



Repayment Strategies Town Hall

Office of Student Financial Services

All information and estimates are based on AAMC interpretation of federal regulations as of January 2026 and are subject to change. Calculations shown are estimates only. Students should contact their servicer(s) to discuss exact loan balances and repayment options.

Agenda for Our Session

- Know Your Timeline
- What Are Your Options?
- Repayment Plans and Scenarios
- Additional Resources
- Let's Chat: Q&A Session



Know Your Repayment Timeline

Now - What loans do you have?
Are they federal loans or non-federal loans?

Before Graduation – Do you have undergrad loans with a grace period? When do payments start?

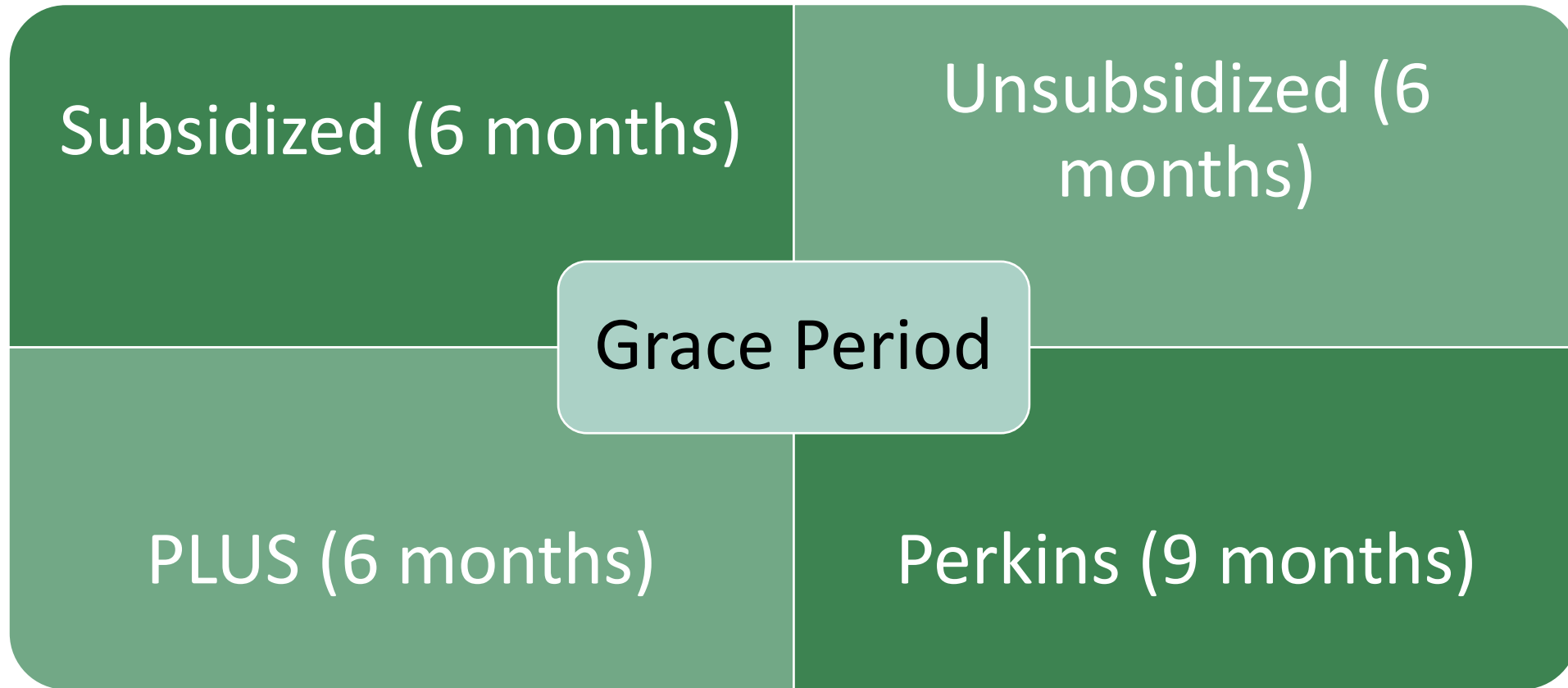
Upon Graduation – Explore options like consolidation, refinancing, forbearance

Beginning Employment– Are you pursuing PSLF? Submit all necessary forms immediately.

