



## **I. Financing YOUR Medical Education – 3 Steps**

- Estimate Your Costs
- Become aware of and evaluate Your Financial Resources
- Obtain Your Financial Assistance needed.

### **1. Estimate Costs**

<b>(Fixed Costs)</b>	<b><u>School Costs</u></b> – 23-24 Cost of Attendance provided for reference <i>KY Tuition</i> <i>Technology Fee</i> <i>Recreation Fee</i> <i>Books &amp; Supplies (not billed)</i> <i>HSC Health Fee</i> <i>Health Insurance (May be waived w/ proof of insurance)</i> <i>Disability Insurance (Fall only)</i> <b><u>Personal Costs</u></b> <i>? Apt. Rental/Mortgage Payment</i> <i>? Apt. Rental Insurance/Home Insurance</i> <i>? Life Insurance</i> <i>? Property Taxes (Car, home, etc.)</i> <i>? Start-up costs (deposits for Apt. &amp; Utilities)</i> <i>? Auto Payment &amp; Insurance (Note: cannot be included in Federal COA)</i> <i>? Transportation expenses</i>
<b>(Variable Costs)</b>	<i>Food</i> <i>Clothes</i> <i>Household supplies</i> <i>Parking</i> <i>Recreation</i> <i>Toiletries/Cosmetics</i> <i>Haircuts</i> <i>Laundry</i> <i>Gas</i> <i>Utilities</i> <i>Etc.</i>

*Be aware that the Financial Aid Office bases their budgets on:*

- Known costs adjusted for inflation
- The consumer price index or actual rate of Inflation
- Provides a basic standard of living
- Expenses for student only, does not include expenses for spouse or children
- Based on surveys of reasonable Apt. rental in the area & College Board figures

## **2. Consider Financial Resources**

### **Family Resources:** “Be prepared to "Help Yourself”

- Students & their families must assume primary responsibility for financing their medical education
- It is not the Financial Aid Office function to finance your education. The FAO is provided to assist in finding means to help you pay for your education with Loans, Grants and Scholarships. The student is the responsible party to finance their education and apply for aid
- Spouse's income
- Parental help, if possible  
*(Note: Parental contributions will be considered for PCL or LDS award eligibility, regardless of dependency status)*

### **Other Resources:** Private Funding & Outside Scholarships

*Selection criteria for awards may be based on:*

- Ethnicity
- Parent's Occupations
- Religious Affiliation
- Geographic Location
- Specialty
- Fraternal Affiliation
- Academic
- Need Based
- Gender
- Service Commitment
- Etc.

*\*Be cautious about scholarship search companies, make sure they are legit companies.*

Great web sites: [www.aamc.org/FIRST](http://www.aamc.org/FIRST) & [www.louisville.edu/medical/financialaid](http://www.louisville.edu/medical/financialaid) & [www.studentaid.gov](http://www.studentaid.gov)

## **3. Obtain Financial Assistance**

### **Student Loans: *What you need to know:***

- The maximum amount you can borrow per loan type and COA (per academic year)
- The maximum aggregate limits of the Direct Subsidized (undergrad) & Unsubsidized Loans
- The interest rate and capitalization policy
- Direct Unsubsidized & Grad/PLUS Loans accrue interest while you are in school
- Loan Fees taken out, prior to disbursement
- The Grace Period, if any (6 months for Direct Subsidized & Unsubsidized Loans)
- Repayment Options: Standard, Extended, Graduated, ICR, IBR, PAYE & SAVE
- Forgiveness Options: PSLF, NHSC Loan Repayment Programs, NHSC Students

- 2 Service & Military
- That you can repay the loan at any time, without penalty
- Residency Forbearance during Residency and possible Deferment Options

Some Helpful hints...Keep Financial Aid Records!

- ✓ Copies of Loan Master Promissory Notes - MPN (You will sign online)
  - ✓ Any correspondence from your loan servicer as well as the SOM Financial Aid Office
- \*Create a folder for each academic year\***

## **II. PLANNING & BUDGETING for UofL M1 SOM Year**

**1. Planning** - You must plan on a **fixed budget** & the **actual dollars** you will have each academic year.

### **2. Budgeting**

- A positive attitude will help to make budgeting less painful.
- Know the difference between a “NEED” and a “WANT”
- Be aware of the money coming in, and how long it needs to last you.
  - Each semester refund should last 6 months (to account for 12-month calendar year)
- Avoid borrowing from outside sources and creating another monthly bill.

