

# FIRST

Financial Information, Resources,  
Services, and Tools



Tomorrow's Doctors, Tomorrow's Cures®

## Repayment Strategies for Graduating Students

Anne Yeager, M.Ed., AFC®

Senior Specialist, Education Debt Management & Financial Wellness



April 15, 2025

**Disclaimer:** All information and estimates are based on AAMC interpretation of federal regulations as of January 2025 and are subject to change. Calculations shown are estimates only. Students should contact their servicer(s) to discuss exact loan balances and repayment options.

# Congratulations!





# Frequently Asked Questions

- Will I be able to repay my loans?
- How can I select the right payment plan for me?
- Should I apply for Public Service Loan Forgiveness (PSLF)?
- Is consolidation or refinancing the best option for me?
- ***What is going on with the student loan program?!?!***

# Agenda for Our Session

- Timeline for Repayment
- Where to Find Your Loans
- Preparing for Loan Repayment
- Repayment Plans
- Repayment Scenarios
- Budgeting in Your Payment
- Additional Resources

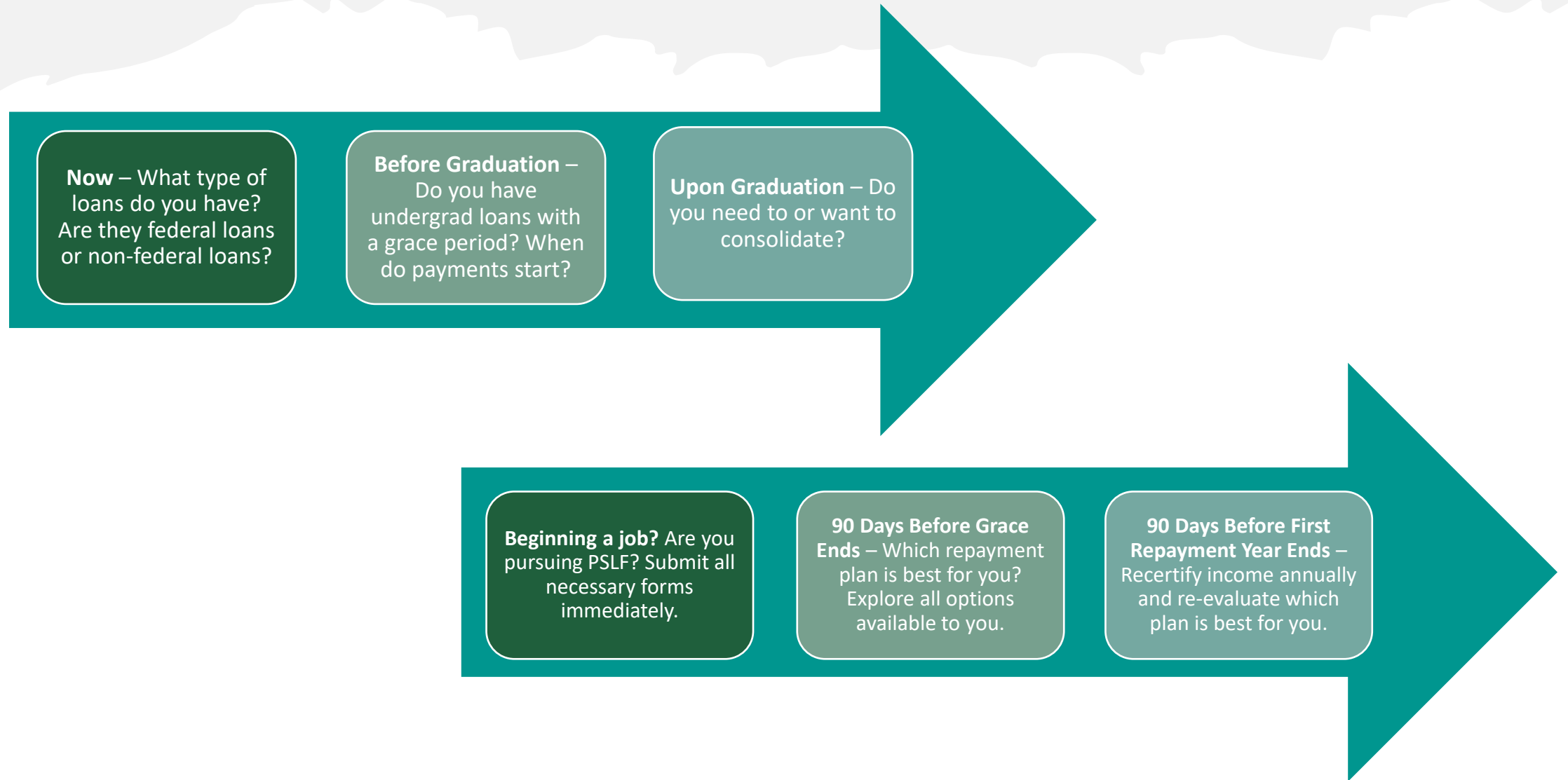






# Timeline for Repayment

# Timeline for Graduating Students



# When To Make Your First Payment

Subsidized (6 months)

Unsubsidized  
(6 months)

Grace Period

PLUS (6 months)  
Post-enrollment Deferment Period

Perkins (9 months)

# Subsidized

Government pays the interest while the student is enrolled at least half-time in school, in grace, during deferment, and during certain periods of time with some of the Income-Driven Repayment plans.

## Subsidized Loan Examples

Direct Subsidized Loans

Loans for Disadvantaged Students (LDS)

Primary Care Loans (PCL)

Perkins

# Unsubsidized

Borrower is responsible for the interest that accrues on the loan from the time the loan is disbursed until the loan is paid in full.

## Unsubsidized Loan Examples

Direct Unsubsidized Loans

Direct Grad PLUS Loans

Private or Alternative Loans



# Interest Capitalization Occurs when...



- A deferment period ends
