Navigating Student Loans for Future Physicians

Texas Academy of Family Physicians 8/22/26

Citizens®

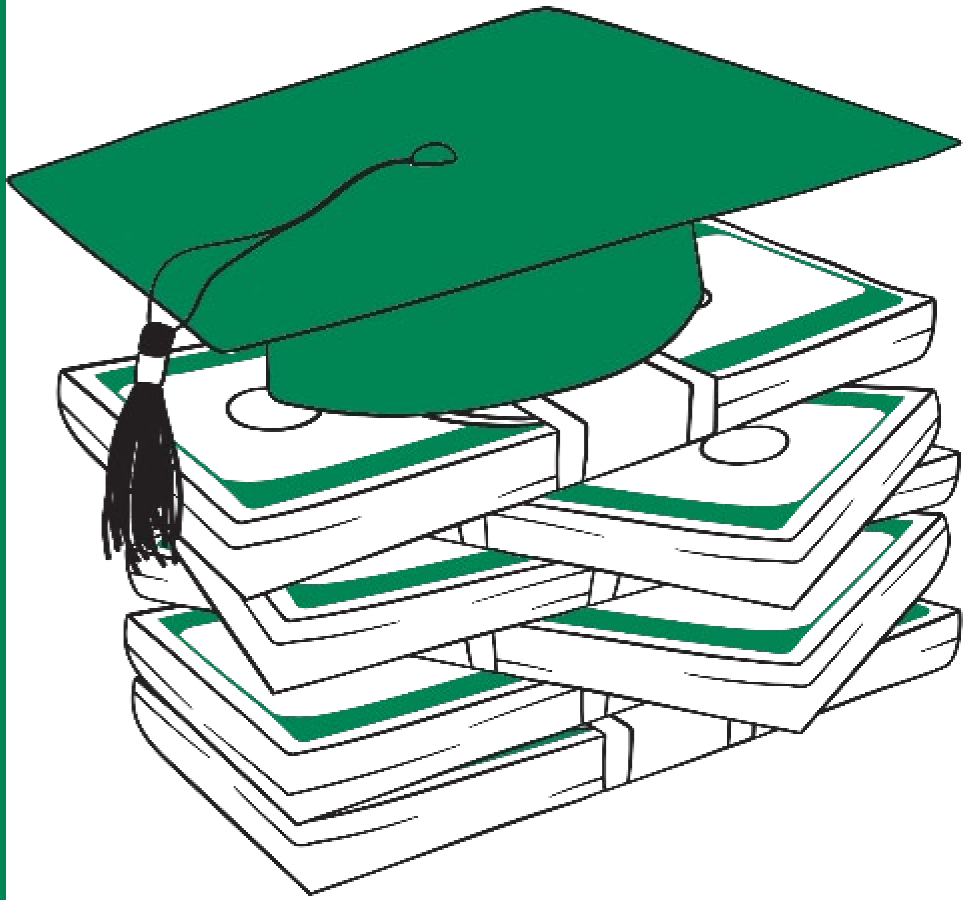
Student Loans

Student loans help cover education costs like tuition, books and living expenses

Types of Loans
Federal loans funded by the government and private loans are funded by financial intuitions, like banks, credit unions and state non-profits

Who can borrow
Primary borrower can either be a student or parent/sponsor

Repayment Requirements
Loans must be repaid with interest after graduation or dropping below half-time enrollment, unlike scholarships or grants



Locating Loans

Where to locate student loan information:

Federal –
- studentaid.gov
  - Select “View Your Loan Information”

Private –
- Loan statements/personal records
- Credit report
- Financial Aid Office records
- Documents, including promissory note

Federal Student Loan Types

Direct Subsidized

Direct Unsubsidized

Parent PLUS

Grad PLUS

Direct Consolidation

Please note that if you took out federal loans prior to June 30, 2010 you may have taken them under the FFEL Program

Federal Student Loan Interest Rates

Academic Year	Undergrad (Subsidized & Unsubsidized)	Graduate (Unsubsidized)	PLUS (Parent & Grad)
2026–2027	6.52%	8.07%	9.07%
2025–2026	6.39%	7.94%	8.94%
2024–2025	6.53%	8.08%	9.08%
2023–2024	5.50%	7.05%	8.05%
2022–2023	4.99%	6.54%	7.54%

Source: U.S. Department of Education

Who Do You Repay?

