



# Financial Best Practices For 2<sup>nd</sup> Year Medical Students

Presented by Brandon Barfield  
Director and Founder

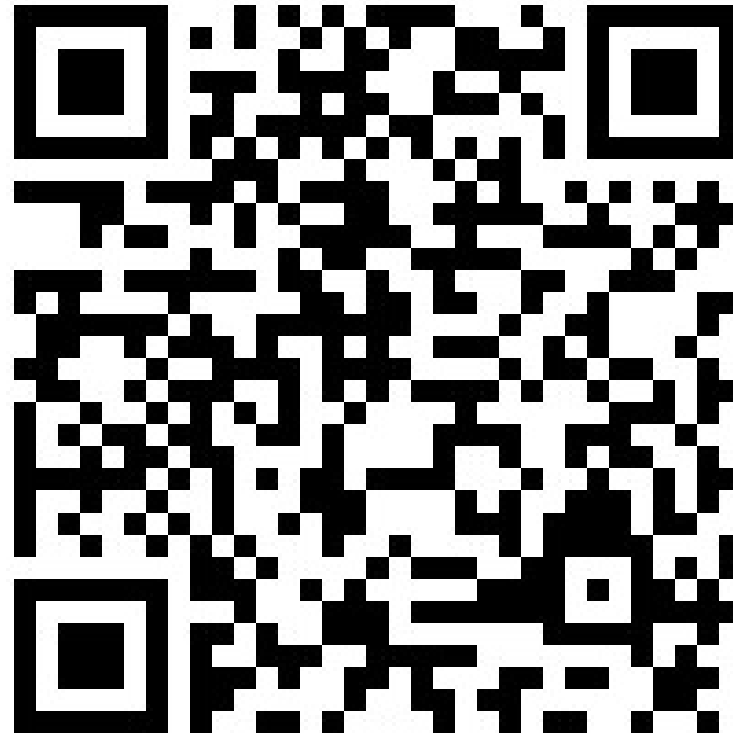


Student Loan Professor

# Financial Literacy Verification



We must verify that every student has viewed this Financial Literacy Session.  
Please submit the following QR code with your name and Campbell ID.



# Agenda

- Credit Fundamentals
  - Components of a credit score
  - Building credit
  - Protecting credit
- Intro to Student Loan Strategies
  - Repayment Programs
  - Forgiveness Programs
  - Employer-sponsored benefits
  - NHSC



The background features a gradient from light orange at the top to a vibrant pink at the bottom. On the left side, there are several overlapping circles in shades of orange and pink. A small, faint plus sign is visible in the upper right area of the pink section.

# Understanding Credit

# What Is Credit

## WHAT IS CREDIT?



Self.

**Credit** allows you to borrow money to make a purchase and then pay off that purchase at a later date.

	Yes	Yes	No
INTEREST FEES	Yes	Yes	No
REPAYMENT TERM	Flexible	Fixed	Flexible

### 5 Cs of Credit

Character

Collateral

Capital

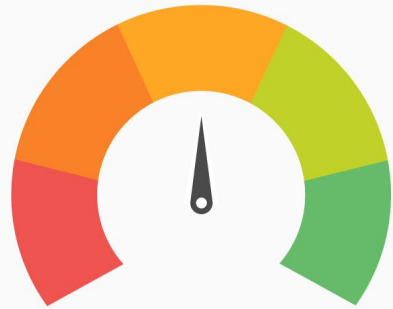


STUDENT LOAN PROFESSOR

# Why is my credit score important?

## Credit Score Ranges

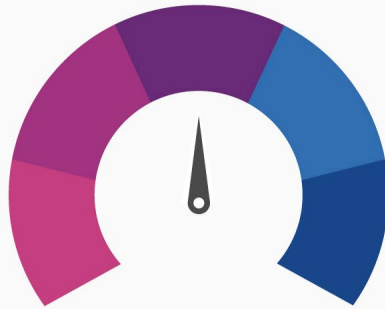
### FICO Score



- Very Poor: **300-579**
- Fair: **580-669**
- Good: **670-739**
- Very Good: **740-799**
- Exceptional: **800-850**

