

## CHAPTER 4

# FINANCING A DENTAL EDUCATION

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**C**hoosing to pursue a career in dentistry is an investment in your future, both financially and professionally. A dental education is expensive, but it's likely your income will help you repay your loans in a timely fashion. Dentists are in the top 5% of the nation's wage earners. According to the 2007 ADA Survey of Dental Practice, the average salary earned by new dentists (dentists practicing 10 years or less) was between \$182,960 and \$226,390 depending upon what kind of practice and schedule they chose.

Nonetheless, yearly tuition averages between \$25,322 and \$40,737 depending upon residency requirements according to the ADA Survey of Dental Education (2007–08). The good news is there is money available to support your pursuit of a dental education, in the form of loans, scholarships, grants, and service commitment programs. There are also tax credits and tax deductions available during and after dental school for educational expenses.

The majority of dental students take out loans to finance their education. According to the 2008 ADEA Survey of Dental School Seniors, 93% used one or more loans to finance their dental education. Taking out student loans is a serious financial commitment. Educating yourself about the financial aid process and keeping up to date on changes in federal loan programs will help you make wise decisions.

Regardless of how much money you or your family have right now, it is possible to afford a dental education through financial aid and smart money management skills. This chapter provides information on financing and repayment options, applying for financial aid, and other resources to help guide you through the financial aid process.

### WHERE DO YOU BEGIN?

The financial aid office (FAO) of the institutions you are interested in attending is the best place to begin. These offices can provide you with information on institutional loans and scholarships, alternative loan resources, and about how most students at their institution finance their education. Before contacting the FAO, you may want to check the institutions' websites for the most current information on costs and state residency requirements that may affect costs. Part II of this guide also provides information on each dental school's costs and financial aid process.

**Below is a list of useful questions to ask the FAO.**

- Does the institution itself offer any grants, scholarships, or loans? (Be sure to ask about merit and need-based scholarships.)
- How does your institution determine a student's eligibility for school funds?
- What does the cost of attendance include?
- What is the range of cost-of-living expenses?
- Is parental income taken into consideration when determining eligibility for school funds?

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- Are there work-study opportunities?
- What is the average student loan debt for graduating seniors? (Be sure to clarify if the calculations include undergraduate debt.)
- How do the majority of students at the institution finance their dental education?
- What is your institution's financial aid application process, and what is the deadline?
- Is there a priority deadline for the institution's financial aid application so I can be considered for the most favorable programs?
- In addition to the FAFSA, does your institution have additional financial aid forms to fill out, and what are the deadlines?
- Are there any paid summer research or work opportunities for dental students?
- What kinds of grants and scholarships become available once I am enrolled as a student?

**■ Determining How Much Money You Will Need**

Determining what your dental education will cost and how much you will need is the first step of the financial aid process. It is important to carefully evaluate your current financial situation to ensure that you borrow the minimum amount needed. You do not want more debt than you can manage after graduation.

**Evaluate Your Financial Status**

- Understand your current debts. Include car loans, credit card payments, existing student loan debt, and any other outstanding loans you may have. Be aware that your student loans may accrue interest while you are in school.

**Evaluate Your Financial Resources**

- Determine if you will have income from employment, a spouse, or investments.

**STUDENT PROFILE**



**DANIELLE CAUSEY**

SECOND-YEAR DENTAL STUDENT  
LOUISIANA STATE UNIVERSITY SCHOOL OF DENTISTRY

HOMETOWN: LAFAYETTE, LOUISIANA

*Why did you choose dentistry?*

My path was a little different. My undergraduate degree was in English, and I had no interest in dentistry or even

knew what the field was about. Once I was out in the real world, I knew I needed a different career and something more satisfying. At the time I was writing literary criticism for a university. I found dentistry had exactly what I wanted in a career, and it fit my personality. I would be able to work with my hands and interact with people. I wanted to help people and make a significant impact on people's lives. I had to take four semesters of nothing but science to catch up on my prerequisites. I dove straight in.

