

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

**Take-Home Message:**

Most veterinarians (80-85%) borrow to cover their education and living expenses to get through veterinary school. While scholarships can help, the majority of 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 \$500,000.

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 distress for veterinarians.

During the Climbing Mt. Debt sessions, we will approach student loans clinically, like any complex medical case. We start with a good physical exam of your student loans, discuss strategies to minimize your remaining school costs, run diagnostics based on your career plans, compare short and long-term treatment options for your student loans, and evaluate the best repayment strategy for your circumstances. We will also explore veterinary incomes and financial wellness during and after school.

**\*\*Complete the brief [Student Debt & Income Signalment](#) homework for evaluation\*\***

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

- ❖ Know your student debt
- ❖ Know how the pandemic student loan relief affects your loans
- ❖ Know your student loan repayment options
- ❖ 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 online [Climbing Mt. Debt](#) presentation slides used in class
2. [VIN Foundation Student Debt Center](#)
  - a. [My Student Loans](#) and [In-School Loan Estimator](#)
  - b. [Student Loan Repayment Simulator](#)
  - c. [WikiDebt resource](#), [Student Debt Blog](#), [Borrower Better](#), and [New Grad Playbook](#) toolkits
  - d. [VIN Student Debt Folder](#): Research your questions or post your own!
3. Department of Education Resources
  - a. Student Aid Data File: [StudentAid.Gov](#)
  - b. Application, Consolidation, Repayment Estimator: [StudentAid.Gov](#)
4. Useful Financial Resources:
  - a. **FREE Personal Financial Success resource:** [drip.vet](#)
  - b. More personal finance resources: [bankrate.com](#), [nerdwallet.com](#), [investopedia.com](#)
  - c. AVMA [2020 Economic State of the Profession](#)
  - d. Credit Reports: [annualcreditreport.com](#)
  - e. ADP: Salary [Paycheck Calculator](#)

## Borrowing & Preparing for Repayment Checklist

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

- ☐ Download your federal My Aid Data file at [StudentAid.Gov](https://studentaid.gov)  
(Instructions available on the VIN Foundation [My Student Loans page](#))
- ☐ Upload My Aid Data file to VIN Foundation [My Student Loans](#) tool
  - Review loan types, principal, unpaid interest, loan servicer(s), and loan status
  - Add any Health Professions Student Loans (HPSL) or Loans for Disadvantaged Students (LDS)

### 2. Loan Diagnostics & Borrowing Estimates

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

### 3. Develop a Treatment Plan

- ☐ Estimate post-graduation income based on career plans, calculate Student Debt-to-Income Ratio (DIR)
  - $DIR > 1$ , plan to use income-driven repayment (IBR, PAYE, REPAYE)
  - $DIR < 1$ , plan for REPAYE or a standard 10-year repayment plan
- ☐ [Simulate your repayment](#) using starting repayment balance, interest rate, income, and family plans
  - Compare monthly payments, Compare total repayment costs, Consider the effective interest rate
  - Factor in forgiveness savings if there is a projected tax on forgiven debt
- ☐ **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](https://studentloans.gov)
  - End your grace period early, choose a loan servicer (FedLoan Servicing)
  - Select an income-driven repayment plan (PAYE, REPAYE, IBR)
  - 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](#) for personalized assistance
- ☐ Think beyond student loan repayment to financial wellness
  - Build an emergency fund (3-6 months of expenses)
  - Prioritize paying down credit card debt and private student loans over federal student loans
  - Stack incentives that are aligned in the tax code
    - Maximize retirement contributions (target 10%-15% of gross income)
    - Maximize health savings or flexible spending account contributions
    - Can save \$5,000 in taxes and \$2,000 of student loan payments per year
  - 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.
  - Minimize/Eliminate cash flow killers
  - Enjoy life, Dr. :-)
- ☐ NEED HELP? [Submit the Student Debt and Income Signalment Form](#)