Federal Loans

MOHELA

EdFinancial SERVICES

aidvantage

nelnet loan servicing

CRI

Private Loans

Students should work with the lender they borrowed the loan from

Payments may be made directly to lender or to a servicing organization

Loan Repayment Timeline

Near Graduation: Collect loan info, create account with servicer

Graduation or at less-than-half-time

Grace Period Begins: Update contact info & Choose repayment plan

6 Months after graduation: Make your first payment

During repayment: Check in annually, adjust as needed

Exit Counseling: Studentaid.gov

Complete Student Loan Exit Counseling

You must complete exit counseling when you leave school or drop below half-time enrollment. The purpose of exit counseling is to ensure you understand your student loan obligations and are prepared for repayment.

You'll learn about what your federal student loan payments will look like after school. We'll recommend a repayment strategy that best suits your future plans and goals.

Start Exit Counseling Based on Your Student Type

Your school may have alternate exit counseling requirements. Check with your school's financial aid office.

When completing exit counseling, please be sure to do the following:

- Close all internet browser tabs other than the one you're using to complete the counseling.
- Do not to let your session time out while you're completing the counseling. Sessions time out after 15 minutes of inactivity.

I am an Undergraduate Student

You're an undergraduate student if you're pursuing an associate's or bachelor's degree.

Log In To Start

View Demo

Current Federal Student Loan Repayment Plans

Standard

- Fixed payments
- Repayment Plan
  - Up to 10 years
  - 10-30 years if consolidated
- Minimum payment $50 per month
- Assigned payment plan

Graduated

- Gradual payments
- Repayment Plan
  - Up to 10 years
  - 10-30 years if consolidated
- If your income is low now, but you expect it to increase steadily over time

Extended

- Federal debt greater than $30,000
- Repayment Plan
  - Up to 25 years
- Fixed or graduated payments
- Minimum payment $50 per month

Income-Driven Repayment Plans

Income-Driven Repayment Plans

- Income-Based Repayment (IBR Plan)
- Pay As You Earn Repayment (PAYE Plan)
- Income-Contingent Repayment (ICR Plan)
- Saving for a Valuable Education (SAVE Plan)

Payments

- % of discretionary income and family size
- Recalculated annually
- May be $0 loan balance
- Forgiven after 20 or 25 years depending upon plan
- You may have to pay income tax on the amount forgiven

You should work with your loan servicer to choose what plan is right for you!

Income driven plans require submitting paperwork annually to determine yearly payment amount

Post July 1, 2026
Only 2 Federal Student Loan Repayment Plans

Standard

- Fixed payments
- Repayment Timeline
  - < $25k = 10 years
  - < $50k = 15 years
  - < $100k = 20 years
  - > $100k = 25 years
- Assigned payment plan

Repayment Assistance Plan (RAP)

- New Income Driven Plan
- Replaces SAVE, ICR and PAYE in 2028
- Payments calculated on AGI, not discretionary income, $10 minimum
- Loans forgiven after 30 years
- Not available for Parent PLUS

Repayment Assistance Program- RAP

- Payment is the below divided by 12:
- AGI of $10K or less = $10 per month - $120 per year
- AGI between $10K- $20K = 1% of AGI
- AGI between $20K - $30K = 2% of AGI
- Etc. with max of 10% AGI over $100k

Important note: Anyone borrowing after July 1, 2026 is only eligible for Standard or RAP

How Deferment and Forbearance Work

If eligible, borrower can temporarily suspend payments.

Remember:

- In many cases, interest will still accrue during this period.
- Interested in loan forgiveness? Periods of deferment or forbearance may not count towards the requirements.

Deferment and Forbearance Changes

Elimination of Key Deferments

From July 1, 2027, new federal loans will no longer qualify for unemployment or economic hardship deferments, reducing payment pause options.