*What are you doing right now?*

I'm a second-year student and just started classes. I can't wait to start clinical rotations in November and get my first patients. I'm also serving on the ADEA Council of Students, Residents, and Fellows.

*What are your short-term and long-term goals?*

I've been toying with the idea of pursuing dental education. I think I would be a good educator. It would also be a nice way to reconfirm everything I've learned. Long-term I'm thinking of starting a practice in 10-15 years.

*Advice to applicants and first-year students.*

The best thing I did when I first decided I was going to apply to dental school was to call the school I was interested in attending and speak to the admissions department. I started asking questions. They told me what extracurricular and prerequisite classes to take,

and I followed their advice. The first year is full of ups and down and questioning of your abilities. It's so hard and so difficult that you just have to remember that the school chose you for a reason. That would help me get through some of the most difficult times. Time management and prioritizing also helps.

*What do you view as the most interesting issue in dentistry?*

As a dentist we are going to see our patients a lot more frequently than medical doctors. At least twice a year. Being able to spot certain diseases and conditions and referring patients to a physician will play an important role in their health care.

*What do you do for balance in your life?*

There are sixty-two people in our class, and we know each other very well. At least once a week we get together for some kind of organized social event. We really support and help each other out a lot.

*What is the last good book you read?*

*Complications: A Surgeon Notes on an Imperfect Science* by Atul Gawande. A lot of it is related to seeing first patients.

*Are you married/partnered/single? Any children?*

Married.

- Account for any family gifts or other resources you will be able to use. These can include savings, scholarships or grants you may have already been awarded, and tuition waivers.

### Create a Budget

- It's important to create a budget to get a sense of how much money you will need for yearly living expenses. Some expenses may be covered by financial aid. See **Table 4-1** for a sample student budget.
- Federally funded financial aid is not intended for credit card payments, alimony, household goods and furnishings, student loan repayments, interview expenses, or support of a spouse or dependents.
- Attendance-related expenses eligible to be covered by financial aid include tuition, books, fees, room and board, transportation, miscellaneous personal expenses, and child care.
- Add 5% to each year to project a four-year budget.

### Determine Your Eligibility for Financial Aid

Almost all dental students who are U.S. citizens can qualify for some form of financial aid. (Financing options for international students are covered later in the chapter.) The amount you qualify for will depend upon your financial resources right now as you learned about in the previous section. Determining your eligibility for financial aid can help you decide what amount of money you will need to borrow in student loans.

The FAO will determine your financial need once you have submitted your application. It is calculated by subtracting your expected financial contribution from the cost of attendance. The difference is considered your unmet need, which can be fulfilled through federal and private loans. A financial aid officer can also exercise his or her professional judgment when calculating your need by examining other financial commitments that may affect your ability to pay for dental school.

There are special considerations in determining eligibility.

**Dependency:** Dependency for financial aid purposes is not the same as dependency for tax purposes. However, for some federal aid, your parents' financial information may be required.

**Home Equity:** If you own a home, equity is another factor that is sometimes taken into consideration. For some federal loan programs home equity is not considered in the calculation, however, when the FAO evaluates your eligibility for institutional scholarships or loans, it may be considered as an asset.

## TYPES OF FINANCIAL AID

Financial aid for dental school is available through a variety of loans and scholarships from public and private resources. As mentioned before, the majority of students receive financial aid in the form of loans. The following section discusses the types of loan programs and scholarship options that exist. Due to changes in legislation, the terms of and guidelines for federal loan and scholarship programs are also subject to change. It is a good idea to double-check all terms, conditions, and requirements before accepting or applying for any specific loan or scholarship. **Table 4-2** displays an overview of the types of financial aid available to students.