60 Days Before Grace Ends – Which repayment plan is best for you? Explore all options available to you.

60 Days Before First Repayment Year Ends – Recertify income annually and re-evaluate which plan is best for you.

Know When to Make that First Payment



What Loans Do You Have?

Federal Loans



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

Institutional Loans



Awarded and serviced by the school

Private Loans



Awarded and serviced by outside financial institution/organization

Federal Repayment Simulator

Calculate Your Federal Student Loan Repayment Options with Loan Simulator

Loan Simulator helps you estimate monthly student loan payments and choose a loan repayment option that best meets your needs and goals. You can also use it to decide whether to consolidate your student loans.



Stay up-to-date on impacts from the One Big Beautiful Bill Act by visiting StudentAid.gov/bigupdates. The repayment plans displayed in Loan Simulator represent the options available to borrowers today. On Dec. 22, 2025, we updated our systems and tools, including Loan Simulator, to allow borrowers who don't have partial financial hardship to explore and then enroll in the Income-Based Repayment Plan using the online income-driven repayment (IDR) plan application: StudentAid.gov/idr.



I Want to Find the Best Student Loan Repayment Strategy

Log In and Start

Or Start From Scratch

- See how you can lower your student loan payment.
- See how you can pay off your student loans faster.
- Decide whether to consolidate your student loans.



I'm Struggling With My Student Loan Payments

Log In and Start

Or Start From Scratch

- Consider a new repayment plan instead of suspending payments.
- Understand the impacts of suspending payments.
- Learn how to avoid loan default.

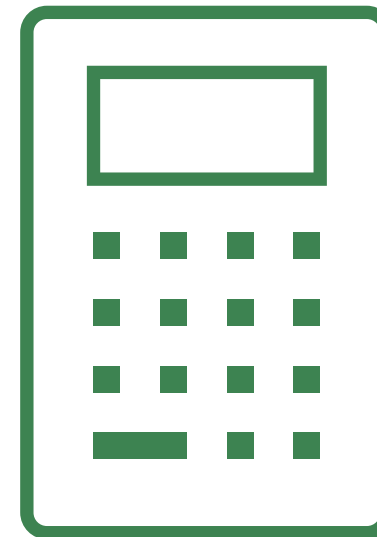


I Want to Simulate Borrowing More

Log In and Start

Or Start From Scratch

- Explore impacts when you borrow more student loans.
- Find out about federal student loan limits.
- See how your choice of school affects how much you may need to borrow.



To Pay or Not to Pay

Go Into Repayment

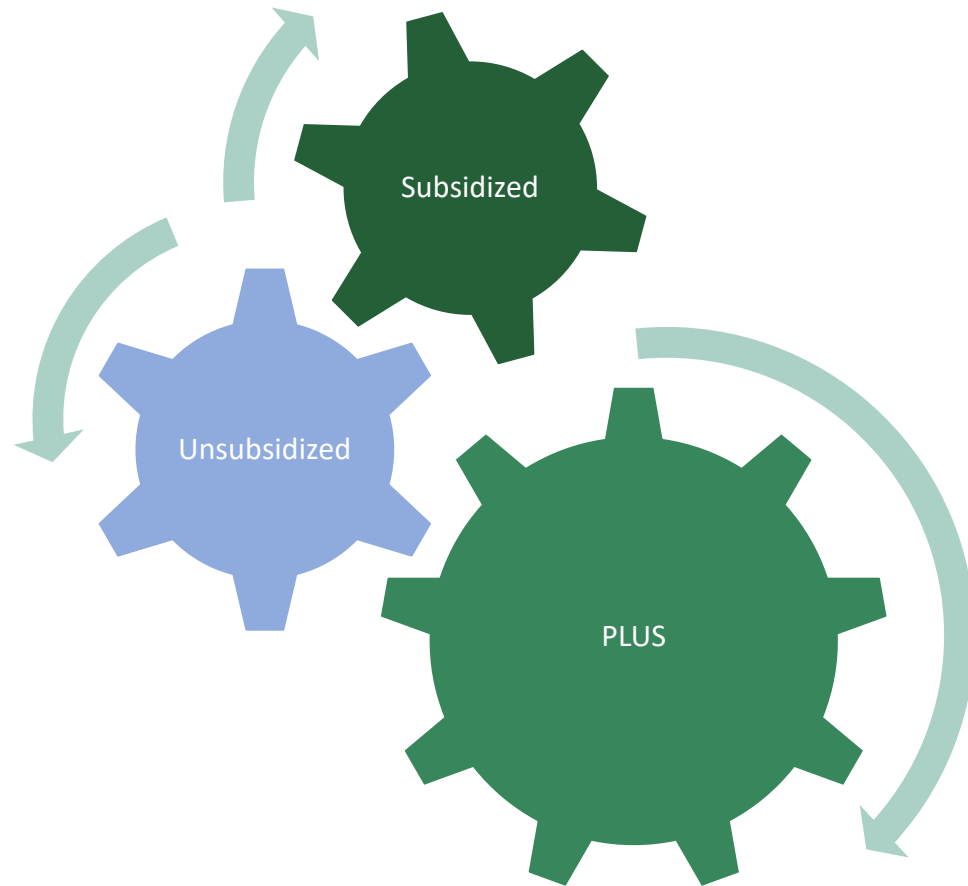
- Monthly minimum payment is due
- Interest still accrues on loans
- Reduces debt upon end of residency
- Must choose payment plan before end of grace period
- Can opt out at any time with no penalty



