

**Title:**

**[Climbing Mt. Debt](#): Navigating your student loans and knowing your repayment options**

**Take-Home Message:**

Most veterinarians (80-85%) borrow to cover their education and living expenses to get to and through veterinary school. While scholarships can help, most veterinary students finance their education through federal student loans. Because each veterinarian's path through veterinary school can vary, we see graduates with debt totals ranging from zero to more than \$400,000.

With student debt-to-income ratios for veterinarians routinely exceeding 2:1, repaying student loans can be a significant and persistent source of financial and mental stress for veterinarians.

During the Climbing Mt. Debt session, we will discuss how to: understand your student loan portfolio and the current pandemic student loan relief, identify your repayment options, and develop treatment plans for your situation.

**\*\*Please complete the short online [Student Debt & Income Signalment](#) homework before class!\*\***

**The objectives of the Climbing Mt. Debt session are:**

- ❖ Know your student debt
- ❖ Know how to minimize your remaining borrowing costs
- ❖ Match your repayment options to your finances
- ❖ Know the challenges and side-effects of repayment
- ❖ Thinking beyond student debt to personal financial wellness

**Resources:**

1. Link to [Student Debt & Income Signalment Form](#)
2. Link to online [Climbing Mt. Debt](#) presentation
3. [VIN Foundation Student Debt Center](#)
  - a. **NEW** - [My Student Loans](#) and [In-School Loan Estimator](#)
  - b. [Student Loan Repayment Simulator](#)
  - c. [Veterinary WikiDebt resource](#)
  - d. [Student Debt Blog](#)
  - e. [VIN Student Debt Folder](#): Research your questions or post your own!
4. Department of Education resources
  - a. My Aid Data File: [StudentAid.Gov](#)
  - b. Application, Consolidation, Repayment Estimator: [StudentAid.Gov](#)
  - c. Federal Student Aid, Repayment Options: [StudentAid.ed.gov](#)
5. Other Useful Resources:
  - a. Credit Reports: [annualcreditreport.com](#)
  - b. Personal finance resource: [bankrate.com](#), [nerdwallet.com](#)
  - c. ADP: Salary [Paycheck Calculator](#)
  - d. VIN Foundation [Borrower Better](#) and [Repay Wiser](#) toolkits

## Minimizing Borrowing and Preparing for Repayment Checklist

### 1. Student Debt and Income Signalment - history and physical exam:

- Download your federal My Aid Data file at [StudentAid.Gov](#)
- Upload My Aid Data file to VIN Foundation [My Student Loans](#) tool
  - Identify principal, unpaid interest, weighted average interest rate
  - Note loan types, loan history, income-driven repayment plan eligibility
  - Add Health Professions Student Loans (HPSL) or Loans for Disadvantaged Students (LDS)
- Account for any other student loans not found in your My Aid Data File separately
  - School financial aid account
  - [AnnualCreditReport.com](#)
  - Review any private loan balances, interest rates, and repayment terms
- Note repayment start date or end of the grace period for each loan

### 2. Loan Diagnostics

- Determine income-driven repayment eligibility using the [My Student Loans](#) tool
- Note any Federal Family Education Loans (FFEL), Perkins, HPSL, or LDS
- Estimate remaining loans and interest costs (starting repayment balance)
  - Upload Student Aid Data file to the VIN Foundation [My Student Loans](#) tool
  - Add and HPSL or LDS loan balances
  - Project remaining school borrowing costs using VIN Foundation [In-School Loan Estimator](#)
  - Reduce/Return financial aid awards above your budgeted needs (120 days)

### 3. Develop a Treatment Plan

- Estimate post-graduation income based on career plans
  - Student Debt-to-Income Ratio > 1, plan to use income-driven repayment (IBR, PAYE, REPAYE)
  - Student Debt-to-Income Ratio < 1, start with a standard 10-year repayment plan or start with income-driven repayment and pay more when/if budget, financial plans, and simulations justify
- [Simulate your repayment](#) using starting repayment balance, interest rate, income, and family plans
- File a tax return prior to graduation to make IBR, PAYE, REPAYE application easier
- Utilize a Federal Direct Consolidation loan as soon as possible after graduation
  - Consolidation application available at [studentloans.gov](#)
  - End your grace period early, Choose a loan servicer (FedLoan Servicing)
  - Select an income-driven repayment plan (IBR, PAYE, REPAYE)
  - VIN Foundation [New Veterinary Grad Loan Repayment Playbook](#)
- Set annual calendar alert to renew income-driven repayment documentation
  - Reassess your strategy yearly or anytime your income and/or family situation changes
  - ALWAYS double-check your loan servicers
  - Ask a lot of questions...(VIN and VIN Foundation Student Debt Message Board areas)
- Think beyond student loan repayment
  - Build an emergency fund (3-6 months of expenses)
  - Maximize retirement contributions (target 10% of gross income)
  - Prioritize credit card debt and private student loans over federal student loans
  - Start a “forgiveness fund” to prepare for any tax due on forgiven student loan amounts
  - Set financial goals: family planning, home ownership, practice ownership, vacation funds, etc.
  - Enjoy life, Dr. :-)