

Financing an Advanced Dental Education

Introduction

In general, there are two types of advanced dental education programs:

- Hospital based.
- Academic based.

In a hospital-based program, you are considered an employee (a resident) and receive a salary commonly referred to as a stipend. You are not eligible for financial aid unless you are in combined program where you are also enrolled at least half time in a degree-seeking program. However, in an academic-based program, you are considered a student and thus may need help financing your tuition and other education-related expenses, including living expenses. This primer is designed to help you determine how to finance your advanced dental education when enrolled in an academic-based program.

We encourage you to work closely with the financial aid office (FAO) associated with your school's advanced dental education program when you have questions about financial aid.

Cost Considerations

The FAO can provide your cost of attendance each year (COA, also called your financial aid budget). The COA governs how much financial aid you can have each year from all sources combined.

- Focus on the items in your budget you control, such as living, personal and transportation costs.
- Don't borrow your full COA if you don't need it (never borrow more than you need).
- Talk with the FAO before taking out private loans; their repayment options are less flexible than federal loans.

Student Loan Portfolio

Always check with your program and FAO about the availability of grants and scholarships. However, be prepared to borrow as an advanced education student. Your student loan portfolio may consist of:

- Direct unsubsidized loans.
- Direct PLUS (a.k.a. Grad PLUS, graduate students may borrow up to COA, less other aid, including direct unsub).
- Private loans (see your FAO).

Interest rates on federal loans are fixed and change each July 1 on new loans. Federal loans generally become due six months after students graduate or drop below half-time status. Private loans have different terms and conditions.

The cumulative borrowing maximum for dental students in the direct subsidized and unsubsidized loan program (also known as Stafford) is \$224,000. This includes direct (Stafford) loans from all degree programs, including college. Depending on your borrowing history and length of your advanced dental education program, you may hit this maximum during your program. However, direct PLUS loans (Grad PLUS) have no cumulative limit, so even if you come up against the \$224,000 maximum, you should be able to apply for the direct PLUS.

Important Reminders and Action Items

The following may help you stay on top of your finances during your advanced dental education program:

- Federal student loans should be deferred while you are enrolled at least half time in your academic-based program.
- Stay in touch with your FAO, especially regarding proposed changes to student loan programs.
- Develop a realistic budget and stick to it.
- Set up an online account with your loan servicer.
- Use the [AAMC/ADEA Dental Loan Organizer and Calculator](#) to help estimate future repayment amounts, available at adea.org/DLOC.
- ADEA offers multiple resources to help with repayment, available at adea.org (look for the red ribbon, then Current Students & Residents).

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