



## Wayne State University School of Medicine Class of 2023 – Managing Student Loans Timeline...

### ... Now to June 2023

- Complete Exit Counseling at <https://studentaid.gov/exit-counseling/> and find all of your Federal Student Debt
- If you have Perkins Loans or Institutional Loans from another degree program, contact the University you attended or their Loan Servicer
- If you have not already, sign up for an account for your Loans with your Federal Loan Servicer
- Use the AAMC MedLoans Organizer and Calculator (MLOC) <https://students-residents.aamc.org/financial-aid-resources/medloans-organizer-and-calculator-mloc> to get good predictions for repayment in residency and beyond.
- Understand Student Loan interest and when it will “capitalize” or be added to the principle <https://studentaid.gov/understand-aid/types/loans/interest-rates>
- Is Public Student Loan Forgiveness an option? <https://studentaid.gov/pslf/>
- After Graduation, if you want to enter repayment early to get the most qualifying payments in Public Student Loan Forgiveness (PSLF) you may apply for a Federal Consolidation, giving up your grace period, but gaining a few months of “qualifying payment” toward PSLF.

### Residency Relocation

- Need assistance with relocation? There are a variety of Private Loan Lenders who offer Residency Relocation Loans [Residency and Relocation Loans | Students & Residents \(aamc.org\)](https://www.aamc.org/financial-aid-resources/medloans-organizer-and-calculator-mloc)

### When is my first payment due?

- At the end of your grace period of your loans. Check with your Federal Loan Servicer as to what that date will be and select your repayment plan choice about 45 days before you are to begin repayment.

### Should you Consolidate (Federal Consolidation)?

- Not everyone needs to consolidate. If all loans are with the same Federal Loan Servicer, there is **no benefit**.
- If you want to waive your “Grace Period” and begin repayment early to gain PSLF payments, you **will** need to consolidate.
- If all Federal Loans are Direct Loans, you **do not** need to consolidate to benefit from PSLF.
- A Federal Consolidation can make Perkins Loans eligible for the Income-Driven Repayment Plan and their benefits
- Federal Loan Consolidation <https://studentaid.gov/app/launchConsolidation.action>

### Choosing a Repayment Plan for Residency

- You will be eligible to choose your Repayment Plan 45 days before you are scheduled to begin repayment, or with the Federal Consolidation Application if you choose to enter repayment early. <https://studentaid.gov/manage-loans/repayment/plans>
- Income-Driven Repayment Plans generally offer the lowest monthly payment and are qualifying payments for Public Student Loan Forgiveness (PSLF). Look at partial interest subsidy available
- If Public Student Loan Forgiveness (PSLF) is an option get enrolled as soon as possible.
- Send your PSLF Employment Verification after you have made some payments <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service/public-service-loan-forgiveness-application>

- Sign up for Auto-Debit Payments with your Federal Loan Servicer, so you are never late and all payments will count toward PSLF, plus you will receive an interest rate reduction.

#### **ANNUALLY after you enter repayment**

- Reapply for your repayment plan, and submit Employment Verification Form for PSLF.

#### **Once in repayment and ONLY if necessary**

- Forbearance can be pursued during Residency or times of economic hardship – interest will continue to be accrued and capitalized at the end of forbearance.

#### **Should you Consolidate with a Private Lender?**

- Private Lenders are anxious to buy your debt because you are a good risk and a potential customer for other products
- Private Loans do not qualify for Federal Income-Driven Payment Plans or PSLF
- Terms and conditions are set by the Private Lender, read the fine print regarding payment requirements, interest rates, etc.
- Private Loans do not offer benefits for unemployment, illness, disability, etc.

#### **Some General Considerations**

- Consider all of your debt including, credit cards and other consumer debt. Pay higher interest rate debt first.
- Be sure to save for the unexpected
- If married, ask a Tax Accountant the implications of filing jointly vs. married filing separately with regards to taxes and Student Loan repayment