### LOANS

Loans are funds that need to be repaid by the borrower. Dental students often take advantage of loans offered by the federal government first, supplementing with loans from

**TABLE 4-1. EXAMPLE OF A 12-MONTH STUDENT'S BUDGET WORKSHEET**

	Monthly	12-Month Total*
Mortgage or rent	\$650	\$7,800
Utilities: electric, gas, sewer, phone	\$100	\$1,200
Food: groceries, dining out	\$400	\$4,500
Personal (laundry, clothing, etc.)	\$100	\$1,200
Transportation (car payment, maintenance, gas, repair, parking, insurance)	\$300	\$3,600
Homeowners/renters insurance	\$25	\$300
Life insurance (may include dependents)	\$25-\$50	\$300-\$600

Examples of expenses that are not allowable in a student budget include credit card payments, alimony, household goods and furnishings, interview expenses (suits, travel, etc.), and student loan payments.

## Estimate your Need

You can estimate your financial need by using a web-based financial calculator like those found at **www.finaid.org/calculators**. The amount estimated may be more or less than what the FAO will determine, given the differences in institutions' financial resources. Estimated amounts do not have any official standing, though they can be helpful in approximating your eligibility for aid and planning your budget.

## Professional Judgment

The financial aid officer has the authority to exercise his or her professional judgment when evaluating your financial aid application, taking into consideration factors that may affect your ability to contribute to a dental education. For example, unusual medical or dental expenses, a recent job loss or reduction of wages, or costs associated with a disability could be considered. Professional judgment allows the financial aid officer to adjust the cost of attendance to better reflect your financial circumstances. It is important to meet with your financial aid officer to discuss your financial situation if you have these kinds of expenses. Keep in mind you must have valid reasons and proper documentation to support adjustments to the need analysis.

private lenders to cover any remaining unmet need. Interest rates on student loans are usually lower than most other types of consumer credit. They typically come with additional benefits, such as deferment of payment while enrolled as a student and a grace period following graduation and (in some cases) postdoctoral education. There are also loan programs through private lenders to help you finance dental school if you have remaining need after federal loans have been awarded.

\*Under the Federal Family Education Loan Program (FFEL) and the Federal Direct Student Loan Program (FDSLP), federal loans are available to dental students. Loans under the FFEL are authorized by the federal government through a bank, and loans from the FDSLP are made by the federal government through the institution. Your institution will let you know which program it participates in, but be sure to talk with the FAO about the current terms for each program.

*\*At the time of this edition's printing, Congress was considering legislation that would change the way federal loans are disbursed to students. To find out more, please check the Current and Future Students section of the ADEA website at [www.aede.org](http://www.aede.org).*

### ■ Federal Stafford Loan Program

There are two types of federal Stafford loans: subsidized and unsubsidized. You can receive a total annual amount of \$40,500. The cumulative borrowing limit for both is \$224,000.

For subsidized Stafford loans, the federal government pays the interest while you are in dental school, and the amount awarded is based upon your financial need. Unsubsidized Stafford loans accrue interest during your education, and the amount awarded is not contingent on your financial need.

The maximum annual Stafford Loan amount is \$40,500. Depending on your eligibility and financial need, you may receive up to \$8,500 of that amount in subsidized Stafford

Loans. The total amount of subsidized Stafford loans you can receive throughout your education (from undergraduate through postdoctoral) is \$65,500. If you need additional funds below the cumulative borrowing limit, you may be able to receive them as unsubsidized Stafford loans.

The interest rate for Stafford Loans (subsidized and unsubsidized) disbursed on or after July 1, 2006, is fixed for the life of the loan at 6.8%.

**Federal Perkins Loan Program:** The Federal Perkins Loan Program provides long-term, low-interest loans to students with exceptional financial need. There is a 5% interest rate, and the annual amount available is \$8,000, with a cumulative borrowing limit of \$60,000. Awards are made through your institution.

**Health Professions Student Loan Program:** The Health Professions Student Loan Program (HPSL) is also for students with exceptional financial need and offers loans at a 5% interest rate. Funds are administered through your institution.

