Dear Class of 2020,

Congratulations on your upcoming commencement! With residency looming, it’s time to think about your student loan repayment strategy. Fear not, about 80% of our students have loans. You are not alone!

You recently received an automated email for an online federal exit counseling module- this is something we’re required to send. However, we strive to provide more personalized service and therefore, have the following alternatives for you.

First things first:
1) **Download/save/bookmark** the Jan 2020 edition of the [AAMC Education Debt Manager](#), a 68 pg booklet specifically written for MD’s with student loans. It’ll be your cheat sheet for everything! (Other than me of course.)
2) **Know what you owe**: visit [www.nslds.ed.gov](http://www.nslds.ed.gov) and/or [www.studentaid.gov](http://www.studentaid.gov)

Then, when you can spare an hour... 

3) **Watch my prerecorded PowerPoint** which covers extensive “generic” information, like which repayment plans to choose from and what refinancing means. *Note: most of the presentation is re: federal debt. If you ONLY have UVM loan(s), such as the Larner loan, skip to the last ~10 min of video.*

**Links and Attachments:**
- [AAMC Public Service Loan Forgiveness booklet](#)
- [AAMC MedLoans Calculator](#) (the only student loan calculator you should be using!)
- Attachment #1: Federal Income Driven Repayment (IDR) Plans Comparison Chart
- Attachment #2: Living on a Resident Salary Infographic
- Attachment #3: LCOM Loans Summary (non-federal debt)

After viewing the PowerPoint, contact me directly with individualized questions! You can email me the questions and we can correspond that way, or, we can set up a phone or Zoom mtg. WHEN CONTACTING ME FOR APPT REQUEST: Please include your total owed (this makes things more efficient), your current time zone and general availability/schedule.

I know this can be an overwhelming thing to read about & discuss, but I’m here to help you. You’re encouraged to tend to your loan matters before relocation and residency chaos set in!

‘till debt do us part,
Kari

Kari Brayden
Medical Student Financial Services Coordinator
[www.uvm.edu/sfs](http://www.uvm.edu/sfs) | Voicemail line during COVID-19 closure: 802-656-9203 | Email: MedSFS@uvm.edu or Kari.Brayden@med.uvm.edu
### Institutional Loans

**Servicer:** Heartland ECSI | [www.heartlandecsi.com](http://www.heartlandecsi.com) | 888-549-3274  
**UVM Contact:** Susan Swain, Institutional Debt & Collections  
[mailto:susan.swain@uvm.edu](mailto:susan.swain@uvm.edu) | 802-656-4347

<table>
<thead>
<tr>
<th>Loan Type</th>
<th><strong>Larner</strong></th>
<th><strong>Benjamin Adams</strong> (Vermonters only)</th>
<th><strong>Bennett</strong> (Vermonters only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grace Period (beginning at graduation)</td>
<td>9 months</td>
<td>9 months</td>
<td>9 months</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>5% (0% during enrollment, grace period, and deferment)</td>
<td>5% (0% during enrollment, grace period, and deferment)</td>
<td>0%, always</td>
</tr>
<tr>
<td>Repayment Term</td>
<td>6 Years $30 minimum/mo</td>
<td>10 Years $30 minimum/mo</td>
<td>10 Years $30 minimum/mo</td>
</tr>
</tbody>
</table>
| Deferments (optional suspension of payment after grace period) | -Residency (39mo max)  
-Military | -Forbearance  
-Economic Hardship  
-Unemployment  
-Military | -Residency (39mo max)  
-Fellowship  
-Military |
| Federal Loan Consolidation, PSLF Eligibility + Income Based Billing Plans | Not eligible | Not eligible | Not eligible |

**Important Notes:**
- This handout does NOT include Federal loan information.
- UVM Institutional Loans reflected above (except Perkins) do not show up on your Federal loan history at [www.nslds.ed.gov](http://www.nslds.ed.gov) or [www.studentloans.gov](http://www.studentloans.gov), nor do they appear on credit reports, unless delinquent.
- To find your balance(s), locate your archived financial aid award letters in myUVM, or, contact Heartland ECSI.
- Deferment forms are acquired through Heartland ECSI’s website or via Susan Swain mentioned above; grace period must be over in order to apply.
- Always provide ECSI with updated contact information once you relocate.
Living on a Resident Stipend of $58,000*

YOU CAN AFFORD A STUDENT LOAN PAYMENT

Monthly Gross Pay $4,833

WHAT HAPPENS TO YOUR PAYCHECK?