  - Grad Plus
- When you leave IBR, no longer qualify for IBR or fail to recertify your income on the IBR plan

*This means unpaid interest is added to the principal balance. The interest then accrues on the new, higher principal balance.*

# Where to Find Your Loans



# What Loans Do You Have?

## Federal Loans



Eligibility determined by your school, serviced by Department of Education contracted servicer

Studentaid.gov

## Institutional Loans



Awarded and serviced by the school

School/Servicer

## Private Loans










Awarded and serviced by outside financial institution/organization

Credit Report  
Annualcreditreport.com

# Identifying Your Servicer

The following are loan servicers for loans that the U.S Department of Education (ED) owns. To find out who your loan servicer is,

- [visit your account dashboard](#) and scroll down to the “My Loan Servicers” section, or
- call the Federal Student Aid Information Center (FSAIC) at 1-800-433-3243.

Loan Servicer	Contact
<a href="#">Edfinancial</a> 	<a href="#">1-855-337-6884</a>
<a href="#">MOHELA</a> 	<a href="#">1-888-866-4352</a>
<a href="#">Aidvantage</a> 	<a href="#">1-800-722-1300</a>
<a href="#">Nelnet</a> 	<a href="#">1-888-486-4722</a>
<a href="#">ECSI</a> 	<a href="#">1-866-313-3797</a>
<a href="#">Default Resolution Group</a> 	<a href="#">1-800-621-3115</a> (TTY: <a href="#">1-877-825-9923</a> for the deaf or hard of hearing)
<a href="#">CRI</a> 	<a href="#">1-833-355-4311</a>

# Loan Servicers

(Federal Student Loans)



# You Are America's Smartest Investment

The U.S. Department of Education's office of Federal Student Aid provides more than \$120 billion in financial aid to help pay for college or career school each year.

[Log In](#)

[Create Account](#)

# studentaid.gov

Find your federal student loan information.



## Manage Loans

Navigate the student loan repayment process with confidence: make payments, change repayment plans, explore options, and get help.

