Welcome MD/MPH Class of 2023!

“Every Student Every Year”

- Unique educational debt management program
- Multiple options to learn
  - “Lunch and Learn” workshops
  - Personal consultations
  - Repayment modules
  - Workshops your senior year
  - Debt Management Listserv for seniors

Today’s items

- COA and where your money goes
- Student debt and your portfolio
- Higher Education Act and changes
- How residents handle their debt
- Your action items

Where your money’s going

- Tuition: $47,098
- Fees: $1,314
- Books & supplies: $1,000
- Room: $17,496
- Board: $4,944
- Transportation: $2,592
- Personal: $3,912
- Health insurance: $3,560
- TOTAL: $81,916

* Higher Education Act

* Standard MD/MPH 1st year COA from OSFA
Two approaches

- Borrow up to full COA and return funds later if not needed
  - 120 days to return with no interest and no loan fees (work with OSFA)
- Borrow under COA and increase borrowing later if needed
  - Delays interest accrual
  - Be sure to allow OSFA time to process

Medical school debt*

- $200,000 Median all schools
- $210,000 Median private schools
- $190,000 Median public schools
- 57% at $200,000 or more (private schools)
- 23% at $300,000 or more (private schools)
- 46% planning on PSLF** to retire debt

* Source: Association of American Medical Colleges (AAMC), Class of 2018
** Public Service Loan Forgiveness

1,610 days

- Good news
  - Plenty of time to learn particulars of repayment
  - Should know more about PSLF
- Not so good news
  - Interest accrues during this time
  - Understandable lack of urgency
  - Possible changes while you’re here

$2,412
Public Service Loan Forgiveness (PSLF)*

- Designed to encourage borrowers to enter and remain in public sector for at least 10 years by promising to forgive their debt
- Public health career may be consistent with PSLF objective
- Great interest among medical students

PSLF eligibility

1. Make 120 timely, scheduled payments with an eligible plan on ...
2. Eligible loans (only Direct Loans qualify) while ...
3. Working FT for an eligible public sector employer

* Public Service Loan Forgiveness
** Would likely impact first time borrowers only

Good news

- Great reputation for repayment
- Rates down this year
- Federal loans cover entire COA*
- One servicer for federal loans
- Payments affordable in training
- Debt not driving specialty choice
- You’ll know about PSLF by 2023

* Cost of Attendance (annual financial aid budget)

Not so good news

- Interest rates can still go up
- Loans are unsubsidized, and interest will capitalize
- Expect debt to grow significantly during training
- Current administration not exactly consumer friendly
Your portfolio

- Federal Direct Unsubsidized*
- Federal Direct PLUS (Grad PLUS)*
- Campus-based
  - Primary Care Loans (PCL)
  - Miami Donor Loans
- Private loans

* Referenced on NSLDS at NSLDS.ed.gov

Direct Unsubsidized

- $40,500 per year, prorated up
- Lender is government, assigned a servicer
- Often called Stafford Loan
- Fixed interest rate*
- 6 month grace period
- Repayment flexibility
- PSLF eligible

* Rates change on new loans each July 1, then fixed for life of loan

Direct PLUS

- COA minus other aid*
- Lender is government, assigned a servicer
- Often called Grad PLUS
- Fixed interest rate**
- 6 month post-enrollment deferment
- Repayment flexibility
- PSLF eligible

* No annual or cumulative limit; other aid includes Direct Unsubsidized
** Reset for new Grad PLUS each July 1, then fixed for life of loan

Interest rates*

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Direct Unsubsidized max rate 9.5%</th>
<th>Direct PLUS (Grad PLUS) max rate 10.5%</th>
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<tbody>
<tr>
<td>2019.2020</td>
<td>6.08%</td>
<td>7.08%</td>
</tr>
<tr>
<td>2018.2019</td>
<td>6.59%</td>
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<td>2016.2017</td>
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<td>6.31%</td>
</tr>
<tr>
<td>2015.2016</td>
<td>5.84%</td>
<td>6.84%</td>
</tr>
</tbody>
</table>

* Rates on new loans disbursed on or after July 1 of year indicated, fixed for life of loan
**NSLDS***

- [www.NSLDS.ed.gov](http://www.NSLDS.ed.gov)
- Database of all federal loans, includes premed loans
- Use to upload loans to calculators
- Information on loan servicers
  – Click on number to left of each loan on Financial Aid Summary page

* National Student Loan Data System

**Private loans**

- Not needed in graduate school
- Variable or fixed rates
- Often annual and cumulative limits
- Less repayment flexibility
- Not eligible for IDR* or PSLF**
- Private loans from college can easily derail repayment strategy

* Income Driven Repayment plans like PAYE and REPAYE
** Public Service Loan Forgiveness

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**Proposals**

- HEA* late being renewed, unlikely any time soon
- When looking for changes, look for phrases “new loans” or “new borrowers”, and their trigger date

* Higher Education Act

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**Changes**
Options at repayment

- Postpone payments during training, or ...
- Start making payments during training

Preserve your options*

- **Public sector** after training
  - Stay with income plan and retire debt with PSLF
- **Private sector** after training
  - Stay with income plan and overpay (depending on GAP) to retire debt by end of term
  - Refinance with private lender at lower rate

* Options after completion of training

Your action items

- Keep premed loans in good standing
- Commit to $2,412 or less each month
- Set up MLOC and update annually
- Take advantage of resources through Every Student Every Year program
- Be cautious where you get information
- Plan to pay back what you borrow

Questions
GOOD LUCK!

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Independent Student Loan Consulting
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