

CCOMMON CENTS

YOUR FINANCIAL LITERACY NEWSLETTER

What do I need to Know?

CARES ACT UPDATE

The CARES Act has been extended until June 30, 2023. Enjoy six more months of NO interest on your federal student loans!

ALL STUDENTS:

Please double check to make sure that you filed your 23-24 FAFSA. Last year, there were 22 students that forgot to file their FAFSA and it can delay your next refund by up to 4 weeks. If in doubt, email me and I can check to make sure that we have received it.

PA2, M2, M3, M4 Students:

You will notice that there is a charge on your u-bill for professional liability insurance. This once a year charge protects you during clinical rotations. Money has been included in your spring refund for this charge.

M2, M3, M4, PA2 Students

You have probably noticed that your spring refund was larger than your fall refund. The spring 2023 semester goes until the end of June (26.5 weeks) and your fall semester was only 19.5 weeks so we include more money for rent, food, utilities, etc. Your spring disbursement will need to last until July so please make sure that you budget accordingly.

M3 Students:

Money has been included in your spring disbursement to pay for Step 2 CK/CS registration. Make sure that you set this money aside because you will need it for those registration fees.

M4 Students:

Save the Date: On March 20, a Debt Management Specialist from the AAMC will be hosting a zoom session from 5:30-7:00 PM to talk about loan repayment strategies. Watch your email for more details!

Disability Insurance

Disability insurance is something that you purchase and hope that you never have to use. Unfortunately, disabling accidents and illnesses can happen to anyone at any time. Should MD/PA students purchase disability insurance while in school? This is a question that many medical students ask themselves. There are several benefits to purchasing disability insurance during medical school.

- Age has an impact on rates so it is beneficial (and cheaper!) to purchase a policy while you are younger! (You will never be younger than you are today!)
- Your health status has an impact on your eligibility and premiums. This is determined at the time when you purchase the insurance. It is better to set up a policy now and lock in on cheaper rates while you are healthier and in better shape!
- Many insurance policies are also based on your specialty. Since different specialties have higher risks than others, it may be a good idea to lock in a policy before you choose your specialty.

AMA offers [disability insurance](#) to medical students for \$41 per year. This coverage provides \$1,000 per month (\$12,000 maximum annual benefit) should you have to take a leave for medical reasons. Your enrollment will need to be verified for approval. There are several other options for disability insurance, so you may wish to shop around! Purchasing disability insurance can give you peace of mind!



Summer Loan Disbursements Dates:

Current M2, PA2, & M3 students: 7/3/23 **Current PA1 students: 6/5/23**
You must have filed your 2023-24 FAFSA in order to receive summer loan disbursements!

Federal Loans vs Private Student Loans

There are two types of student loans available—Federal loans and private loans. The vast majority of student loan borrowers use Federal Student Loans. So what are the similarities and differences between the two loan options?

	Federal Loans (Funded by the Government)	Private Loans (Funded by Banks and Credit Unions)
Application	File the FAFSA each year	Apply directly at bank
Cosigner	Not required	Generally require a co-signer (may be waived based on credit score of the borrower)
Credit Check	Not required (except for PLUS loans)	Always required
Interest Rates	Fixed Rates	Fixed and Variable Rates are available
Repayment Options	Flexible repayment options including income based repayment options	Currently do not offer income based repayment options (may vary depending on the lender)
Public Service Loan Forgiveness/CARES Act Benefits	Eligible for all Federal Government Student Loan Benefits including PSLF, President Biden's loan forgiveness, & the CARES Act.	Not eligible for any Federal Student loan forgiveness programs or benefits
Death/Permanent Disability	Forgiven if the borrower dies or becomes permanently disabled	In the case of death/disability, the co-signer is responsible for paying back the loan balance
Payments during school?	No payments required while enrolled at least half time	Borrowers can apply for in-school deferments if they are enrolled at least half time

Financial Services Office Hours Monday - Friday 8:00 - 5:00 Please stop by 1216 MERF if you need to speak with one of us!