[View My Account](#)

## Understanding Student Loan Repayment

Learn about federal student loan repayment based on where you are in the process.



I'm Starting School or In  
School



I'm About to Graduate or  
Leave College



I Just Graduated or Left  
School



# Fixed Interest Rates for Graduate Level Loans

## Unsubsidized Loan

2021-2022 – 5.28%

2022-2023 – 6.54%

2023-2024 – 7.05%

2024-2025 – 8.08%

## PLUS Loan

2021-2022 – 6.28%

2022-2023 – 7.54%

2023-2024 – 8.05%

2024-2025 – 9.08%





# Preparing for Loan Repayment (Next Steps)

# Steps to Prepare for Repayment



- ✓ Update your contact information
- ✓ Understand your timeline for repayment
- ✓ Explore income-driven IDR payment plans
  - ✓ Use a repayment calculator like the loan simulator at [studentaid.gov](https://studentaid.gov)
- ✓ Estimate your monthly payment amount
- ✓ Enroll in autopay – interest deduction .25%

<https://studentaid.gov/manage-loans/repayment/prepare-payments-restart>

## Entering Repayment

- Monthly minimum payment is due
- Interest still accrues on loans
- Must choose payment plan before end of grace period
- If an income-driven plan is chosen, must recertify income every 12 months.
- Payments are made to your loan servicing company

# Consolidating vs. Refinancing





## What is a Direct Consolidation Loan?

A federal loan where borrowers combine one or more federal student loans into a new Direct Consolidation Loan for the purpose of possibly lowering their monthly payment amount, gaining access to a particular repayment plan or loan forgiveness program.



# Reasons to Consolidate

Do you have multiple  
servicers?

Do you want to enroll in  
an **IDR plan** and start  
repayment **before** your 6-  
month grace period is  
over?

Do you have loans that aren't  
currently eligible for IDR Plans?  
or Public Service Loan  
Forgiveness?



# Should You Refinance?

If you have good credit, you may be able to refinance your existing federal student loans into a private loan.

Before doing that, it's important to understand the full impact of making this permanent change to your loans.

# What to Consider Before Refinancing

## Ask Yourself These Questions:

- Will this new private loan have a variable interest rate?
- Will you be working in public service? (This may include work during residency or a fellowship or while you are employed at an academic institution)
- Will the payments be affordable and/or is postponing payments an option during residency?
- Are you comfortable with assuming more risk in your financial life?

## And Always Remember:

- Federal loans will give you the ability to benefit from flexible terms and conditions, including access to income-driven repayment plans and possible loan forgiveness, potential interest subsidies, limits to monthly payment amounts, the availability of a death and disability discharge, and possible student loan tax deductions.
- Be sure the benefit received in a refinance is enough to offset the potential risk.



# PUBLIC SERVICE LOAN FORGIVENESS

MAKE  
120  
ON-TIME  
PAYMENTS

ENROLLED  
IN A  
QUALIFYING  
REPAYMENT  
PLAN

EMPLOYED  
FULL-TIME BY  
QUALIFYING  
EMPLOYER

REPAYING  
QUALIFYING  
DIRECT  
LOANS





[aamc.org/first/programs](https://aamc.org/first/programs)

# Repayment Plans





# SAVE Court Activity & Current Status

- June 2024 injunction stands preventing the Department of Education from implementing parts of the Saving on a Valuable Education (SAVE) Plan and other IDR plans.
- Two Lawsuits:
  - *Alaska v. Dept. of Ed.*
  - *Missouri v. Biden*
- Supreme Court has upheld existing pause on parts of the SAVE and other IDR plans; did not narrow scope of injunction.
- Pair of cases will continue to move through the Appeals Court process.
  - 8<sup>th</sup> Circuit Court heard October 24<sup>th</sup> oral arguments on Missouri-led challenge.
  - No ruling has been made as of today.




