



# Applying for Aid

## Application Timelines Vary

 Check the website or contact the institution you are applying to, for deadlines differ depending on the school

## Application Materials Include

- Free Application for Federal Student Aid (FAFSA)
- College Scholarship Service Profile (CSS Profile)
- Institutional Aid Applications
- Scholarship Applications





## Timelines to Consider

## September-December

- Review financial literacy information provided by the Federal Student Aid website, AAMC's FIRST (Financial Information, Resources, Services, and Tools) program as well as SALT, American Student Assistance's web-based tool
- Learn the Financial Aid Policies of the schools you are applying to

## March-May

- Review financial aid websites for priority deadlines for need-based institutional aid consideration
- Tuition and cost of attendance budgets are made available
- Award letters are sent out to aid recipients

#### June

 Applicants applying for federal student loans will need to complete documents including Federal Loan Entrance Counseling and Master Promissory Note

## July-September

 Attend mandatory financial aid presentations highlighting topics like debt management, financial literacy and budgeting

## Cost of Attendance

## **Total Cost of Attendance (COA)**

- Tuition + Fees + Estimated Cost of Living
  - Note: Each school will prescribe an estimated cost of living but you have some control with your spending habits

Cost	Public (Resident)	Private
Median Tuition and Fees	\$39,142	\$63,989
Median Cost of Living	\$24,548	\$23,636
Median COA	\$63,690	\$87,625
Median 4-Yr. COA for Class of 2021	\$259,347	\$346,955



# **Financial Resources**

# 1st Expectation is to Utilize Family Resources 2nd Consider Forms of Financial Assistance

### Scholarships

- Need-based
- Merit
- External

#### Student Loans

- Federal Loans
  - Direct Unsubsidized (2020 4.30%)
  - Direct GradPLUS (2020 5.30%)
    - Assigned a loan servicer
- Institutional Loans
  - Typically subsidized and managed by the Institution
- Private Loans

#### Employment

- Federal Work Study
- Outside Employment Opportunities





## Federal vs. Institutional

### Federal Needs Analysis

- Apply via FAFSA
- Excludes parent data
- Direct Unsubsidized Loan
- Graduate PLUS Loan



## Institutional Needs Analysis

- Apply via CSS Profile
- Includes parent data
- More detailed review and often additional documentation required
  - e.g. Tax Returns, W2's, Business Returns, Schedules
- Used to determine need based institutional funding



# **Understanding Loans**

## **Key Loan Concepts**

- Subsidized vs. Unsubsidized
  - Subsidized Loan: Interest does not accrue during in-school, grace, and periods of qualified deferment
  - Unsubsidized Loan: Interest Accrues at the time of disbursement

#### Fixed vs. Variable Interest Rate

- *Fixed*: Interest rate remains the same
- *Variable:* Interest rate may change

### Federal, Institutional, Private Loan Borrowing

#### Forbearance vs. Deferment

- Forbearance: Interest accrues but not required to make payments
- Deferment: No interest accrues and not required to make payments when necessary paperwork is completed

### Effects of Capitalization

 Accrued interest is added to the principal balance of the loan thus increasing your overall borrowing



# MD Student Borrowing

### **FACTS on Medical Student Education According to the AAMC**

- 73% of 2020 US Medical School Graduates Borrowed
  - 84% of both Public and Private Borrowers combined had debt >\$100,000
  - 54% of both Public and Private Borrowers combined had debt >\$200,000
  - 20% had debt >\$300,000
- HMS Class of 2020
  - Graduated with Average School Debt: \$106,877
- 2020 National Average Public Med School Debt: \$199,391
- 2020 National Average Private Med School Debt: \$219,829



# Budgeting

## Budgeting Helps Control Finances

- Put it in writing
- Check periodically
- Make necessary adjustments

### Promotes Financial Responsibility

### Useful Budgeting Websites

- www.aamc.org/services/first
- www.mint.com
- https://www.huecu.org/other-services/balance-financial-fitness/
- https://www.smartsheet.com/top-excel-budget-templates





# **Additional Expenses**

### Not Factored in Cost of Attendance

- Living expenses in excess of student budget
- Relocation costs
- Auto expenses
- Financial support to others aside from legal dependents
- Credit card payments
- Various application and associated interview costs



# Repayment Options

#### **Flexible Repayment Options:**

10 Year Standard, Extended, Income-Based Repayment plans (IBR, ICR, PAYE, REPAYE)

#### **Public Service Loan Forgiveness (PSLF)**

• The <u>Public Service Loan Forgiveness</u> program through the federal government offers loan forgiveness for qualifying professionals with qualifying federal loans, who are working in public service careers. The balance that is forgiven is not taxable. *May not be around....* 

#### **National Health Service Corps (NHSC)**

• Primary care clinicians are eligible for <u>scholarship</u> and <u>loan repayment assistance</u> in exchange for working in an HPSA (Health Professional Shortage Areas) and with underserved communities

#### **State and Federal Loan Forgiveness Programs**

• There are also loan forgiveness opportunities through some state and federal loan programs. To learn more about these opportunities take a look at the <u>AAMC's list</u> of state and federal loan repayment and forgiveness programs.



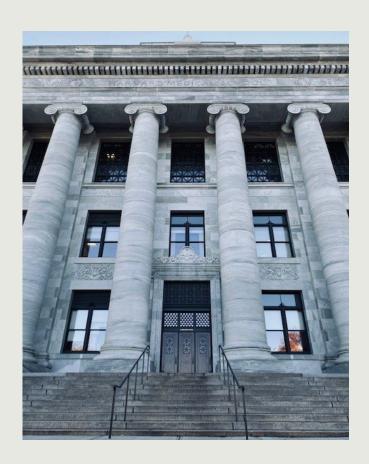
# Next Steps

## **Pre-Medical School Educational Loans**

- Know the Terms of Your Loans
  - In-school deferment upon enrollment in medical school
    - Enrollment Verification from Registrar
    - Contact lenders for more information

### **The National Student Loan Data System**

- Your federal loan information available at:
  www.nslds.ed.gov
- Federal PIN required to access site





# Helpful Resources

- HMS: www.hms.harvard.edu/finaid
- IBR/PAYE: <a href="http://studentaid.ed.gov">http://studentaid.ed.gov</a>
- **PSLF:** <a href="http://studentaid.ed.gov">http://studentaid.ed.gov</a>
- NHSC: <u>www.nhsc.hrsa.gov</u>
- AAMC: www.aamc.org/first
- MedLoans Organizer: <a href="www.aamc/org/services/first/medloans">www.aamc/org/services/first/medloans</a>



