

Medical Student Financial Services: Loans for Medical Students

There are three kinds of education loans for medical students:

1. Federal Government / [U.S. Department of Education's Direct Lending Program](#)
2. Institutional loans through the Larner College of Medicine
3. Private education loans through credit unions or well-known nationwide banks

Federal Loans:

We participate in most loan programs within the [Direct Lending Program](#) through the U.S. Department of Education. This encompasses the Unsubsidized Stafford Loan Program and the Graduate PLUS Loan Program. To learn about these programs, please visit www.studentaid.gov. Interest rates are fixed and are based on the academic year they disburse.

Federal Loan Interest Rates

Academic Year (7/1 - 6/30)	2020- 2021	2021- 2022	2022- 2023	2023- 2024	2024- 2025
Unsubsidized Stafford Loan	4.3%	5.2%	6.5%	7.05%	8.08%
Graduate PLUS Loan	5.3%	6.2%	7.5%	8.05%	9.08%

Need even more historical interest rates? [Click here](#).

Helpful to know:

- We never run out of funding for federal loans!
- Regardless of a student's financial status and/or assets, federal loans can always cover the full cost of attendance (assuming [basic eligibility criteria](#) are met).
- Students can change their loan amount within the academic year if over or under borrowing has occurred. Changes must be requested through [Medical Student Financial Services](#).
- Budget for those [loan origination fees](#)! The Graduate PLUS loan program has an approximate 4.2% origination fee for the 2022-2023 year (for current rate, click here) and Unsubsidized Stafford loan program has just over a 1% origination fee.

Federal Loan "Servicers"

Shortly after your first disbursement, your [assigned Servicer](#) will introduce themselves to you. You can also [look up your assigned Servicer by visiting Federal Student Aid](#). Some larger, well known Servicers include:

- Fed Loan Servicing
- Sallie Mae
- Nelnet
- PHEAA
- Mohela
- Great Lakes
- Granite State Management

Annual steps needed to obtain Federal education loans:

1. [File a Free Application for Federal Student Aid \(FAFSA®\)](#)
 - Medical students should use the general University of Vermont "school code": 003696
 - We do not require or use parental information for our medical students, no matter what! (Note: if you are a prospective student that includes parental information for other schools, that's ok.)
2. Your FAFSA® will download into our system typically within a few business days.
3. If we require more information, you will receive an automated email from Student Financial Services.
4. Your financial aid package ("award letter") will be uploaded to [myUVM](#); depending on the time of year, it may be in "view only" mode at first. Ultimately, the loan will have an option to "accept" or "decline". You will have the option to accept a "partial" amount if you choose.
5. In [myUVM](#), under the Student Financial Services tab, click "View my Requirements" in the upper right within the Financial Aid box. If it is your first time borrowing a loan at UVM LCOM, you will need to:
 - Complete Entrance Loan Counseling online [here](#).
 - Complete Master Promissory Notes (loan Agreement) [here](#) - complete one for EACH loan type, if applicable.
 - If using a Graduate PLUS loan, print, sign and return the Credit Authorization form from the "requirements" section in [myUVM](#), listed above.

Wondering about private vs. federal education loans?

If you are considering shopping around for private education loans through local credit unions or well-known national banks, please contact us to discuss this further. Often, it's more than just the interest rate comparison! In the interim, students are encouraged to read about the Department of Education's comparison between federal and private student loans. Please [click here](#). Additionally, the Association of American Medical Colleges discusses federal versus private education loans [here](#).

Institutional Loans:

There are currently three loan funds reserved for medical students, detailed below. Students must file a Free Application for Federal Student Aid ([FAFSA®](#)) to be considered. If/when you accept a UVM loan, in your financial aid award letter, annual paperwork will be required. Information and instructions are sent from Student Financial Services and the [myUVM](#) Portal. Please note our institutional loans are serviced by an external entity: [Heartland ECSI](#).

Loan Type	LARNER LOAN FUND, EST. 1987	BENJAMIN ADAMS LOAN FUND	BENNETT LOAN FUND, EST. 2007
Historical Awarding Criteria and Amount	Upper-class students. Amounts have	Upper class students (Vermonters only).	Incoming/matriculating students and Vermonters only- maximum \$18,000.

	varied typically \$5,000-\$7,000	Amounts have varied- typically \$5,000-\$7,000	
Automatic Grace Period (beginning at graduation)	9 months	9 months	9 months
Interest Rate	5% in repayment (0% during enrollment, grace period, and deferment)	5% in repayment (0% during enrollment, grace period, and deferment)	0%, always
Repayment Term	6 Years \$30 minimum/mo	10 Years \$30 minimum/mo	10 Years \$30 minimum/mo
Deferments (optional suspension of payment after grace period)	-Residency (39 mo max) -Military	-Forbearance -Economic Hardship -Unemployment -Military	-Residency (39 mo max) -Fellowship -Military
Federal Repayment Options: <u>Loan Consolidation</u> and/or <u>PSLF Eligibility</u> and/or <u>Income-based Billing</u>	Not eligible	Not eligible	Not eligible
Post-Graduation Loan Refinance with (non-federal) lender of your choice	Eligible	Eligible	Eligible, not recommended due to 0% interest