## Most Recent Update – March 2025

As of **March 26, 2025** the IDR and consolidation applications became available on [studentaid.gov](https://studentaid.gov) again and borrowers may apply for the following IDR plans:

- Pay As You Earn (PAYE)
- Income-Based Repayment (IBR)
- Income-Contingent Repayment (ICR)

# Department of Education Resources

Borrowers encouraged to review Department of Education and servicer communications/announcements for the latest information.

 The online income-driven repayment (IDR) plan and loan consolidation applications are available. [Stay up-to-date on court actions affecting IDR plans.](#)

<https://studentaid.gov/announcements-events/idr-court-actions>



# Repayment Scenarios

The plan you  
choose  
determines  
your monthly  
payment  
amount.

## Traditional Repayment Plans

**Standard** (payments do not change)

Up to 10 years

**Extended** (payments fixed or  
gradually increase)

Up to 25 years

**Graduated** (payments start smaller  
and then increase)

Up to 10 years

## Income-Driven Repayment Plans

**Income-Based Repayment  
(IBR)\*** 10%-15% of discretionary  
income

Up to 20 years

**Pay As You Earn (PAYE)** 10% of  
discretionary income

Up to 20 years

**Income-Contingent  
Repayment (ICR)** 20% of  
discretionary income

Up to 25 years



## Comparing Income-Driven Plans

		ICR (Income Contingent Repayment)	IBR (Income Based Repayment)	PAYE (Pay As You Earn)	SAVE (Saving on A Valuable Education)
Important Notes:		Available to new enrollees 12/16/24 – 7/1/27*	Loans borrowed prior to July 1, 2014, payment is 15% of discretionary income	Plan is available to new enrollees 12/16/24 – 7/1/27*	<b>No longer an option on the IDR application as of 3.26.2025*</b>
Payment Calculation		20% of discretionary income	10% of discretionary income (for loans borrowed on or after July 1, 2014.  Payment is capped at Standard amount	10% of discretionary income  Payment is capped at Standard amount	5%-10% of discretionary income (depending on loan level type – ugrad vs. grad)
Repayment Term		Up to 25 years	Up to 20 years	Up to 20 years	Up to 25 years
Income Requirement		No	Yes, must show a Partial Financial Hardship (PFH)	Yes, must show a Partial Financial Hardship (PFH)	No
Interest Subsidy		No	Interest subsidy on subsidized loans only for the first 3 years.	Interest subsidy on subsidized loans only for the first 3 years.	Subsidy is applied on any accrued interest not covered by your monthly payment.
PSLF Eligible		Yes	Yes	Yes	Yes
Interest Capitalization		No	Yes, if you no longer have a PFH, fail to recertify your income or leave the IBR plan.	No	No
Spousal Income		For all IDR plans, if you are married and file a joint tax return, your spouse's income is included in the payment calculation. If you are married and file separate tax returns, your spouse's income is not included in the payment calculation.			

**\*Availability of these plans subject to change. This information is accurate to the best of our knowledge as of the date of this live presentation.**



# Loan Repayment

## Example 1:

- **Federal Student Loan Debt: \$65,000**
- **Yearly Salary: \$70,000**
- **Options to Repay:**
  - **Traditional Repayment Plans**
  - **Income-Driven Repayment Plans**



# Traditional Repayment Plans

## Standard Repayment Plan

This plan allows you to pay the entirety of your loan via fixed payments (at a minimum of \$50) over your loan term (10 years for most loans, but it is usually longer for consolidation loans).

MONTHLY PAYMENT	TOTAL TO BE PAID
\$739	\$88,687

PAY OFF DATE	ESTIMATED PSLF AMOUNT
March 2035	\$0

[VIEW FULL PLAN](#)

## Graduated Repayment Plan

Payments start low and gradually increase every two years. You will repay your loans over 10 years (for most loans, but it is usually longer for consolidation loans).