## TABLE 4- 2. TYPES OF FINANCIAL AID

### Loans:

The primary source of financial aid for dental students. Must be repaid by the recipient.

### Gift Aid (scholarships and grants):

Merit-based or need-based aid. Does not have to be repaid by the recipient.

### Research Fellowships or Traineeships:

Stipends or scholarships to students who conduct scientific research.

### Service Commitment Scholarships:

Support for educational and living expenses while a student is in school; in exchange, recipients are required to serve in the military or in health care shortage areas after graduation.

### Loan Repayment Programs:

Available after education is completed. A borrower who works in a health care shortage area providing care to underserved populations may be eligible for a federal or state loan repayment program. Examples include the Indian Health Service (IHS), National Health Service Corps (NHSC), and various state loan repayment programs. The U.S. Armed Forces and the National Institutes of Health (NIH) also offer programs in exchange for service or employment.

### Education Tax Breaks:

Student loan interest deduction, Lifetime Learning Credit, tuition and fees deduction, and Education IRAs.

### Work-Study:

Provides students an opportunity to work part time. Because the dental school curriculum is demanding, dental students are often not able to take advantage of this opportunity.

**STUDENT PROFILE****JAMES BUM-SUK HAN**

FOURTH-YEAR STUDENT  
UNIVERSITY OF CALIFORNIA,  
SAN FRANCISCO SCHOOL OF DENTISTRY

HOMETOWN: LOS ANGELES, CALIFORNIA

*Why did you choose dentistry?*

Dentistry represents a convergence of my Christian faith and passion for service. At the University of California at Berkeley, I learned that I wanted to be involved in health care while serving as a health worker in a residential community. Stemming from that experience, I realized

that I wanted to become a health care provider who would be able to provide concrete services to people from diverse backgrounds. Before starting dental school, I was fortunate enough to participate in medical missions in Tijuana, Mexico, for several months. My experiences in missions showed me that a career in dentistry would afford me with many opportunities to live out my faith by serving the less fortunate. As a dentist, I knew that I would have a fulfilling career. Dentistry also offers a great lifestyle that is conducive to family.

*What are you doing right now?*

I'm a fourth-year dental student applying to residencies in oral and maxillofacial surgery. I am involved with organized dentistry. I serve as a UCSF Student Representative for the California Dental Association (CDA); on the ADEA Council of Students, Residents, and Fellows as a Group Leader for the ADEA Center for Equity and Diversity; and as a student trustee for the Christian Medical and Dental Association (CMDA). I am also a member of the American Dental Association (ADA) Student Ambassador Program Planning Committee.

*What are your short-term and long-term goals?*

My short-term plan is to successfully match to a residency program in oral and maxillofacial surgery (OMFS) and then graduate from UCSF. If I am privileged to pursue training in OMFS, I hope to become a part-time faculty member at the institution or program where I would complete my training. In the long-term, I see myself maintaining ties with the CDA and ADEA and being involved with a community health program.

*Advice to applicants and first-year students.*

Try to build as many meaningful relationships as you can

with your professors and fellow classmates. Believe it or not, the people you meet during your D1 orientation will be in your lives forever. ADEA Immediate Past President Dr. Charles Bertolami gave me great advice when I was a first year dental student. He told me to be open and say yes to new opportunities. I found that how you think or feel may change over time with new opportunities and experiences. In dental school, you will have numerous opportunities to get involved. Take advantage of them without losing a sense of who you are and what you truly enjoy. Don't be shy to ask for advice! And don't compare yourself to other students.

*What do you view as the most interesting issue in dentistry?*

Diversity in our profession. We understand that diversity and recruitment of students from underrepresented backgrounds is important. Studies show that patients tend to seek care from providers who share their backgrounds. I hope we would extend this issue one step further and discuss the importance of seeing greater diversity in school administration and in organized dentistry's leadership.

