

From: Marks, Cheri
Sent: Friday, February 07, 2014 3:35 PM
To: UMHS - MU Med School 2014
Subject: Save the Date for Exit Counseling - May 1

Dear Graduating Members of the Class of 2014 **WITH LOANS:**

If you borrowed student loans while attending medical school, then exit counseling is a **federal requirement** for you. A hold for transcripts AND diplomas will be placed on your account until this requirement is complete. Even if it wasn't mandatory, I believe that exit counseling is especially important. You will learn your repayment options and how you may postpone payments on your loans during residency. Here is what you need to do:

1. **Complete the attached pre-session packet.** I have provided this packet to help you get organized prior to exit counseling. It's not a requirement, but I think it will be very helpful to you as you complete the next steps.

******Do not complete the online counseling until you are finished borrowing loans.******

2. **Required for Direct Loan Borrowers:** Complete online counseling at www.studentloans.gov. If you have borrowed subsidized, unsubsidized or Graduate PLUS loans with Direct Loans, then you must complete this online counseling.
3. **Required for Perkins, University, or Health Professions Loan Borrowers:** If you have borrowed one of these loans, you are required to complete counseling with Educational Computer Systems, Inc. (or ECSI). You will receive an additional email if you must also complete counseling with them.
4. **Optional but highly recommended:** attend the group session on **May 1 in room S255 beginning at 3:00 pm.** This session will explain in more detail what your repayment options are and how you postpone payment as a resident. By attending the group session, you will also receive the added benefit of a class discussion on questions you may not think to ask yourself. Additionally, my presentation will give you more detailed repayment information specific to medical students that the online counseling does not provide.

I also want to make you noticed in the bulletin that GL Advisor will be here on April 8th as part of the \$mart Docs series. They help residents navigate through the loan repayment paperwork, so they have a unique perspective to share. I highly recommend you attend if you can.

As always, you may schedule an appointment to meet with me. I recommend you meet with me if you have a complicated loan portfolio or have borrowed over \$160,000. **I will be available for exit counseling appointments beginning in March.**

Let me know if you have any questions or concerns.

Warm Regards,
Cheri

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Visit [\\$mart Docs](#) for financial literacy information.



University of Missouri School of Medicine

Exit Counseling Prep Packet

2014 Group Session May 1, 3:00 p.m. in room S255

Name: _____

This is your pre-session packet that you should review and complete before coming to your scheduled exit counseling session. The completion of this packet requires about 20-30 minutes. The effort put in ahead of time will make the session even more valuable to you.

What you should bring with you:

- This pre-session packet with the required sections completed
- Laptop to access websites (not required but helpful)
- Writing utensil for taking notes

This packet is for your records and use in the future. It is imperative, however, that you complete it to the best of your ability prior to the session. If you have any questions, please contact the financial aid coordinator, Cheri Marks, at 573-882-2921 or marksc@health.missouri.edu.

STEP ONE – Calculate your Federal and Commercial Education Debt

To obtain the balance, including accrued interest and any fees, review your online account information through your lender's website or call the loan servicer. Better numbers will yield better results. List the amount owed and the interest rate on page 3 of this packet for the loans in your portfolio.

Federal Stafford Loans

Locate your loan servicer at www.nslds.ed.gov or by calling the Federal Student Aid Information Center at 1-800-4-FED-AID (433-3243). Note the principal amount and accrued interest. Stafford loans typically have a 6-month grace period. For loans borrowed after July 1, 2006 but before June 30, 2013, the interest rate is fixed at 6.8%. Loans prior to that will be variable. Loans borrowed on or after July 1, 2013 are fixed at 5.41%. Consolidation loans have a fixed rate based on the weighted average of the loans consolidated.

Grad PLUS Loans

The above site will also provide your loan servicer for Graduate PLUS. Loans borrowed on or before June 30, 2013 have a fixed 7.9% interest rate. Loans borrowed on or after July 1, 2013 have a fixed 6.41% interest rate. This loan typically has a 6-month grace period (referred to as a post-enrollment deferment).

Federal Perkins Loans

This loan is serviced by ECSI. You can access your account by going to www.ecsi.net and use a school code of 2B. ECSI assigns your password and PIN. Balances are also reported to www.nslds.ed.gov. If you received a Perkins Loan at another institution, make sure you include that balance in the total on page 3 of this worksheet (obtain balance at www.nslds.ed.gov). Perkins Loans have a 9-month grace period, accrue interest at 5% when in repayment, and do not accrue interest in school.

University Long Term Loans

You may have borrowed this loan to fund a computer purchase or other costs above the regular cost of attendance. These loans are serviced by ECSI. They are interest free while you are in-school and have a fixed interest rate of 8% unless otherwise noted. You can access your account by going to www.ecsi.net (school code is 2B; ECSI assigns your password and PIN).

Health Profession Loans

These loans include Loans for Disadvantaged Students and Primary Care Loans and are serviced by ECSI. They both have a fixed interest rate of 5% with a 12 month grace period. You can access your account by going to www.ecsi.net and use a school code of 2B. Students with Primary Care Loans are eligible for a complete deferment on this loan during an eligible residency. You must contact ECSI for the appropriate form. Additionally, you must self-report that you are practicing Primary Care until the loan is repaid in full or the interest rate increases to 7%.