MONTHLY PAYMENT	TOTAL TO BE PAID
\$425 - 1,275	\$95,153
FIRST	LAST

PAY OFF DATE	ESTIMATED PSLF AMOUNT
March 2035	\$0

[VIEW FULL PLAN](#)

## Extended Fixed Repayment Plan

This plan allows you to pay a fixed monthly payment over an extended period of 25 years.

MONTHLY PAYMENT	TOTAL TO BE PAID
\$440	\$132,031

PAY OFF DATE	ESTIMATED PSLF AMOUNT
March 2050	\$0

[VIEW FULL PLAN](#)

# Income-Driven Repayment Plans

## Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

Currently the loan simulator on [studentaid.gov](https://studentaid.gov) will only show you the IBR option. However, when you apply, you will also have the options of:

- Pay as you earn (PAYE)
- Income-contingent (ICR)

### Income-Based Repayment (IBR) Plan

Your monthly payments are limited to 10% of your discretionary income, depending on when you received your first loans.

MONTHLY PAYMENT

\$395

TOTAL TO BE PAID

\$119,621

PAY OFF DATE

December  
2043

FORGIVENESS AMOUNT

\$0

[VIEW FULL PLAN](#)

# Traditional Repayment Plans

## Example 2:

- **Federal Student Loan Debt: \$65,000**
- **Yearly Salary: \$100,000**

### Standard Repayment Plan

This plan allows you to pay the entirety of your loan via fixed payments (at a minimum of \$50) over your loan term (10 years for most loans, but it is usually longer for consolidation loans).

MONTHLY PAYMENT	TOTAL TO BE PAID
\$739	\$88,687

PAY OFF DATE	FORGIVENESS AMOUNT
March 2035	\$0

[VIEW FULL PLAN](#)

### Graduated Repayment Plan

Payments start low and gradually increase every two years. You will repay your loans over 10 years (for most loans, but it is usually longer for consolidation loans).

MONTHLY PAYMENT	TOTAL TO BE PAID
\$425 - 1,275	\$95,153
FIRST	LAST

PAY OFF DATE	FORGIVENESS AMOUNT
March 2035	\$0

[VIEW FULL PLAN](#)

### Extended Fixed Repayment Plan

This plan allows you to pay a fixed monthly payment over an extended period of 25 years.

MONTHLY PAYMENT	TOTAL TO BE PAID
\$440	\$132,031

PAY OFF DATE	FORGIVENESS AMOUNT
March 2050	\$0

[VIEW FULL PLAN](#)

# Income-Driven Plans

To qualify for the IBR plan, you must have a *partial financial hardship (PFH)* which means the payment calculated on this plan (based on your income) must be less than the Standard Payment Plan amount.

## Income-Based Repayment (IBR) Plan

Your monthly payments are limited to 10% of your discretionary income, depending on when you received your first loans.

MONTHLY PAYMENT

\$645

TOTAL TO BE PAID

\$91,037

PAY OFF DATE

November  
2035

FORGIVENESS AMOUNT

\$0

[VIEW FULL PLAN](#)



# Additional Information

**Income-Driven Repayment Plans are based on your last years tax information, if you have filed taxes.**

**If you do not have a tax-return on file, then the plan will be based on your current income at the time you apply.**

**Once you are enrolled on an IDR plan, you must recertify your income each year so that your payment is recalculated based on your most recent tax return.**

