest Deduction for 2015.

[irs.gov/publications/p970]
Consolidation vs. Refinancing

Should you consolidate or refinance?

www.aamc.org/first/shouldirefinance
Private Loans (Refinance)

- Typically unsubsidized
- Cannot be included in PSLF
- Cannot be paid through PAYE or REPAYE
- Private refinancing available – Know the details
Why Consolidate?

- Eligibility for PAYE/REPAYE
- Eligibility for PSLF
- Reduce Number of Servicers
Direct Consolidation Loan

should i consolidate into a direct consolidation loan?

1. do you have multiple servicers for your federal student loans?

yes, a consolidation loan may offer you the much-needed benefit of simplification (one loan, one point of contact, and one payment). in fact, some of the top reasons medical students consolidate are to simplify the management of their student loans during residency.

no, loan consolidation will not provide an obvious benefit in regard to managing your loans.

2. are you considering work in public service and public service loan forgiveness (pslf)?

yes, a direct consolidation loan may be necessary to make one of your loans eligible for the forgiveness program. you would not need to include all of your current loans, but you would need to make sure you choose a lender that will allow you to participate in psf.

no, loan consolidation would not provide any obvious benefit based on your future career goals.

www.aamc.org/first/consolidatequiz
Repayment Timeline

- May
- Nov
- Dec
- Every Nov

Paid or Forgiven

72

Repayment Timeline
New Regulations: aamc.org/advocacy
Repayment Resources: aamc.org/first
MedLoans Organizer and Calculator: aamc.org/medloans
Money Management: saltmoney.org/AAMC
Student Loan Information: studentloans.gov
Loan Problems: feedback.studentaid.ed.gov

Financial Aid Office & Residency Program
Please Provide Your Feedback:

aamc.org/easttennessee