Private Loans

You may have borrowed a private loan before medical school or for residency and relocation expenses during your fourth-year. The Missouri State Medical Foundation is the most common lender. The interest rate is fixed at 7.3%. Payment of interest of about \$85.00 is due during residency. Your contact for this loan is Patrick Mills pmills@msma.org. If you borrowed other private loans, you will need to contact the lender for the amount due. Private loans are not listed on the NSLDS website.

Pre-Existing Debt

A few students arrived at the MU School of Medicine with pre-existing educational debt. Do not forget to include those loans when determining your monthly loan payments. Balances on your federal loans (subsidized, unsubsidized, and Perkins) can be obtained at www.nslds.ed.gov or by contacting your lender. List the amount owed and interest rate amount on page 3 of this packet.

STEP TWO – Calculate your Outstanding Consumer Debt

Gather all of your statements on your consumer debt. If you do not have any balances, congratulations; you may skip this section. If you do have balances, you'll need to work through this section. Determine the outstanding balance, interest rate, and estimated monthly payment on your consumer debts:

Credit cards – if you expect your balance to increase, estimate the balance at the time of graduation.

Installment Loan Payments – these include car loans, furnishings, mortgages, etc. List your required payment. If you are planning on making a larger payment, indicate your expected payment.

Lease Payments – if you have leased items that will require a monthly payment (separate from your residential lease) please indicate the required monthly payment(s) on the worksheet.

Other Consumer Debt – if you have other required debt payments that will continue beyond your graduation, include those payments as well.

STEP THREE – Your Monthly Expenditures

Provide an estimate of your current monthly expenses. This will provide a baseline of what your future spending is likely to be, particularly in the area of “miscellaneous” expenses when estimating your future costs. If you know what your future fixed expenses will be, then use those costs.

STEP FOUR – Your Goals

On the last page you will outline your plan for the future. From a range of options, you will select the most important items in your life. If you do not find an item listed, please add it in the “other” section. Then to make the goal specific, you will assign a date that you wish to attain the goal. You will use these results when allocating your resources as part of your financial strategy.



University of Missouri School of Medicine

Pre-session Worksheet

MY EDUCATION DEBT: *the payment columns can be completed at the session.*

	Total Owed with Interest	Interest Rate %	Est. Monthly Payment DURING Residency	Est. Monthly Payment AFTER Residency
Pre-medical Debt				
Federal Stafford/Direct Loans				
Federal Perkins Loans				
Commercial Loans				
Loans from School				
Federal Consolidation				
MU SOM Debt				
Federal Consolidation				
Federal Direct Loans				
Federal Perkins Loans				
Federal Grad PLUS Loans				
Health Profession Loans				
Private Loans				
University Long Term Loans				
TOTAL				

Calculating the Repayment Amount

If you need assistance calculating your repayment amount, go to www.aamc.org/first and select the "Medloans Organizer and Calculator". Using the information you completed on this worksheet, you can calculate an estimated repayment for your loans. You can also upload your loan information from www.nsls.ed.gov.



MY CONSUMER DEBT

	Interest Rate %	Total Amount Owed \$	Est. Monthly Payment \$
Credit Cards			
Installment Loans			
Lease Payments			
Other			
TOTAL			

Repayment Tip: consider paying off the lowest balance owed first rather than the debt with the highest interest rate. After that debt is paid off, roll that payment into the next largest balance and so forth. Dave Ramsey refers to this method as the “debt snowball”.



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Pre-session Worksheet

Monthly Expenditures

Housing (Rent or Mortgage)		\$
Utilities	+	\$
Telephone	+	\$
Health Insurance	+	\$
Consumer Debt Repayment	+	\$
Education (Student Loan) Debt Repayment	+	\$
Food	+	\$
Transportation (payment, maintenance, insurance)	+	\$
Entertainment	+	\$
Clothing/Dry Cleaning/Laundry	+	\$
Cell Phone	+	\$
Prescriptions (including eye care)	+	\$
Professional Services	+	\$
Subscriptions	+	\$
Dues	+	\$
Personal Supplies	+	\$
Other	+	\$
Other	+	\$
Other	+	\$
Other	+	\$
TOTAL MONTHLY EXPENDITURES	=	\$

Income Calculation: to calculate your estimated take home pay, go to www.paycheckcity.com.



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Pre-session Worksheet

Pre-session Goal Sheet

Allocate 50 points among the following items. The most important items should receive the most points. Some items may not have any points. If you would like to list another goal, please do so in the space provided. Fill in the date you wish to attain the goal after you have allocated your points.

GOAL	DATE
_____ Purchase a home	_____
_____ Purchase a car	_____
_____ Work abroad	_____
_____ Plan for a vacation/travel	_____
_____ Get married/have a wedding	_____
_____ Have children	_____
_____ Pay off consumer debt	_____
_____ Minimize total repayment costs on education debt	_____
_____ Retire early (or comfortably)	_____
_____ Prepare for college costs for children	_____
_____ Establish an emergency reserve fund	_____
_____ Provide financial support for parents/family	_____
_____ Further education	_____
_____ Make significant contribution to school/religious organization/charity	_____
_____ Other: _____	_____
_____ Other: _____	_____

Now establish a date and timeline for your goals. Remember to keep them **SMART: specific, measurable, attainable, realistic, and timely**. Identify goals as short-range (pay off credit cards), mid-range (increase savings), and long-range (pay off student loans). Keep these goals in mind when developing your overall financial strategy. Revise your goals as needed as your life circumstances change.