*What do you do for balance in your life?*

Sports and outdoor activities keep me energized and focused. Participating in organized dentistry, church activities, and mission work help keep me grounded.

*What is the last good book your read?*

*Complications: A Surgeon's Notes on an Imperfect Science* by Atul Gawande.

*Are you married/partnered/single? Any children?*

Single. No children.

**Loans for Disadvantaged Students:** Loans for Disadvantaged Students (LDS) are available from the federal government at a 5% interest rate. This program is not available at all institutions.

*The U.S. Department of Health and Human Services defines a student from a disadvantaged background as an individual who comes from an environment that has inhibited the individual from obtaining the knowledge, skill, and abilities required to enroll in and graduate from a health professions school or a program providing education or training in an allied health profession, or who comes from a family with an annual income below a level based on low-income thresholds according to family size published by the U.S. Census Bureau. The institution you attend is responsible for determining if you meet the criteria.*

### ■ Graduate PLUS Loans

Graduate PLUS loans are available through the federal government. The amount you are allowed to borrow is based upon the cost of attendance for your school less the other financial aid you have been awarded. You must maximize your annual Stafford loan borrowing limits before you can apply. Interest rates are higher than the other federal loan programs, and a credit check is required.

### ■ Institutional and Private Loans

Depending upon the school's financial resources, loans with favorable terms and conditions may be available through your institution. Be sure to check with the FAO to see if they are available and how to apply.

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***Interest rates on student loans are usually lower than most other types of consumer credit and come with additional benefits, such as deferment of payment while enrolled as a student and grace periods after graduation and during postdoctoral education.***

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**SCHOLARSHIPS AND GRANTS**

Scholarships are awards that do not need to be repaid. They may be granted based on criteria such as merit, financial need, or both, as well as your academic interests and group memberships.

**State:** Many states have scholarships for students who practice in underserved areas. Visit [www.nhsc.hrsa.gov/communities](http://www.nhsc.hrsa.gov/communities) to research opportunities. State dental associations may also have scholarships available.

**Keeping Good Credit**

It's important to maintain good credit before, during, and after dental school. Your ability to obtain private loans and institutional loans may depend on your credit rating. (With the exception of the Graduate PLUS loan, your credit is not checked for federal loan programs.)

You can keep on top of your credit standing by reviewing your credit report. All U.S. consumers are eligible for one free credit report from each of the nationwide consumer credit reporting companies every year through [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com). Review the information carefully and report any errors promptly. The majority of credit bureau information is accurate, but you have the right to examine your file and to explain or correct the information it contains. The Consumer Credit Counseling Service, 866-889-9347, [www.debtfreeforme.com](http://www.debtfreeforme.com), offers free or low-cost debt and credit counseling.

The American Dental Association has a listing of dental associations, each of which may have information about scholarship opportunities in its state: [www.ada.org/ada/organizations/searchcons1.asp](http://www.ada.org/ada/organizations/searchcons1.asp).

**Institution:** Some dental schools offer scholarships, depending upon the school's financial resources. These scholarships are often based on merit or financial need. You should check with the FAO for availability.

**Federal:** The Scholarship for Disadvantaged Students (SDS) is for students from a disadvantaged background as defined by the U.S. Department of Health and

Human Services (HHS). See page 51 for definition. Funds are awarded to eligible dental schools by HHS. Schools are responsible for selecting recipients, making reasonable determinations of need and disadvantaged status, and making awards. You should contact the FAO for the availability of this award and any special application procedures.

**Private:** Finding outside scholarships requires research and initiative. Businesses, civic organizations, fraternities or sororities, associations, and other groups may have scholarship opportunities available. Some useful websites include [www.fastweb.com](http://www.fastweb.com) and [www.finaid.org](http://www.finaid.org). There are additional resources at the end of this chapter to help get you started, and don't forget to also check with the FAO at your school for scholarship ideas.