Go Into Forbearance

- No monthly payment
- Interest is accruing on loans
- Debt continues to grow during residency
- Must apply for this option before payment is due
- Can opt out at any time with no penalty
- Does NOT count toward PSLF

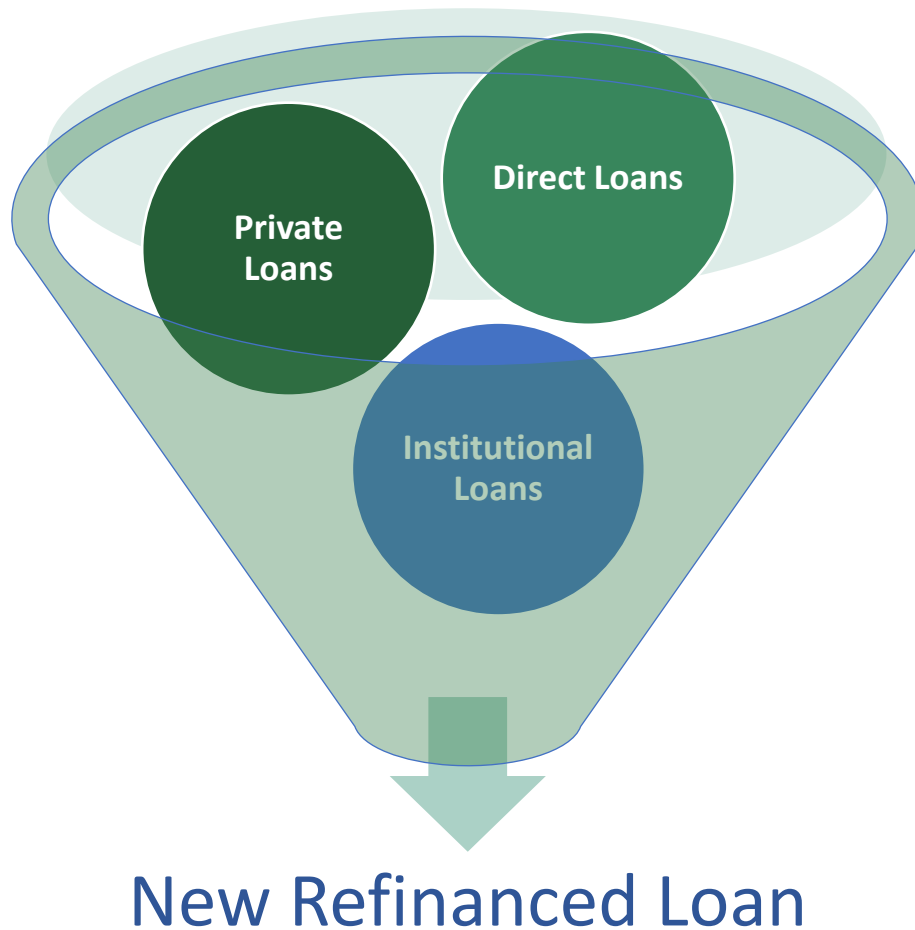
Direct Consolidation Loans



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.