New Forbearance Limits

Starting July 1, 2027, borrowers face caps on forbearance duration and frequency to limit overuse and encourage active repayment.

Interest Accrual Changes

From August 1, 2025, interest will accumulate during forbearance periods for borrowers in the SAVE repayment plan.

Impact on Loan Forgiveness

Payments during forbearance will no longer count toward Public Service Loan Forgiveness or IDR-based forgiveness milestones.

Public Service Loan Forgiveness (PSLF)

Forgives the remaining balance on Federal Direct Loans

- To qualify for PSLF borrowers must
  - Be employed by a government organization, 501(c)(3) not for profit organization or other not-for-profit organizations providing specific qualifying services
  - Working full time for that qualifying employer
  - Repay the loans under an income-driven repayment plan
  - Make 120 qualifying payments
- To find out if they qualify, borrowers should submit the PSLF Employer Certification Form found on studentaid.gov

Changes for Graduate Student Federal Direct Loan Borrowers

POPULATION	PROGRAM	CURRENT STATE	CHANGE EFFECTIVE JULY 1, 2026
Graduate Students	Federal Direct Unsubsidized Loan	$20,500 per year annual limit $138,500 aggregate limit, including all undergraduate loans	$100,000 aggregate limit, not including undergraduate loans
Graduate Students	Grad PLUS Loan	Cost of Attendance minus other financial aid received	**Eliminated**

Sources:
https://www.nasfaa.org/news-item/36704/Trump_Signs_Sprawling_Reconciliation_Package_Into_Law_Here_s_How_it_Impacts_Higher_Ed
https://studentaid.gov/understand-aid/types/loans/subsidized-unsubsidized

Changes for Professional Student Federal Direct Loan Borrowers

POPULATION	PROGRAM	CURRENT STATE	CHANGE EFFECTIVE JULY 1, 2026
Professional Students	Federal Direct Unsubsidized Loan	$20,500 annual limit $138,500 aggregate limit, including all undergraduate loans	$50,000 annual limit $200,000 aggregate limit **$257,500** Federal Lifetime Borrowing Limit
Professional Students	Grad PLUS Loan	Cost of Attendance minus other financial aid received	**Eliminated**

Programs that are considered Professional: Veterinary Medicine, Law, Theological and Ministerial Studies, Clinical, Counseling, and Applied Psychology, Chiropractic, Dentistry, Medicine, Optometry, Pharmacy and Pharmaceutical Sciences

Legacy Borrowing

- Grad PLUS
  - Annual & Aggregate Loan Limits unchanged
- Parent PLUS
  - Annual & Aggregate Loan Limits unchanged
- Grad/Professional Unsubsidized Loans
- Lifetime Loan Limits

If a Federal Direct Loan was borrowed before July 1, 2026, you can keep borrowing under current limits for up to three academic years or until the student finishes the program—whichever comes first. Student can change majors within the credential and still be eligible for prior limits

Private Student Loans

- Borrowed funds that must be repaid with interest
- Interest rates, fees, repayment and deferment options vary greatly based on each lending institution's loan offering
- The student is usually the borrower (great credit-builder!) while a parent/sponsor could apply as a co-signer
- Applying with a co-signer could increase the borrower's chance for approval and potentially lower the interest rate
- Some lenders also offer loan options for parents or sponsors to borrow on the student's behalf, like they would with a Federal Direct PLUS Loan

While Federal Direct Loans and Federal Direct PLUS Loans each have one standard rate for all borrowers, private loan rates are typically based on the borrowers' creditworthiness.

Private Student Loan Repayment Options

Student loan term lengths vary depending on lender, with some lenders having as short as 5 years and up to 20 years (most common is 10 years)*.