**Service Commitment:** There are service commitment programs from the federal government available for students in the health professions. Acceptance into one of these programs requires that you commit to a period of a service in exchange for the federal government covering the costs of your education.

- **The National Health Service Corps Scholarship Program's (NHSC)** mission is to meet the health care needs of underserved communities. Only applicants who share the NHSC's commitment and who agree to provide oral health services for two years in any underserved community identified by NHSC will be competitive for a scholarship. The NHSC scholarship pays tuition and fees, books, supplies, and equipment, and includes a monthly stipend. [www.nhsc.bhpr.hrsa.gov](http://www.nhsc.bhpr.hrsa.gov)
- **The Armed Forces Health Professionals Scholarship Program (HPSP)** offers scholarships to dental students that pay tuition, fees, books, instruments, and a stipend. To qualify, applicants must be U.S. citizens between the ages of 21 and 40 (although age limits can be waived in certain cases) and be enrolled in a dental school accredited by the Commission on Dental Accreditation (CODA). The service obligation is at least three years of active duty, depending upon the program under which the applicant receives his or her commission. [www.goarmy.com/amedd/hpsp.jsp](http://www.goarmy.com/amedd/hpsp.jsp)
- There is also a **Financial Assistance Program (FAP)** under the HPSP that provides extra payment and a monthly stipend for dentists in residency. Residents also receive

*Private loans may be available, but should only be used after all other sources of federal financial aid and scholarship resources have been exhausted. They can have less favorable interest rates than federal loan programs. Examine the interest rates, fees, and terms of all loan options carefully. A credit check is typically required and, in some cases, you may need a co-signer for the loan.*

their current residency pay. After residency, dentists in the FAP agree to serve for a certain period of a time. Once in the military, the pay is competitive and includes a signing bonus and fringe benefits. The sidebar How to Get the Government to Pay for Your Student Loans on page 56 has more information.

**Work-Study:** Some schools may have work-study opportunities for students with financial need. Students work for the dental school on or off campus through this program. Because of the rigorous academic demands of dental school, many institutions do not participate in this program, and those who do only make awards to students who request them. If you are interested in exploring this opportunity, contact your FAO.

### ■ International Students

Financial assistance for international students is limited. Federal aid is restricted to U.S. citizens and permanent residents. Private loan programs may be available, but almost all require a credit-worthy U.S. citizen or permanent resident to cosign. Eligibility may also be based on the type of visa you hold.

There are some options for international students researching financial aid possibilities.

**Institutions:** Dental schools may have scholarships or grants available for international students. You should check with the FAO at your institution for more information.

**Private Scholarships:** International students may be available for private scholarships based on merit or academic interest. The cultural departments of embassies or the Minister of Education's office can be a good place to start researching opportunities.

**Other Resources:** Additional information on financial aid programs for international students is available at [www.edupass.org/finaid](http://www.edupass.org/finaid). This website covers scholarships, loans, helpful organizations, and the financial aid application process.

## HOW TO APPLY FOR FINANCIAL AID

Once you've determined how much money you need and what kind of financing options you are eligible for, you are ready to begin the application process. In addition to submitting the FAFSA to be considered for federal financial aid, some institutions require a separate financial aid application for that school.

### ■ FAFSA

To begin the process, fill out the Free Application for Federal Student Aid (FAFSA) accessible at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). This form is used by dental schools to determine your eligibility for need-based aid. You should complete this form as soon as you can and by

## Federal Scholarships During and After Dental School

Did you know there are additional federally funded scholarships available for predoctoral and postdoctoral students with interests in research?