***loans consolidated after July 1, 2026 must enter the RAP or New Standard Plan**

A Refinance Loan



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.



PUBLIC SERVICE LOAN FORGIVENESS



Steps to Prepare for Repayment



- Update your contact information
- Explore affordable payment plans
- If in an Income-Driven Repayment (IDR) plan, recertify your income
- Enroll in autopay
- Learn your monthly payment amount
- Make your payment
- Check if you qualify for a type of loan forgiveness

Pick the Best Plan for You

Traditional Plans

Standard – payment stays the same	Up to 10 years to pay
Graduated – payment starts small and increases	Up to 10 years to pay
Extended – payment stays the same	Up to 25 years to pay

Income-Driven Plans

Repayment Assistance Program (RAP) 1%-10% of Adjusted Gross Income (AGI)	Up to 30 years to pay
Pay As You Earn (PAYE) – 10% of discretionary income	Up to 20 years to pay
Income Based (IBR) – 10%-15% of discretionary income	Up to 20 years to pay

Comparing Income- Driven Plans

	ICR (Income Contingent Repayment)	IBR (Income Based Repayment)	PAYE (Pay As You Earn)	RAP (Repayment Assistance Program)
<i>Important Notes:</i>	<i>Available to new enrollees 12/16/24 – 7/1/27*</i>	<i>Loans borrowed prior to July 1, 2014, payment is 15% of discretionary income</i>	<i>PAYE Plan is available to new enrollees 12/16/24 – 7/1/27*</i>	<i>Available for all current borrowers beginning July 1, 2026</i>
Payment Calculation	20% of discretionary income	10% of discretionary income (for loans borrowed on or after July 1, 2014.	10% of discretionary income	% of family Adjusted Gross Income (AGI)
Repayment Term	Up to 25 years	Up to 20 years	Up to 20 years	Up to 30 years
Income Requirement	No	No	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.	Unpaid interest that exceeds minimum monthly payment is subsidized
PSLF Eligible	Yes	Yes	Yes	Yes
Interest Capitalization	No	No	No	No
Spousal Income	<i>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.</i>			

***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.**

New Tiered Standard Repayment Plan

Years to Repay Loans	Debt at Time of Repayment
10	Less than \$25,000
15	\$25,000-\$49,000
20	\$50,000-\$99,000
25	\$100,000 or more

***Among 2025 graduates with debt, 85% had a debt of \$100,000 or more at graduation**

Repayment Assistance Plan (RAP)

Adjusted Gross Income (AGI)	Monthly Payment Calculation	Monthly Payment Range	Average Monthly Payment
\$50,000-\$59,000	5% of AGI divided by 12	\$210-\$350	\$230
\$60,000-\$69,000	6% of AGI divided by 12	\$300-\$350	\$330
\$70,000-\$79,000	7% of AGI divided by 12	\$410-\$460	\$440
\$80,000-\$89,000	8% of AGI divided by 12	\$530-\$590	\$570
\$90,000-\$99,000	9% of AGI divided by 12	\$570-\$610	\$590

***Most PGY-1 stipends are currently in \$60K to \$70K range**

***RAP Reduced by \$50 for each dependent; Minimum monthly payment of \$10**



Understanding the Subsidy

\$212,000 Debt at Graduation

\$1,300 Interest Accrual Each Month

\$300 Monthly Payment in RAP

\$1,000 Left in Unpaid Interest is All Subsidized
(you are not responsible to repay)

In other plans, this unpaid **\$1,000** of interest would be added to your loan balance that you are responsible to repay

$$(x + a)^n = \sum_{k=0}^n \binom{n}{k} x^k a^{n-k}$$

Repayment Scenario

Student Loan Debt: **\$100,000**

Starting Salary: **\$80,000**

Household Size: **1**

Number of Dependents: **0**

State of Residency: **Massachusetts**



Let's Look at Some Numbers

Notice the information:

- Based on lowest monthly payment
- Total to be paid
- How long to pay off loan
- End of payment term
- Balance remaining

Based on your selections and overall repayment strategy, this is the plan with the **lowest monthly payment**.

We estimate you will pay **\$471** per month.