MEDICARE $70
STATE/LOCAL TAX $254
SOCIAL SECURITY $300
FEDERAL INCOME TAX $649

MONTHLY NET PAYCHECK

$3,560

PAYMENTS ARE POSSIBLE ON A RESIDENT'S BUDGET

$1,770 Rent/Mortgage
$420 Transportation/Car
$400 Groceries/Dining
$320 Student Loans
$200 Discretionary
$150 Utilities
$100 Smartphone
$100 Insurance/Health
$100 Savings

$320 Student Loans (PAYE or REPAYE)

74% of recent graduates say they’ll make payments during residency

* Based on a projected 2020 resident stipend. Paycheck breakdown and budgeted living costs are based on FIRST analysis of national averages.
### Table 1. Income-Driven Plan Eligibility Requirements and General Information

<table>
<thead>
<tr>
<th>Plan Feature</th>
<th>REPAYE</th>
<th>PAYE</th>
<th>IBR</th>
<th>ICR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment Amount</td>
<td>Generally, 10% of discretionary income.</td>
<td>Generally, 10% of discretionary income.</td>
<td>Never more than 15% of discretionary income.</td>
<td>Lesser of 20% of discretionary income or what you would pay under a repayment plan with fixed payments over 12 years, adjusted based on your income.</td>
</tr>
<tr>
<td>Cap on Payment Amount</td>
<td>None. Your payment may exceed what you would have paid under the 10-year standard repayment plan.</td>
<td>What you would have paid under the 10-year standard repayment plan when you entered the plan.</td>
<td>What you would have paid under the 10-year standard repayment plan when you entered the plan.</td>
<td>None. Your payment may exceed what you would have paid under the 10-year standard repayment plan.</td>
</tr>
<tr>
<td>Married Borrowers</td>
<td>Your payment will be based on the combined income and loan debt of you and your spouse regardless of whether you file a joint or separate Federal income tax return, unless you and your spouse (1) are separated or (2) you are unable to reasonably access your spouse's income information.</td>
<td>Your payment will be based on the combined income and loan debt of you and your spouse only if you file a joint Federal Income tax return, unless you and your spouse (1) are separated or (2) you are unable to reasonably access your spouse's income information.</td>
<td>Your payment will be based on the combined income and loan debt of you and your spouse only if you file a joint Federal Income tax return, unless you and your spouse (1) are separated or (2) you are unable to reasonably access your spouse's income information.</td>
<td>Your payment will be based on the combined income of you and your spouse only if you file a joint Federal income tax return, unless you and your spouse (1) are separated or (2) you are unable to reasonably access your spouse's income information.</td>
</tr>
<tr>
<td>Borrower Responsibility for Interest</td>
<td>On subsidized loans, you do not have to pay the difference between your monthly payment amount and the interest that accrues for your first 3 consecutive years in the plan. On subsidized loans after this period and on unsubsidized loans during all periods, you only have to pay half the difference between your monthly payment amount and the interest that accrues. No mention of unsubsidized</td>
<td>On subsidized loans, you do not have to pay the difference between your monthly payment amount and the interest that accrues for your first 3 consecutive years in the plan.</td>
<td>On subsidized loans, you do not have to pay the difference between your monthly payment amount and the interest that accrues for your first 3 consecutive years in the plan.</td>
<td>You are responsible for paying all of the interest that accrues.</td>
</tr>
<tr>
<td>Forgiveness Period (if PSLF is not pursued instead)</td>
<td>If you only have eligible loans that you received for undergraduate study, any remaining balance is forgiven after 20 years of qualifying repayment. If you have any eligible loans that you received for graduate or professional study, any remaining balance is forgiven after 25 years of qualifying repayment on all of your loans. Forgiveness may be taxable.</td>
<td>Any remaining balance is forgiven after 20 years of qualifying repayment, and may be taxable.</td>
<td>Any remaining balance is forgiven after no more than 25 years of qualifying repayment, and may be taxable.</td>
<td>Any remaining balance is forgiven after 25 years of qualifying repayment, and may be taxable.</td>
</tr>
</tbody>
</table>
## SECTION 10: INCOME-DRIVEN PLAN ELIGIBILITY REQUIREMENTS AND GENERAL INFORMATION