Repayment plans also vary depending on lender, but 3 common options are:

Deferment:
No payments while in school

Interest Only:
Smaller payments during school

Immediate:
Full principal and interest payments during school

*Sources:
https://www.forbes.com/advisor/loans/what-are-loan-terms/
https://www.privatestudentloans.com/learn/repayment/

Private Refinance vs. Federal Consolidation

Private Refinance

Combine **private** and federal payments into one payment

Possibly **lower interest rate** and/or payments

Interest is based on your (or your co-signer's) creditworthiness with **choice** of fixed or variable rate

Current interest rates and/or loan term can **lower** the overall cost of the loan

Pays off existing loans and may reflect a **lower monthly payment** on your credit report

You should **compare rates** and terms and apply with the lender of your choice

Federal Consolidation

Combine **federal** payments into one payment

Possibly **lower monthly payment** with longer loan term

The interest rate is the **weighted average of included loans**, rounded up to the nearest 1/8th of a percent

You will **pay more interest** over the life of the loan if the repayment period is extended

You **may lose** some benefits offered with the original loan

Apply for a direct consolidation loan at https://studentaid.gov

Avoid Student Loan Scams

"You never have to pay for help with your federal financial aid or student loans. Make sure you understand which companies and claims are legitimate." studentaid.gov

USA Today

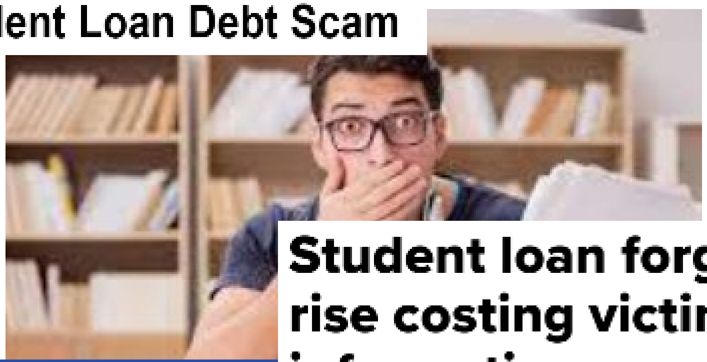
Scam calls are selling student loan forgiveness. Don't fall for it.

The calls come regularly to people with a student loan, and even those without them: An unknown person is offering aid paying back loans...

Newsweek

U.S.

More Than 19,000 People 'Swindl ... Alleged $6 Million Student Loan Debt Scam



Student loan forgiveness scams are on the rise costing victims money and sensitive information

BBB: "We're very certain they've increased"