**If you are married and file taxes jointly with your spouse, both incomes are included in the calculation.**

# Budgeting in Your Loan Payment



<i>Fall 2023</i>		August	September	October	November	December		Total Spend	Average Spend
Food		\$ 300	\$ 400	\$ 350	\$ 375	\$ 200		\$ 1,625	\$ 325
Travel		\$ 75	\$ 100	\$ 125	\$ 100	\$ 300		\$ 700	\$ 140
Toiletries		\$ 50	\$ 50	\$ 75	\$ 50	\$ 50		\$ 275	\$ 55
Entertainment		\$ 50	\$ 100	\$ 50	\$ 250	\$ 50		\$ 500	\$ 100
Study Materials		\$ 200	\$ 50	\$ -	\$ -	\$ -		\$ 250	\$ 50
Total		\$ 675	\$ 700	\$ 600	\$ 775	\$ 600		\$ 3,350	\$ 670
<i>Spring 2024</i>		January	February	March	April	May			
Food		\$ 275	\$ 325	\$ 300	\$ 300	\$ 325		\$ 1,525	\$ 305
Travel		\$ 200	\$ 75	\$ 50	\$ 75	\$ 50		\$ 450	\$ 90
Toiletries		\$ 30	\$ 50	\$ 50	\$ 65	\$ 50		\$ 245	\$ 49
Entertainment		\$ 50	\$ 75	\$ 75	\$ 150	\$ 50		\$ 400	\$ 80
Study Materials		\$ 100	\$ -	\$ 25	\$ -	\$ 50		\$ 175	\$ 35
Total		\$ 655	\$ 525	\$ 500	\$ 590	\$ 525		\$ 2,795	\$ 559

## Put a Monthly Budget In Writing

- Review bank or credit card statements often
- Keep accurate financial records
- Know your spending limits

# Life Events Will Affect Your Plan

Making a plan is just the first step. You then need to update it as your life changes.

- Changes in income.
- Change to your investment risk-tolerance as you approach retirement.
- Change to marital status.
- Changes to the number of dependents.
- Set new goals once you've achieved previous goals.





# Additional Resources for You



# Financial Information, Resources, Services & Tools

FIRST provides you with unbiased and reliable guidance about paying for medical school, managing money, and successfully repaying your student loans.

**OCTOBER 2024 Medical Student Education: Debt, Costs, and Loan Repayment Fact Card for the Class of 2024**

AAMC

Public	73%	Private	67%	All	71%
Mean education debt	\$203,606	\$227,839	\$212,341		
(versus 2023, %)	(13%)	(12%)	(13%)		
Mean education debt of indebted only	\$200,000	\$230,000	\$205,000		
(versus 2023, %)	(0%)	(15%)	(12%)		

Percentage of graduates	Public	Private	All
Mean education debt of indebted only	85%	61%	56%
(versus 2023, %)	54%	31%	23%
Median education debt of indebted only	17%	31%	63%
(versus 2023, %)			

Education Debt (including premedical)	Percentage of graduates	Median Debt
\$100,000 or more	83%	\$28,000
\$200,000 or more	28%	\$200,000
\$300,000 or more	67%	

Education Debt Breakdown	Percentage of graduates	Median Debt
Premedical education debt	13%	\$5,000
Medical education debt	1%	\$10,000

Noneducation Debt	Percentage of graduates	Median Debt
Credit cards	1%	\$72,689
Residency and relocation loans	1%	\$72,689

Cost, In-State, 2023-24	Public	Private
Tuition and fees, first-year median	\$42,668	\$72,689
Cost of attendance (COA), first-year median	\$73,126	\$103,365
4-year COA for class of 2025, median	\$286,454	\$390,848

Source: AAMC Tuition and Student Fees Questionnaire data from 94 public schools and 64 private schools.

Association of American Medical Colleges

aamc.org/FIRST

**MedLoans® Organizer and Calculator**

Manage your student loans and plan for repayment.

Repayment, Scholarship & Other Programs Database

## Recorded Webinars and Videos

Watch recorded FIRST webinars and videos about financial topics important to premedical students, current medical residents.



### Student Loans and Repayment Strategies

Watch this recording to learn about ways to manage your student loan debt and determine which repayment strategy is right for you after graduation.



### FIRST Webinar Recording: Repayment Strategies for Graduating Medical Students (with MLOC Demo)

This recording highlights AAMC resources to help you make decisions on repaying your student loans. The MLOC



### FIRST Webinar Recording: Update on Public Service Loan Forgiveness (PSLF)

During this video, Emma Crawford, CPPP, discusses the program's requirements, how to discuss the program's requirements, and how to begin making PSLF-qualifying payments as quickly as possible after graduating from medical school.