✔ Recommended Repayment Plan

Pay As You Earn (PAYE) Repayment Plan

✔ Lowest Monthly Payment

Monthly Payment
\$471

Total To Be Paid
\$179,645

Payment Period
Up to 20 Yrs

Repayment Type ⓘ
Income Based

Estimated End of Payment
Term
Mar 2046

End of Payment Balance ⓘ
\$26,864

Look at Each Plan

+ Add to Comparison

Pay As You Earn (PAYE) Repayment Plan

Recommended

Your monthly payments are limited to 10% of your discretionary income.

MONTHLY PAYMENT	TOTAL TO BE PAID
\$471	\$179,645

ESTIMATED END OF TERM DATE	ESTIMATED END OF PAYMENT BALANCE
March 2046	\$26,864

VIEW FULL PLAN

+ Add to Comparison

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	TOTAL TO BE PAID
\$471	\$179,645

ESTIMATED END OF TERM DATE	ESTIMATED END OF PAYMENT BALANCE
March 2046	\$26,864

VIEW FULL PLAN

+ Add to Comparison

Extended Graduated Repayment Plan

Payments start low and gradually increase every two years. You will repay your loans over an extended period of 25 years.

MONTHLY PAYMENT	TOTAL TO BE PAID
\$533 - 980	\$217,692
<small>FIRST</small>	<small>LAST</small>

END OF TERM DATE	ESTIMATED END OF PAYMENT BALANCE
March 2051	\$0

VIEW FULL PLAN

+ Add to Comparison

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
\$649 - 1,947	\$145,252
<small>FIRST</small>	<small>LAST</small>

END OF TERM DATE	ESTIMATED END OF PAYMENT BALANCE
March 2036	\$0

VIEW FULL PLAN

+ Add to Comparison

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
\$668	\$200,505

END OF TERM DATE	ESTIMATED END OF PAYMENT BALANCE
March 2051	\$0

VIEW FULL PLAN

+ Add to Comparison

Income-Contingent Repayment (ICR) Plan

Your monthly payments are generally limited to 20% of your discretionary income.

MONTHLY PAYMENT	TOTAL TO BE PAID
\$1,002	\$140,936

END OF TERM DATE	ESTIMATED END OF PAYMENT BALANCE
May 2037	\$0

VIEW FULL PLAN

Repayment Goals

What is your repayment goal?

- Fastest payoff
- Lowest monthly payment
- Lowest total paid over time
- Monthly payment I chose
- Total paid by a certain date

Show payment estimated under **Public Service Loan Forgiveness (PSLF)** ⓘ

Off

Takeaways from Scenarios

There is no single strategy for everyone

Payment plans can and do change

Your priorities change and so will your payment plan





Additional Resources Created for You

Take Advantage of the FIRST Program



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, DLOC Or OLOC

Register For The Next FIRST Webinar (February 17, 2026)

ALERTS

- Recent legislation will impact student loans and repayment plans beginning July 1, 2026. Visit [Federal Student Aid](#) for more information.
- The [AAMC FIRST Repayment Strategies Platform](#) is a resource offering medical students tools to choose the right repayment plan for them.

Sign up to Receive the FIRST Newsletter

Provide your name and email address, scroll down to Student Resources, and select [FIRST Newsletter](#).

Contact FIRST

first@aamc.org

AAMC Advocacy & Policy

Learn how the AAMC advocates on behalf of academic medicine. Here you will find more on our advocacy activities related to student financial aid and how it affects you.

Tips During Residency

MANAGING YOUR MONEY



DEVELOP YOUR RESIDENCY SPENDING PLAN

- Determine your income and expenses during residency and create a budget. Review this [resident stipend infographic](#) for a sample budget.
- Put your plan in writing (or use a free online budgeting tool), review it periodically, and make adjustments when necessary.
- Use [FIRST's budgeting resources](#) and access money management tools and activities from the [AAMC Financial Wellness program](#).



CHECK YOUR CREDIT REPORTS AND MAINTAIN GOOD CREDIT SCORES

- [Access your credit reports](#) to view your outstanding credit obligations, monitor your credit, and prevent identity theft.
- Report inaccuracies to the appropriate credit bureaus by filing a dispute online. Report identity theft or fraud via the [Federal Trade Commission's website](#).
- Increase your credit score by paying your bills on time, reducing your debt (e.g., credit cards, loans), and limiting applications for new credit.