FOX 8 NEWS WEATHER CLOSINGS AM SHOW NEW DAY SPORTS SEEN ON TV

NEWS

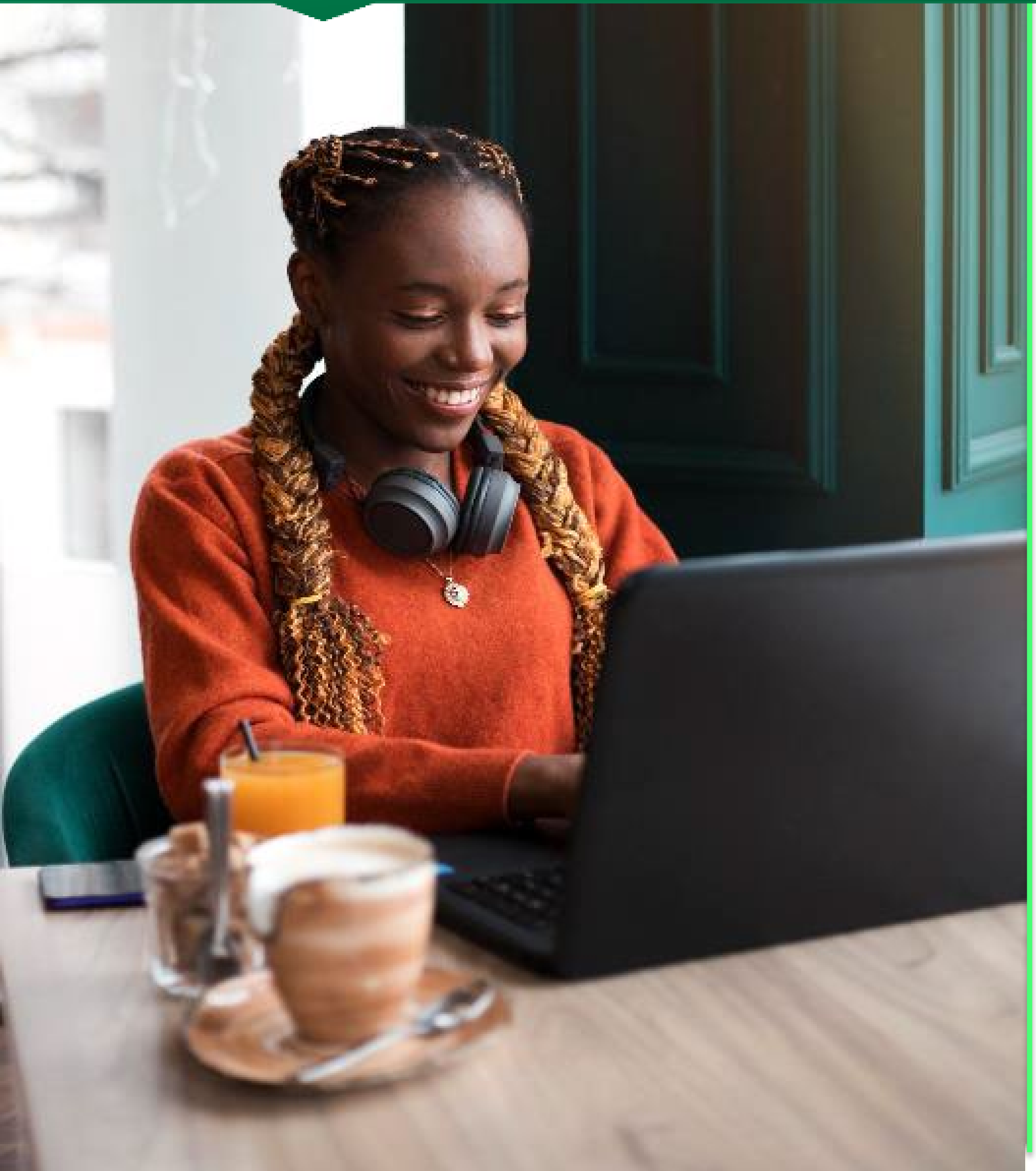
BBB warns of student loan forgiveness scams in Ohio, offers tips to avoid

California News Times

Consumers warned of surge in student loan forgiveness scams

Student loan forgiveness is not the only financial COVID-19 related scam.As we have said many times, you need to be careful and provide...

Student Loan Summary



Steps You Should Be Taking

- ❑ Get to know your loans –studentaid.gov
- ❑ Update your contact information
- ❑ Figure out how much your monthly payments will be
- ❑ Make your loan payments automatic
- ❑ Determine if you qualify for Loan Forgiveness
- ❑ Pay more if you can
- ❑ Ask about employer assisted loan repayment programs (new employer match)
- ❑ Can you consolidate/refinance? Should you?

