STUDENT LOAN ENTRANCE COUNSELING CLASS OF 2030

ADEA THE VOICE OF DENTAL EDUCATION

Important Information on Borrowing for Dental School

Summer and Fall 2026

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Topics to be covered

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- Cost considerations
- Changes to borrowing and repayment plans
- Dental school debt and your student loan portfolio
- Preview look at repayment strategies
- Action items and resources to help

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Changes to borrowing and repayment plans*

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- New federal loan limits
  - $50,000 annual (direct unsubsidized)
  - $200,000 cumulative, inclusive of graduate school borrowing
  - $257,500 lifetime, inclusive of graduate and undergraduate borrowing
- No direct PLUS (Grad PLUS)
  - No direct PLUS for first time borrowers in their current degree program
  - Prior borrowing of direct PLUS for another degree does not waive this provision
- Two repayment options**
  - Tiered Standard (time-driven) and Repayment Assistance Plan (RAP, income-driven)

* Work closely with your financial aid office regarding changes, most of which were effective July 1, 2026
** These are the only two options for borrowers with a new loan disbursed on or after July 1, 2026

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Cost considerations

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- Your FAO* provides estimated COA.+
  - Find out your monthly living allowance in COA.
  - Control what you can with a realistic budget.
- Never borrow more than you need.
  - You can borrow up to full COA, usually with a combination of federal direct unsubsidized and private loans, but don't assume you need to.
- Be cautious about private loans.
  - Talk to your FAO first.

* Financial aid office
+ Cost of attendance (financial aid budget)

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Sample cost of attendance

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Tuition and fees	$65,000
Room and board*	$17,000
Books and supplies	$ 1,400
Transportation*	$ 1,600
Dental kit	$ 6,500
Personal expenses*	$ 3,000
Medical insurance	$ 1,500
Total	$96,000

* Red highlighted items represent those expenses you have some control over
* Monthly living allowance assuming nine-month budget is $2,400 per month

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Smart budgeting leads to responsible borrowing

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Doing this	May mean this
Making poor budgeting decisions during school and using credit cards to live beyond your means.	Being forced into a repayment plan you don't want after you graduate.
Borrowing under your COA.	Delaying start of interest accrual and preserving option to borrow more later if needed.
Not tracking your loans each year.	Having sticker shock at your senior loan exit interview.
Using AAMC/ADEA Dental Loan Organizer and Calculator (AAMC/ADEA DLOC) at adea.org/DLOC	Always knowing how additional borrowing will impact your repayment strategy

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Dental school borrowing

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- Good news
  - Dental school graduates have great reputation for repayment.
  - Usually, convenience of one loan servicer for all your federal loans.
  - Multiple repayment options, including payments tied to income.
- Not so good news
  - Interest rate maximum is high.*
  - Most loans are unsubsidized, interest accrues from disbursement.
  - New annual federal loan limit of $50,000 means borrowers who need more loan funds may need to secure a private loan.
  - No direct PLUS (Grad PLUS) for first time borrowers in their current degree program.

* 9.5% for direct unsubsidized

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Dental school debt*

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- $297,800 Average education debt
- $17,500 Average predental debt
- $280,300 Average dental school debt
- 79% of graduating dental students have student loan debt

* Indebted borrowers, Class of 2025; ADEA Senior Survey

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Student loan portfolio

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- Direct loans
  - Direct unsubsidized loan*
- Campus-based loans**
  - Health Professions Student Loans
  - Loans for Disadvantaged Students
  - Institutional loans directly from the school
- Private loans

* The direct unsubsidized loan will likely be the first loan many dental students take out
** Check with FAO regarding availability

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Direct unsubsidized loans

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- $50,000 limit per year*
- Fixed interest rate+
  - New rate for 2026-27 academic year is 8.07%‡
- Six-month grace period
- Lender is federal government, they assign a loan servicer
- Multiple repayment provisions
- Eligible for repayment with income-driven plan and eligible for forgiveness, including PSLF§

* This is the new federal annual limit which is borrowed with the direct unsubsidized loan
\+ Rate changes on new loans disbursed on or after July 1 (rate changes every year on new loans)
‡ For new loans disbursed on or after July 1, 2026
§ Public Service Loan Forgiveness

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Two approaches to borrowing

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- Borrow under COA and increase borrowing later, if needed.
  - Delays interest accrual, which reduces repayment costs
  - Helps promote budgeting
- Borrow up to full COA to start, then return funds later if not needed.
  - 120 days to return federal loan funds with no interest or fees (work with your financial aid office)

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Repayment strategies

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- When loans come due, find a repayment plan with manageable required minimum payment
  - Overpay on highest rate loan if aggressive strategy
  - Minimum payments if cash flow challenges or pursuing PSLF
- Refinance debt with a private lender for lower rate
- Public Service Loan Forgiveness*
  - Work for 10 years in non-profit sector and have debt forgiven
- Loan repayment assistance in exchange for service commitment**

* StudentAid.gov/publicservice
** National Health Service Corp, armed forces, National Institutes of Health, etc.

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Action items

- Stay in touch with your FAO*, and don't miss deadlines.
- Find out your monthly living allowance and stay at or under that amount.
- Never borrow more than you need.
- Set up online account with loan servicer.
- Use AAMC/ADEA Dental Loan Organizer and Calculator** to track loans and future repayment and forgiveness options.
- Be cautious where you get information about student loans.

* Financial aid office
** adea.org/DLOC

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Resources

- Your financial aid office
- ADEA Financial Resources for Students at adea.org/studenthub
- AAMC/ADEA Dental Loan Organizer and Calculator (DLOC) at adea.org/DLOC
- Your loan servicer's website
- Federal Student Aid at StudentAid.gov

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Good Luck to the Class of 2030!

Responsible Borrowing
Leads to Responsible Repayment!

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