- The National Institute of Dental and Craniofacial Research (NIDCR) offers numerous programs for dental students who have an interest in dental research. [www.nidcr.nih.gov/CareersandTraining](http://www.nidcr.nih.gov/CareersandTraining)
- The Howard Hughes Medical Institute Research Scholars Program is a joint program with the National Institutes of Health (NIH). The program provides the opportunity for students to work in an NIH laboratory as part of a research team. [www.hhmi.org/science/cloister](http://www.hhmi.org/science/cloister)
- The NIH/Fogarty Clinical Research Training Scholars and Fellows Program provides the opportunity for individuals to experience mentored research training at NIH-funded research centers in developing countries. For more information, contact Dr. Aron Primack at 301-496-1653 or [primack@mail.nih.gov](mailto:primack@mail.nih.gov).
- Other opportunities through the National Institutes of Health (NIH) during or after dental school include:

NIH Clinical Research Training Program: [www.cc.nih.gov/training/crtp/crtp.html](http://www.cc.nih.gov/training/crtp/crtp.html)

Individual Predoctoral Dental Scientist Fellowship (F30): [www.grants.nih.gov/grants/guide/pa-files/PA-08-119.html](http://www.grants.nih.gov/grants/guide/pa-files/PA-08-119.html)

Institutional NRSA Research Training Grant (T32): <http://grants.nih.gov/grants/guide/pa-files/PA-08-226.htm>

National Research Service Awards for Individual Predoctoral Fellowships to Promote Diversity in Health-Related Research (T31): <http://grants2.nih.gov/grants/guide/pa-files/PA-06-481.html>

Graduate Partnerships Program: <http://gpp.nih.gov>

Visit [www.grants.nih.gov/grants/guide](http://www.grants.nih.gov/grants/guide) for more information.

*If you have multiple loans at different interest rates, consolidating your loans can help streamline the payments and may help reduce your monthly payments. Loan consolidation gives you one loan payment with a single interest rate. Private lenders can assist you with loan consolidations. You should examine all of the terms closely to make sure this option is better than not consolidating.*

January 1 of the year you plan to begin dental school. The website offers a worksheet and information on what documents you will need to have ready for filling out the form. Be sure to check the website for updates to deadlines and procedures.

**■ Dental School Application for Financial Aid**

Around the time you submit the FAFSA, you should determine if you need to fill out any school-specific forms for financial aid. Each school has different application requirements, so be sure to contact the FAO for the most current forms and deadlines. It is very important to meet the school’s deadlines to be considered for the most favorable types of aid.

**■ Forms You Will Need**

For both federal and institutional financial aid applications, you will need to gather your income tax returns; if you are married, your spouse’s income tax returns; and possibly your parents’ income tax returns. You will want to prepare your tax return as early as possible to have this documentation ready for the application process. At some schools, in addition to the FAFSA application, you may be asked to submit a Need Access or CSS Profile (forms that collect additional information about your financial situation), and (for some need-based awards) your parents’ income tax returns.

**REPAYING STUDENT LOANS**

ADEA research has found that over 79% of dental school students graduate with debt of more than \$100,000. Repayment of student loans is your responsibility. It is very important to keep your address and contact information up to date with the lender so you receive all correspondence regarding your loans. Not repaying and defaulting on your loan or making late payments can negatively affect your credit rating. Poor credit can affect your ability to borrow money to set up a dental practice, buy an existing practice, or finance a house or car.

There are several repayment plans available that will allow you to best match your financial situation after graduation. Depending upon the loan program, repayment will begin after graduation or a grace period, when you drop below full-time or half-time enrollment, or when you leave school.

**TABLE 4-3. EXAMPLE OF FIRST-YEAR DENTAL STUDENT’S OUTSTANDING STUDENT LOAN DEBT**

Loan	Amount	Interest Rate	Date Repayment Begins
Stafford Subsidized (undergraduate)	\$16,000	6.8%	Dec. 2013
Perkins (undergraduate)	\$4,000	5%	Feb. 2014
Stafford Subsidized (dental school)	\$8,500	6.8%	Dec. 2013
Stafford Unsubsidized (dental school)	\$32,000	6.8%	Dec. 2013
Perkins (dental school)	\$6,000	5%	Feb. 2014
HPSL (dental school)	\$6,500	5%	June 2014
Graduate PLUS	\$5,000	8.5%	June 2013

This chart assumes a student in the 2009 entering class who will graduate in May or June 2013. The varying dates under “Date Repayment Begins” reflect the grace periods of the various loans.