Thank You

Disclosures

1 **Student Lending Eligibility Criteria:** Applicants must be a U.S. citizen, permanent resident, or eligible non-citizen with a creditworthy U.S. citizen or permanent resident co-signer. For applicants who have not attained the age of majority in their state of residence, a co-signer is required. Citizens reserves the right to modify eligibility criteria at any time. Citizens private student loans are subject to credit qualification, completion of a loan application/Promissory Note, verification of application information, and if applicable, self-certification form, school certification of the loan amount, and student's enrollment at a Citizens participating school.
2 **Student Loan Eligibility:** Applicants must be enrolled at least half-time in a degree-granting program at an eligible institution.
Citizens Student Loan for Parents Eligibility: The student whose education expenses will be paid for with the loan proceeds must be a U.S. citizen or permanent resident and must be enrolled at least half-time in a degree granting program at a Citizens-participating school.
Student Loan Eligibility: Applicants must be enrolled at least half-time in a degree-granting program at an eligible institution.
3 **Multi-Year Approval**: Funds available for future use are subject to a soft credit inquiry at time of your next request to verify continued eligibility. After we make the initial Loan to you, you must continue to meet eligibility criteria to obtain additional funds under the Multi-Year Approval feature. Terms and conditions are outlined in the promissory note. Multi-Year Approval borrowers have a 99% approval rate on future requests for additional funds. The additional funds approval rate is based on the percentage of approved Multi-Year borrowers from Citizens between October 1, 2023 and October 1, 2024. The approval rate represents only borrowers who had previously accepted the Multi-Year Approval offer. Please Note: International students are not eligible for Multi-Year Approval.
4 **Loyalty Discount**: The borrower will be eligible for a 0.25 percentage point interest rate reduction on their loan if the borrower or their co-signer (if applicable) have a qualifying account in existence at the time of application completion. The following are qualifying accounts: personal checking, personal savings, personal credit card or previous student loans owned by Citizens Bank, N.A. Please note, our checking and savings account options are only available in the following states: CT, DC, DE, FL, MA, MD, MI, NH, NJ, NY, OH, PA, RI, VA, and VT and some products may have an associated cost. This discount will be reflected in the interest rate disclosed in the Loan Approval Disclosure that will be provided to the borrower once the loan is approved. Limit of one Loyalty Discount per loan and discount will not be applied to prior loans. The Loyalty Discount will remain in effect for the life of the loan.
5 **Automatic Payment Discount:** Borrowers will be eligible to receive a 0.25 percentage point interest rate reduction on their student loans owned by Citizens Bank, N.A. during such time as payments are required to be made and our loan servicer is authorized to automatically deduct payments each month from any bank account the borrower designates. Discount is not available when payments are not due, such as during forbearance. If our loan servicer is unable to successfully withdraw the automatic deductions from the designated account three or more times within any 12-month period, the borrower will no longer be eligible for this discount.
6 **Citizens Scholarship:** No purchase necessary. Void where prohibited. The Citizens Scholarship Sweepstakes is open to legal residents of the 50 United States, D.C., and U.S. Territories, who are 18 years of age or older, are students, or prospective students, or parents or legal guardians of students intending to enroll or enrolled at least half-time in an accredited undergraduate/graduate post-secondary institution. To be eligible for a chance to win for the Citizens Building the Workforce of the Future Scholarship entrants must be from an underrepresented or a low-income community as described in the Official Rules. Sweepstakes begins at 12:00 AM ET on 4/1/25 and ends at 5:00 PM. ET on 3/31/26. Sponsored by Citizens. For Official Rules, visit Citizensbank.com/scholarship.

Disclosures

Federal Loan vs. Private Loan Benefits

7 Federal Loan vs. Private Loan Benefits: Some federal student loans include unique benefits that the borrower may not receive with a private student loan, some of which we do not offer. Borrowers should carefully review federal benefits, especially if they work in public service, are in the military, are considering possible loan forgiveness options, are currently on or considering income based repayment options or are concerned about a steady source of future income and would want to lower their payments at some time in the future. When the borrower refinances, they waive any current and potential future benefits of their federal loans. For more information about federal student loan benefits and federal loan consolidation, visit https://studentaid.gov/. We also have several resources available to help the borrower make a decision on our website including *Should I Refinance My Student Loans?* and our FAQs. *Should I Refinance My Student Loans?* includes a comparison of federal and private student loan benefits that we encourage the borrower to review.

Education Refinance Loan Eligibility: Applicants must have attained a bachelor's degree or higher to refinance their loan.

8 **Education Refinance Loan for Parents Eligibility:** The primary applicant must be the primary borrower or co-signer on the loan to be refinanced.

9 **Rate & Repayment Example Table** on Education Refinance Loan Repayment Examples | Citizens

[26] No purchase necessary. Void where prohibited. The Citizens Scholarship Sweepstakes is open to legal residents of the 50 United States, D.C., and U.S. Territories, who are 18 years of age or older, are students, or prospective students, or parents or legal guardians of students intending to enroll or enrolled at least half-time in an accredited undergraduate/graduate post-secondary institution. Sweepstakes begins at 5:01 PM ET on 3/31/26 and ends at 5:00 PM ET on 3/31/2027. Sponsored by Citizens. For Official Rules, visit citizensbank.com/scholarship.