### FIRST Webinar Recording: Money Management for Medical Students

This video provides information to help medical students borrow wisely and understand money management of medical school.

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

FIRST provides you with unbiased and reliable guidance about paying for medical school, managing money, and successfully repaying your student loans.

### Guide to Money Management and Student Loans

This guide discusses applying for financial aid, borrowing student loans, managing money, and repayment options after medical school and during residency.

### Guide to Public Service Loan Forgiveness (PSLF)

This guide outlines the PSLF program, eligibility guidelines, and actions to take to qualify for the program.

### FIRST Fact Sheets

Read about financial topics important to premed students, current students, and residents.

### FIRST Videos and Webinars

Watch videos and recorded FIRST webinars. Also, register to attend a future FIRST webinar about financing medical school, general money management, repaying student loans, and more.

### FIRST Resources

Review publications, infographics, charts, state and federal programs about financial aid, loans, credit, budgeting, loan repayment and scholarship.

### The MedLoans® Organizer and Calculator (MLOC)

The MedLoans® Organizer and Calculator tool was developed to assist medical students and residents with managing their education debt. The MLOC tool provides a secure location to organize and track student loans while also displaying possible repayment plans and costs based on the borrower's student loan

### Search FIRST

Sign In To The MLOC® Tool, MLOC O-

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

Register For The Next FIRST Webinar

# Guide to Money Management and Student Loans



This guide discusses applying for financial aid, borrowing student loans, managing money, and repayment options after medical school and during residency.

[Home](#) / [Guide to Money Management and Student Loans](#) / [Graduating Medical School](#) / [Graduating Medical School Checklist](#)

## Graduating Medical School Checklist

ESTIMATED READ TIME: 1 MINUTE

SHARE: [in](#) [X](#) [f](#) [✉](#)

### Search

### Guide to Money Management and Student Loans

[Entering Medical School](#) ▼

[Continuing Your Medical Education](#) ▼

[Graduating Medical School](#) ▲

**[Graduating Medical School Checklist](#)**

[Preparing for Graduation](#)

## Getting Ready for Graduation

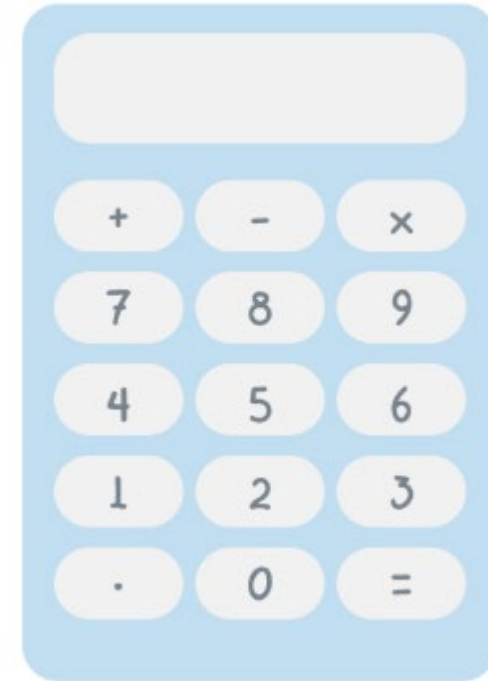
Use this checklist as you prepare to graduate from medical school.

- Find your federal loan information.
- Check your credit report.
- Complete required federal "Exit Counseling" on the Federal Student Aid (FSA) website and any other school requirements for graduating students.
- Evaluate postponement and repayment options.
- Determine your loan repayment goals.
- Create a loan repayment strategy based upon your financial goals.
- Develop a residency budget based on your PGY-1 stipend.
- Use the AAMC Financial Wellness program to learn about insurance, saving and investing, taxes, etc.
- Determine if a Direct Consolidation Loan is right for you.
- Explore loan forgiveness and loan repayment assistance programs.
- Set up a meeting with financial aid to discuss any questions or concerns you may have about loan repayment.