Source: Experian

### Vantage Score



- Very Poor: **300-499**
- Poor: **500-600**
- Fair: **601-660**
- Good: **661-780**
- Excellent: **781-850**

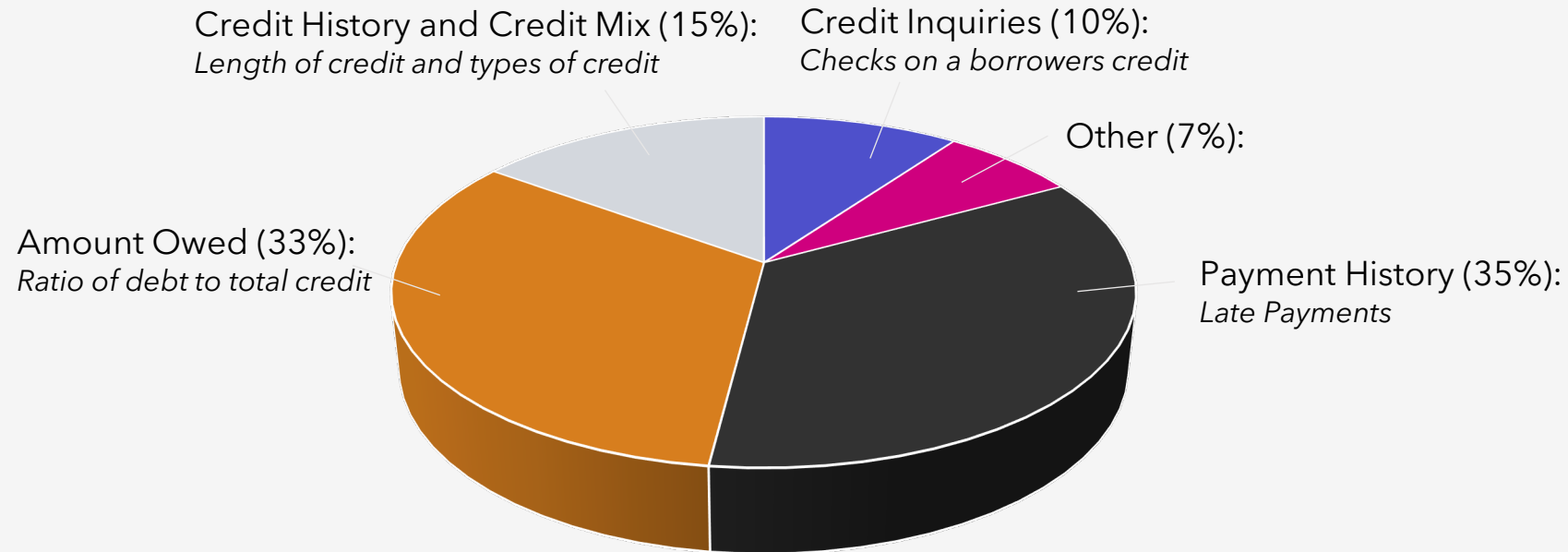
- FICO's below 650 often denied loans
- FICO's above 750 get the best rates
  - Lower rate = less monthly cost
- Your FICO can impact your credibility as a borrower and a person



STUDENT LOAN PROFESSOR



# Components of a Credit Score



Standardized credit scores provide lenders of all types with valuable criteria used to determine how appropriate you are for a certain loan.





# Building A Solid Credit History

---

- Create stable monthly payment history:
  - Consistently make all payments on time
- Increase total available credit:
  - Keep debt utilization under 30% of total credit availability
  - Pay down balances on loans and credit cards
- Clear up any bad debt or misinformation:
  - Review credit history and report any inconsistencies
- Keep hard inquiries at a minimum:
  - No more than 6 inquiries in 6 months
- Take steps to protect your credit
- Diversify credit mix:
  - Utilize multiple forms of credit



**Use it or  
lose it!**





# Credit Cards

Borrowed funds issued by a bank

## Pros

- Lots of rewards available
- Build and monitor credit
- Protection
- Can be used as emergency fund

## Cons

- Fees/interest
- Debt accumulation
- Requires disciplined spending





# Obtain Your Credit Report



## 3 Credit Reporting Bureaus



Equifax

[www.equifax.com](http://www.equifax.com)