<table>
<thead>
<tr>
<th>Plan Feature</th>
<th>REPAYE</th>
<th>PAYE</th>
<th>IBR</th>
<th>ICR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Eligibility</strong></td>
<td>None.</td>
<td>You must have a “partial financial hardship”.</td>
<td>You must have a “partial financial hardship”.</td>
<td>None.</td>
</tr>
<tr>
<td><strong>Borrower Eligibility</strong></td>
<td>You must be a Direct Loan borrower with eligible loans.</td>
<td>You must be a “new borrower” with eligible Direct Loans.</td>
<td>You must be a Direct Loan or FFEL borrower with eligible loans.</td>
<td>You must be a Direct Loan borrower with eligible loans.</td>
</tr>
<tr>
<td><strong>Recertify Income and</strong></td>
<td>Annually. Failure to submit documentation by the deadline will result in capitalization of interest and increasing your payment to ensure that your loan is paid in full over the lesser of 10 or the remainder of 20 or 25 years.</td>
<td>Annually. Failure to submit documentation by the deadline may result in the capitalization of interest and will increase the payment amount to the 10-year standard payment amount.</td>
<td>Annually. Failure to submit documentation by the deadline will result in the capitalization of interest and increase in payment amount to the 10-year standard payment amount.</td>
<td>Annually. Failure to submit documentation by the deadline will result in the recalculation of your payment amount to be the 10-year standard payment amount.</td>
</tr>
<tr>
<td><strong>Family Size</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Leaving the Plan</strong></td>
<td>At any time, you may change to any other repayment plan for which you are eligible.</td>
<td>At any time, you may change to any other repayment plan for which you are eligible.</td>
<td>If you want to leave the plan, you will be placed on the standard repayment plan. You may not change plans until you have made one payment under that plan or a reduced-payment forbearance.</td>
<td>At any time, you may change to any other repayment plan for which you are eligible.</td>
</tr>
<tr>
<td><strong>Interest Capitalization</strong></td>
<td>Interest is capitalized when you are removed from the plan for failing to recertify your income by the deadline or when you voluntarily leave the plan.</td>
<td>If you are determined to no longer have a “partial financial hardship” or if you fail to recertify your income by the deadline, interest is capitalized until the outstanding principal balance on your loans is 10% greater than it was when you entered the plan. It is also capitalized if you leave the plan.</td>
<td>If you are determined to no longer have a “partial financial hardship”, fail to recertify your income by the deadline, or leave the plan, interest is capitalized.</td>
<td>Interest that accrues when your payment amount is less than accruing interest on your loans is capitalized annually until the outstanding principal balance on your loans is 10% greater than it was when your loans entered repayment.</td>
</tr>
<tr>
<td><strong>Re-Entering the Plan</strong></td>
<td>Your loan holder will compare the total of what you would have paid under REPAYE to the total amount you were required to pay after you left REPAYE. If the difference between the two shows that you were required to paid less by leaving REPAYE, your new REPAYE payment will be increased. The increase is equal to the difference of your loan holder calculated, divided by the number of months remaining in the 20- or 25-year forgiveness period.</td>
<td>You must again show that you have a “partial financial hardship”.</td>
<td>You must again show that you have a “partial financial hardship”.</td>
<td>No restrictions.</td>
</tr>
</tbody>
</table>