MAKE SURE YOU ARE PROPERLY INSURED

- Learn about the [different types of insurance](#) (e.g., disability, accident, life, malpractice).
- Determine the type and amount of insurance you need now and in the future, and contact a qualified insurance provider, if necessary.



THINK ABOUT RETIREMENT AND INVESTMENT PLANNING

- Take advantage of employer-sponsored retirement accounts. Speak to your employer's human resources office to find out if there are benefits available to assist with retirement and investment planning.
- Consider using the services of a [financial planner](#).

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Tips During Residency

MANAGING YOUR FEDERAL STUDENT LOANS



BEFORE GRADUATION

- [Find the details of your federal student loans](#).
- Prepare a [budget](#) based on your residency stipend.
- Thirty days before graduation, contact your servicer to manage any loans that don't have a grace period.
- Learn about the various [repayment plans](#), and review repayment scenarios with the [Medi Loans® Organizer and Calculator \(MLOC\)](#).
- Investigate [loan forgiveness and loan repayment assistance programs](#).



AT GRADUATION

- [Direct Unsubsidized Loans](#) enter a six-month grace period, and [Direct PLUS Loans](#) enter a six-month post-enrollment deferment.
- During this time, no payments are required, and interest continues to accrue until the loans are paid in full.
- Keep your loan information in a safe place, maintain accurate records, and update your servicer and [studentaid.gov](#) with your new address whenever you move.
- Determine if a [Direct Consolidation Loan](#) is necessary for your situation.



BEGIN RESIDENCY

- If you are interested in [Public Service Loan Forgiveness \(PSLF\)](#), complete the [PSLF form](#).
- Repayment begins six months after graduation. Request a repayment plan at least 60 days before the end of [your grace](#) or post-enrollment deferment period.
- If you want to postpone payments during residency, request a [mandatory residency forbearance](#) from your servicer 30 days before the end of your grace or post-enrollment deferment period.



ANNUALLY

- Complete the PSLF form every year and if you change employers.
- If you want to postpone payments throughout residency, submit a mandatory residency forbearance request form to your servicer each year before the current request form expires.
- If you are enrolled in an income-driven repayment (IDR) plan, recertify your income and household size by your servicer's recertification due date.

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Budget Worksheet for Residents

For more information about budgeting as a resident, review this [infographic](#).

MONTHLY INCOME:

Salary (after deductions)	\$0.00
Spouse salary (after deductions)	\$0.00
Investment income	\$0.00
Gifts	\$0.00
Other	\$0.00
Total Monthly Income	\$0.00

MONTHLY FIXED EXPENSES:

Savings	\$0.00
Rent/mortgage	\$0.00
Phone	\$0.00
Taxes (federal, state)	\$0.00
Vehicle payments	\$0.00
Other transportation	\$0.00
Personal loans	\$0.00
Education loans	\$0.00
Insurance (life and health)	\$0.00
Home/renter insurance	\$0.00
Auto insurance	\$0.00
Auto registration/taxes	\$0.00
Other	\$0.00
Total Fixed Expenses	\$0.00

MONTHLY VARIABLE EXPENSES:

Food/household supplies	\$0.00
Dining out	\$0.00
Clothes	\$0.00
Laundry/dry cleaning	\$0.00
Gas, oil, auto maintenance	\$0.00
Parking	\$0.00
Medical/dental/eye care	\$0.00
Entertainment	\$0.00
Travel/vacation	\$0.00
Utilities	\$0.00
Music/books/journals	\$0.00
Personal care	\$0.00
Subscriptions	\$0.00
Cable TV and internet	\$0.00
Credit card payments	\$0.00
Charity/contributions/gifts	\$0.00
Savings for interviews/relocation	\$0.00
Test prep course/materials	\$0.00
Exam/licensing fees	\$0.00
Other	\$0.00

Total Variable Expenses	\$0.00
Plus Total Fixed Expenses	\$0.00
Equals Total Monthly Expenses	\$0.00

Total Income	\$0.00
Less Total Expenses	\$0.00

Equals Total Discretionary Income (or Deficit)	\$0.00
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The AAMC's FIRST program provides financial information, resources, services and tools for students and residents.

Contact us:
first@aamc.org