Experian

<http://www.experian.com/>



TransUnion

[www.transunion.com](http://www.transunion.com)

- Pull your free credit report here: [www.annualcreditreport.com](http://www.annualcreditreport.com)
- Many credit cards give access
- Credit Karma pulls from Equifax and Transunion



STUDENT LOAN PROFESSOR



# Repayment Options

# Legislative Update

## The “Big, Beautiful Bill” has passed

- NEW Repayment Options
  - Standard Plan (tiered)
  - Repayment Assistance Plan (RAP)
- All existing repayment plans (SAVE, PAYE, ICR, IBR) sunseting July 1, 2026, for late borrowers
- PSLF remains untouched (for now)





# New Standard Plan (Tiered)



Original Federal Loan Balance	Repayment Term (Years)
Up to \$24,999	10
\$25,000 to \$49,999	15
\$50,000 to \$99,999	20
\$100,000 or more	25



# What is an IDR Plan?

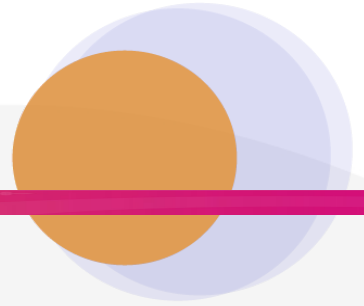
## Income Driven Repayment

Looks at your income level, instead of your debt level, to determine how much you must pay each month.

Designed for those with high debt-to-income ratios to prevent you from “drowning in debt.”



# What is the RAP Plan?



IDR Plan	Payment	Payment Cap?	Interest Subsidy?	Forgiveness	MFS?	Other Benefits
Repayment Assistance Plan	1% to 10% of income (AGI)	No	Yes	30 Years	Yes	\$50 principal reduction;\$50 payment reduction for each child dependent





# Budgeting for Loan Repayment

**\$400k**  
**6.125%**

**Standard Payment (25 yr)**    \$2,608    =    \$31,296 annually

**Monthly Interest in Forbearance**    \$2,035 Avg    =    \$24,500 annually

<b>Resident Salary</b>	\$70,000	\$71,050	\$73,182	\$75,377
------------------------	----------	----------	----------	----------

<b>Previous Yr AGI</b>	<b>\$0</b>	<b>\$35,000</b>	<b>\$71,050</b>	<b>\$73,182</b>
------------------------	------------	-----------------	-----------------	-----------------

<b>RAP Payment</b>	<b>\$10</b>	<b>\$88</b>	<b>\$408</b>	<b>\$414</b>
--------------------	-------------	-------------	--------------	--------------

\$97,712 in Interest Savings!

Liquidity During Training.

Payments Count Toward PSLF.



# What is Public Service Loan Forgiveness?

## Eligible Loans

- Direct Stafford, Direct Grad PLUS, Direct Consolidation
- Other government education loans may be consolidated

## Eligible Payments

- Borrower must use an IDR or standard 10-year payment plan
- Make 120 on-time payments (10-year minimum)

## Eligible Employment

- Borrower must be **directly** employed by a federal, state, or local government entity, tribal, or 501(c)3 non-profit
- Requires 30hrs average per week



Most Residents are  
PSLF-qualified  
during Training





# National Health Service Corps



## Qualified Specialties

- Family Med, Internal Med, Peds, OB/GYN, Geriatrics, Behavioral Health providers

## Qualified Sites

- Health Professional Shortage Areas.
- HRSA certified sites.

## Benefit

- Full-time: Offers repayment of up to \$50k-\$75K for 2yr service
- Additional \$40k for maternity care professionals
- Lower awards (up to \$30k) available for sites with lower HPSA scores.
- Half-time: Offers reduced repayment options
- Specific cutoff scores assigned each year.
- Up to \$5000 additional for Spanish speaking

## How to Apply

- Monitor HRSA website to application window to open.



\$7500 monthly penalty for every month you don't fulfill your obligation!!!



