

Residency and Relocation Loans

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Fourth-year medical students may encounter expenses not included in the standard student budget and may find it necessary to borrow additional funds through a residency and relocation loan. If you are considering a residency and relocation loan to cover some of your additional expenses associated with the residency match (traveling for interviews, related meals, lodging) or relocation costs, it's important to understand how these private loans differ from federal loans.

Itemize Anticipated Expenses

Medical school may be coming to an end but there are still many additional expenses that pop up in your last year that are necessary, *even required*, to help you get ready for residency.

Although you may have anticipated these additional expenses, do you have adequate funds to cover them? Do you find yourself needing some extra money to help you get through your last year as you prepare for interviewing and relocating? It's helpful to itemize your anticipated expenses to determine if your need for this loan is legitimate or if it's just a "*nice cushion to have*." One of the costliest mistakes medical students make is to borrow funds they don't truly need.

Before borrowing a Residency and Relocation Loan, talk to the financial aid staff at your medical school. You may have other options available that you haven't considered. The financial aid staff can help you evaluate your options so that you make the best decision for your borrowing needs.

Residency and Relocation Loans are Private Loans

Borrowing this type of loan is strictly between you and the lender. Typically, the medical school's financial aid staff do not certify your eligibility for this loan; however, they may be asked to confirm your enrollment status.

The fees and interest rate you pay will be based on your creditworthiness, and/or the creditworthiness of you and your co-signer.

Be discriminating if you choose to borrow this type of loan. Compare the loan's features, benefits, terms, and repayment options before making a final decision to borrow. It's important to know what you're getting into; this loan you will have to pay back, and typically, private loans may cost you more than other loans.

Is a Residency and Relocation Loan Right for You?

Review the following details to decide if this is the best product for your needs:

- interest rates
- maximum loan amount
- processing time
- disbursement dates
- options to postpone payment
- loan repayment terms
- other loan requirements or conditions

Some Questions to Ask Before Borrowing

Interest Rates, Fees, and Terms

- How is the interest rate calculated?
- Is it a fixed or variable rate loan?
- What are the terms of the loan?
- Can the financial aid staff provide any additional information about the loan?

Loan Application Process

- Is it an online application?
- Is instant loan approval offered?
- Is a co-signer required?
- If a co-signer is needed, can the co-signer be released from the loan and if so, what does that process entail?

Repaying Your Loan

- When does repayment start?
- Are deferment and forbearance options offered after graduation and during residency?
- Are there incentives for on-time or electronic payments?
- Are there any pre-payment penalties?

Customer Service

- Can you talk with a customer service representative if you have any questions?
 - Is customer service available during convenient hours?
 - Can you access your loan account online?
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1. Sallie Mae

Sallie Mae's student loan product line includes a variety of undergraduate, graduate and parent loans. But eligible borrowers can also apply for the [Sallie Mae Medical Residency and Relocation Loan](#). Students can apply for this loan during their final year of medical or veterinary school or within 12 months after graduating. Here are the loan's key details:

- **Rate type:** Variable and fixed
- **Terms:** 20 years
- **Minimum loan amount:** \$1,000
- **Maximum loan amount:** \$30,000
- **Cosigners allowed:** Yes
- **Origination fee:** None
- **Prepayment penalty:** None

Monthly payments aren't required on the Sallie Mae medical residency relocation loan until three years after graduation or nine months after leaving school. Other benefits include a 0.25% autopay discount and the ability to apply for cosigner release after just 12 on-time principal and interest payments.

2. Discover

The [Discover Residency Loan](#) can help medical school students or recent graduates cover residency and internship expenses:

To qualify, the borrower must:

- Be at least 16 years old at the time of loan application process. Cosigner required if under 18.
- Be a US Citizen, permanent resident or international student (International students require a creditworthy cosigner who is a U.S. Citizen or permanent resident).
- Pass a credit check (a good credit score is a bonus).
- Have graduated from medical school within the past 12 months, or be enrolled and making satisfactory academic progress in the final year of study in a graduate health professions program.

Students may have the option to apply for a Discover student loan with a creditworthy cosigner. Applying with a creditworthy cosigner may improve the likelihood of loan approval and may provide a lower interest rate.

The maximum borrowing amounts for the Discover Residency Loan are lower than what Sallie Mae offers. However, Discover does offer a lot of payment flexibility. Borrowers can choose in-school interest-only payments, in-school fixed repayment of \$25 or deferred repayment.

Discover also offers a 0.25% interest rate deduction for borrowers who enroll in the Auto Debit Reward program¹. It's available for all Discover student loans. However, it should be noted that none of Discover's student loan products provide a cosigner release option.

¹Visit DiscoverStudentLoans.com/AutoDebitReward for terms and conditions.

3. Citizens Bank

In addition to private student loans and student loan refinancing, Citizen Bank offers a Medical Residency Loan. You can apply for this loan if you've graduated from a qualifying medical school program within the last 12 months or are at least in your second year of studies.

Furthermore, you must plan to work in one of the following residency or internship programs after graduating from medical school: MD, DMD, DDS, OD, DO, PharmD, DPM or DVM. If you meet these requirements, here's what you need to know about the loan:

- **Rate type:** Variable and fixed
- **Terms:** 5 or 10 years
- **Minimum loan amount:** \$1,000
- **Maximum loan amount:** \$20,000
- **Cosigners allowed:** Yes
- **Origination fee:** None
- **Prepayment penalty:** None

One of the most unique features of the [Citizens Bank Medical Residency Loan](#) is that it offers multi-year approval. That way, you can know after filling out just one application how much funding you're eligible to receive through each year of residency.

In addition to interest-only and fixed loan payments, Medical Residency Loan borrowers can fully defer payments for up to 48 months after medical school graduation. It also offers combined loyalty and autopay discounts of up to 0.50%.

4. PNC

PNC can offer up to \$15,000 of funding to medical residents through its PNC Solution Loan for Health Professions Residency. To qualify for this loan, you must be currently participating in a PNC-approved MD, DDS, DO or DVM residency program or planning to begin one within a year. Here are key details of the loan:

- **Rate type:** Variable and fixed
- **Terms:** 5, 10, or 15 years
- **Minimum loan amount:** \$1,000
- **Maximum loan amount:** \$15,000
- **Cosigners allowed:** Yes
- **Origination fee:** None
- **Prepayment penalty:** None

Payments on this PNC Solution Loan® can be deferred during residency for up to four years or six months after your residency ends. Repayment options like interest-only payments during residency are also allowed.

Other benefits of this loan from PNC include a hefty 0.50% interest rate discount for automatic payments through your bank account and a cosigner release option after 48 consecutive on-time payments.

5. Laurel Road

Laurel Road's focus on healthcare professionals makes it a must-check for [student loan refinancing](#) if you're a medical professional. It also offers personal loans that are tailored specifically to medical residents. Here are the loan's key terms and benefits:

- **Rate type:** Fixed
- **Terms:** 5 or 7 years
- **Minimum loan amount:** \$5,000
- **Maximum loan amount:** \$45,000
- **Cosigners allowed:** Yes
- **Origination fee:** None
- **Prepayment penalty:** None

Of all the loans on our list, Laurel Road's personal loans for medical residents have the highest maximum borrowing amounts at \$45,000. However, these loans also have the highest minimum loan amount of \$5,000.

Laurel Road won't be a good option if you're looking for a long-term repayment. Its medical resident personal loans don't offer terms longer than seven years. However, Laurel Road accepts reduced payments (as low as \$25) during residency for up to 60 months. A 0.25% autopay discount is available as well. [Learn more about Laurel Road.](#)