### **Becoming Familiar with the Mechanics of a Budget**

- The easier and more realistic a budget is... then dealing with it on a consistent basis will be helpful.
- List all your sources of income or funds (savings, scholarships, family then loan aid)
- List all your fixed expenses. Fixed expenses are monthly or yearly expenses that are unavoidable because you have already committed yourself to them. They are usually unchanging in their amounts.
- List all your variable or day to day expenses. Variable expenses are those that occur in different amounts and may not occur with regularity.
- Try to experiment by keeping track of every penny you spend for 2 weeks. By doing this you will see what your priorities are and where you are spending money. You will probably be surprised at how quickly small incidental expenses add up
- Periodically review your fixed and variable expenses and adjust your budget accordingly.

### **Make a Budget Worksheet:**

**Example:** If your Cost of Attendance (COA) is \$74,106 (23-24 KY Resident) & you choose to accept all Federal Loans offered & have zero scholarship, then...

<u>AID TYPE</u>	<u>GROSS Loans</u>	<u>NET Loans</u>
Direct Unsubsidized	\$20,500	\$20,283 (less loan fees)
Primary Care Loan	\$22,222	\$21,988 (less loan fees)
Direct PLUS	\$31,384	\$30,058 (less loan fees)
<b>TOTAL AID</b>	<b>\$74,106</b>	<b>\$72,329</b>

Less Tuition (R)	-44,482	
Less Health Insurance (can be waived if other ins.)	<b>-\$3,234</b>	
Less Health Fee	- 105	
Less Technology Fee	- 1,250	
Less Recreation Fee	- 196	
Less Disability Insurance Fee	- 55	
	<b>\$23,007</b>	<b>Total Refund after direct costs</b>

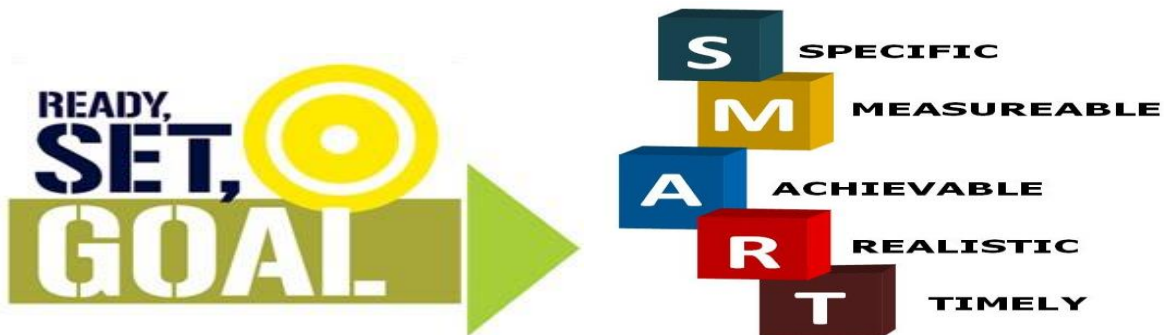
**NET AID \$72,329 (minus) \$49,322 Direct Curriculum Costs (not including books)=\$23,007 Remains for living expenses for the year.** (If student is on parents Health Insurance, they can deduct the amount for Health Ins. from Fixed costs to lower amount owed)

$\$23,007 \text{ Living expenses} \div 12 \text{ Months (COA)} = \$1,917.25 \text{ Per Month}$

This student borrowed the full Cost of Attendance (COA), **any scholarship received, would have directly lowered loan eligibility, or loans refunded if received later.** Make sure to budget for full year of living if needed and not just 10-month academic year! **6-Months for fall and 6-months for spring.**

### Plan & Develop Comfortable Financial and Life Goals

- **Short, Mid & Long-Term Goals** are important to begin now. Write it down!
- There are thousands of “Goal Setting” websites to help you learn more about setting your Financial and Life Goals.



*\*\*Some information taken from Financial Planning and Management Manual Association of American Medical Colleges, Revised August 1994.*

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