STUDENT LOAN PROFESSOR

# Employer-sponsored Repayment

*Show me the money!*



## Lump Sum Repayment or Bonus

- Up to \$100k
- Taxable
- Is it paid to you or directly to lender/servicer?
- Not PSLF/IDR friendly

## Annual Repayment or Bonus

- Mostly IDR/PSLF friendly
- 5 year "forgivable loans" very common

## Direct Loan Repayment

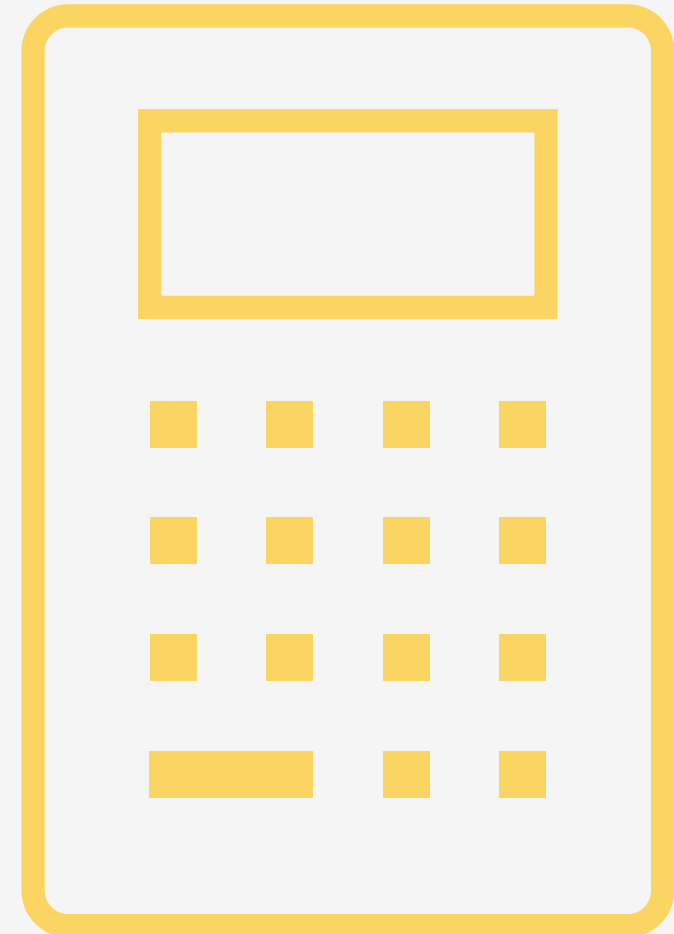
- High variation with rules and setups
- Often works against IDR/PSLF



# Private Refinancing

What does it mean to refinance?

REGULAR PAYMENT OPTION	5 Year	10 Year	20 Year
YOUR CURRENT LOAN RATES	7.27%	7.27%	7.27%
Refinanced Loan Balance	\$400,000	\$400,000	\$400,000
Regular Payment	\$7,972	\$4,700	\$3,166
Total Paid	\$478,292	\$564,023	\$759,925
Total Interest Paid	\$78,292	\$164,023	\$359,925
REFINANCE ESTIMATES	3.50%	4.50%	5.50%
Refinanced Loan Balance	\$400,000	\$400,000	\$400,000
Regular Payment	\$7,277	\$4,146	\$2,752
Total Paid	\$436,581	\$497,449	\$660,359
Total Interest Paid	\$36,602	\$97,464	\$260,372
Savings	\$41,711	\$66,574	\$99,565





Student Loan Professor

# Looking Ahead

## MS3/OS3

- Physician employment dynamics
- Types of contracts
- WRVU's
- Negotiables vs non-negotiables

## MS4/OS4

- Resident Paycheck
- Saving/Investing
- Health Insurance
- Personal Insurance
- Dealing with financial advisors
- Renting vs Buying module

## Exit Counseling

- IDR Plans
- PSLF
- Cost Savings Strategies
- Consolidation
- Dealing with Servicers
- Timeline



Student Loan Professor

"Till *debt* do us part"

Brandon Barfield

Help@StudentLoanProfessor.com

StudentLoanProfessor.com

Wishing You  
the Best of Luck  
with your Career  
in Medicine.



# Financial Literacy Verification



We must verify that every student has viewed this Financial Literacy Session.  
Please submit the following QR code with your name and Campbell ID.

