

CCOMMON CENTS

YOUR FINANCIAL LITERACY NEWSLETTER

What do I need to Know?**All Students:**

All CCOM students are required to have health insurance. If you have alternative coverage then submit your proof of insurance on MyUI by Sept. 9 or you will be automatically enrolled into the University's basic insurance plan (SHIP) and charged \$325 per month. If you are taking out SHIP insurance, we will send out information about increasing your loans to cover the cost of these monthly insurance premiums in early October.

M1, M2, M3, PA1, PA2 students

The FAFSA is getting an overhaul this year, so the FAFSA will not be available until December this year. No exact date has been announced yet, but we will send out an email as soon as we know more information. When you get this information, it will be extremely important that you file your 24-25 FAFSA right away.

M3 Students:

Your fall semester refund (you received this in July) included \$660 for USMLE Step 1 registration expenses. Make sure that you set this amount aside when budgeting.

M4 Students:

The refund that you received in July included \$1,377 for ERAS application expenses. Make sure that you set this amount aside when budgeting.

Spring 2024 Loan Disbursements Dates:
M2 and PA2 : January 8
M1, M3, M4, PA1 : January 16

Financial Services Office Hours

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

What are Loan Origination Fees?

Students often notice that the amounts of loans disbursed to their accounts are less than the original amount of the loan that they accepted. This is due to origination fees that are taken out by the lender.

So what exactly are origination fees? It doesn't matter if you are getting a loan to buy a house, a car, or student loans – you are going to be paying an origination fee. An origination fee is an upfront fee charged by the lender for processing a new loan application used for compensation for putting the loan in place. Origination fees are usually a percentage of the total loan amount borrowed. Unsubsidized Loans currently have a **1.062%** origination fee; Grad Plus Loans have a **4.248%** origination fee. The lender takes the origination fees out of your loans before they are sent to the university, so students do not pay these fees directly.

Type of Loan	Amount Borrowed	Origination Fee	Amount Disbursed
Unsubsidized Loan	\$20,500	\$217	\$20,283
Grad PLUS loan	\$20,500	\$870	\$19,630

Remember: If you reduce/return your loans within 120 days of disbursement, then your loan origination fees will decrease, too!

Introducing the SAVE Repayment Plan

The Department of Education has given the REPAYE repayment plan a much needed upgrade. The new plan is called the SAVE (Saving on A Valuable Education). The SAVE plan is similar to the REPAYE plan in many ways, but the biggest change is the amount of interest that is forgiven during repayment. The REPAYE plan would forgive half of the interest that is not covered by the monthly payment. The SAVE plan will forgive ALL of the uncovered interest. This will save those in residency a lot of money!

So let's look at an example: Let's look a resident who is enrolled in an income driven payment plan. Their payment is \$400 per month, but their lender is charging them \$1,300 per month in interest. It doesn't take a financial expert to see that this student is \$900 short of even breaking even every month during residency! (Once you have an attending salary, your payments will increase, but this definitely an issue during residency)

In the REPAYE plan, they would get half of that interest (\$450 of the \$900) forgiven, but they are still going further into debt because they are still accruing \$450 in interest every month.

With the SAVE plan, the borrower would get ALL \$900 of the uncovered interest forgiven! That means that this borrower would not be going further into debt during residency. So it is possible to end residency with the same amount that you borrowed...instead of going further into debt.



This may not impact you right now, but it will save you a lot of money down the road! Visit this [link](#) for more information on the SAVE plan. Please remember that our goal is to meet with every PA/MD student before graduation to review their repayment options and find the best repayment strategy.