# Dental Loan Organizer and Calculator (DLOC)

**Dental  
Students**

Student Loan  
Calculator  
specifically  
designed for  
Dental Students  
and Residents



<https://www.aamc.org/services/first-for-financial-aid-officers/dental-loan-organizer>

# Student Loan Simulator for Federal Student Loans

**Loan  
Simulator**

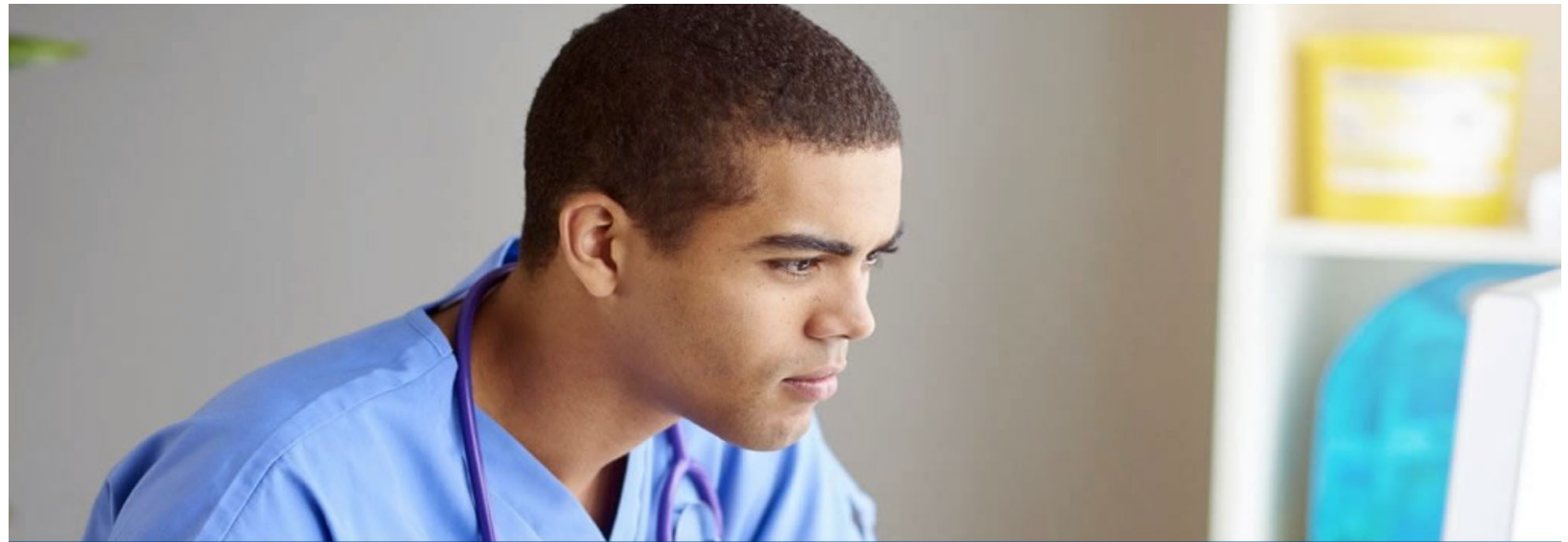
**Federal Student Aid**  
*An OFFICE of the U.S. DEPARTMENT of EDUCATION*



<https://studentaid.gov/loan-simulator/>



# Financial Wellness at FIRST



## Financial Wellness for Medical School and Beyond

### AAMC Financial Wellness

Access free financial calculators, articles, and videos to help you create a budget, track your spending, create financial goals, and enhance your financial knowledge about credit, financial planning, money management, and more!

Start building your financial future today at:  
[aamc.org/financialwellness](https://aamc.org/financialwellness)





The AAMC's FIRST program provides financial information, resources, services and tools for students and residents.

Contact us:  
[first@aamc.org](mailto:first@aamc.org)



**Please share your feedback!**