

# 10 Tips for Managing Your Money During Medical School

Financial Information, Resources, Services, and Tools (FIRST)



## Review Your Financing Options

- Check out alternatives to borrowing
  - Investigate scholarships and look to your personal support system
  - Talk to the Financial Aid Administrator (FAO)
- Learn about types of loans, interest rates, and repayment terms (see [aamc.org/FIRST](http://aamc.org/FIRST)) – *before you borrow*



## When You Borrow, Borrow Smart

- Maximize the least expensive aid first (i.e. loans with the lowest interest rate); this can save you money during repayment
- Borrow only what you *need*; you don't need to accept everything that you are awarded



## Pay the Interest on Loans Prior to Capitalization

- Interest accrues on unsubsidized loans from the date of disbursement and if not paid, will be added to the original principal balance (capitalized); this increases the cost of loan repayment
- To help reduce the total cost of your loan debt, if you can, make interest-only payments while in school



## Know the Facts About Direct PLUS Loans

- PLUS Loans are unsubsidized loans that qualify for an in-school deferment (as long as you are enrolled at least half-time)
- PLUS Loans have a higher interest rate than Direct Unsubsidized Loans



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[aamc.org/FIRST](http://aamc.org/FIRST)

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## Be Proactive and Get Organized

- Utilize FIRST's Medloans Organizer and Calculator ([aamc.org/medloans](http://aamc.org/medloans))
  - Securely track and organize your loans; review repayment scenarios
- Find your federal loans on the National Student Loan Data System ([NSLDS.ed.gov](http://NSLDS.ed.gov))
- Save all your important documents in one place for better organization



## Develop a Spending Plan (Also Known as a "Budget")

- Put your plan in writing, review it periodically, and make adjustments as necessary
- Use the budgeting resources on the FIRST website ([aamc.org/FIRST](http://aamc.org/FIRST))



## Check Your Credit Report

- Use the free website ([annualcreditreport.com](http://annualcreditreport.com)) to review your three credit reports
- Report any inaccuracies to the appropriate credit bureau



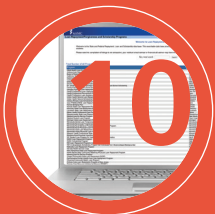
## Protect (and Improve) Your Credit Score

- ALWAYS pay your bills on time
- Try to only charge what you can pay in full each month
- Pay down your debt whenever possible and apply for new credit sparingly



## Know Your Options During Residency

- It's possible to postpone loan repayment with a deferment or forbearance
- An income-driven repayment plan may make monthly payments more affordable ([studentaid.ed.gov](http://studentaid.ed.gov))



## Explore Forgiveness and Repayment Programs

- Federal agencies, such as the NIH, NHSC, IHS, and VA (to name a few) may offer loan repayment assistance or forgiveness
- The Public Service Loan Forgiveness (PSLF) program may be available to those working in public service ([studentaid.ed.gov/publicservice](http://studentaid.ed.gov/publicservice))
- Additional programs may exist at the federal, state, and county levels ([aamc.org/stloan](http://aamc.org/stloan))