Table 4-3 provides a sample log of a first-year student’s outstanding debt, including any debt from undergraduate education.

**REPAYMENT: CONDITIONS AND REQUIREMENTS, PLANS, AND OPTIONS**

The financial aid officer at your school will conduct an exit interview upon graduation. The purpose of the interview is to make sure you understand the repayment terms of your loans and provide information on sample payment plans and options. This section provides an overview of the repayment process.

**Conditions and Requirements:** The conditions and requirements of a loan are the interest rate, the length of time you have to repay the loan, and when repayment begins. This information will be given to you before you accept the loan. Repayment can begin immediately after you graduate or after a grace period that can last six, nine, or 12 months. Loan repayment schedules



## STUDENT PROFILE



## ELIZABETH MCCOURT

THIRD-YEAR DENTAL STUDENT  
MARQUETTE UNIVERSITY SCHOOL OF DENTISTRY

HOMETOWN: PHOENIX, ARIZONA

*Why did you choose dentistry?*

I originally was premed in college and involved in an internship at a hospital. At the same time I was taking my younger sister to our orthodontist. I started talking to him about my interests, and he asked if I'd ever thought of dentistry. He invited me to shadow at his office, experience dentistry, and compare the environments of the hospital and dental practice. I loved the office setting and decided to shadow a general dentist. I found there were so many aspects of the profession I enjoyed. I'm meticulous with projects and love to work with my hands. Dentistry also offers the ability to control my schedule and maintain a balance between career and family.

*What are you doing right now?*

We go straight through the summer at Marquette between the second and third year. We're immersed in clinic full time, and I mostly spend my time doing restorative procedures. I'm working on my first crown prep and denture case. During the day I usually get to see one patient in the morning and one in the afternoon. This year I'm also serving on the ADEA Council of Students, Residents, and Fellows as a representative for my school, one of the Regional Representatives, and the Marquette American Student Dental Association (ASDA) Licensure Representative.

*What are your short-term and long-term goals?*

I have a health professions scholarship through the Air Force. My mother, who is an officer in the Air Force, told me about the opportunity. I was interested in the program so I got a hold of a recruiter and talked to him at the same time I was applying to dental school. I paid for the first year of dental school, and the Air Force is paying for the final three years in exchange for service. The scholarship covers all school related expenses and provides a stipend each month. After graduation I will be an Air Force dentist for three years. As of now my only job with the Air Force is attending and finishing school. It's really a great deal because I won't feel the burden of tons of loans after I graduate.

*Advice to applicants and first-year students?*

I would say the biggest thing is to apply early. Schools see a lot of applications. You could be the best applicant in the world but if they don't see it... Work on being a well-rounded individual. Think about what you can bring to the program as an individual whether it's been leadership activities or volunteer work. Make sure you have experiences in other areas.

For first-year students, try to come up with your study schedule as early as you can. You need to start out being organized and planning out your days and figur-

ing out what you need to do immediately. You can't go about studying the same way you did in undergrad. In undergrad I always used note cards to study, but in dental school I had to change my study methods because there just weren't enough hours in the day to get everything done. Learn to develop great time management skills and balance your days.

*What do you view as the most interesting issue in dentistry?*

One of the coolest things in this profession is the changing technology. At Marquette we constantly have lunch and learns describing this new aspect of dentistry. For instance there's a machine called the Cerec that actually can make a crown in the office. It not only eliminates the lab fabrication of the crown, but it also allows the patient to receive a crown in one sitting.

*What do you do for balance in your life?*

The first year I made it a point to set aside time for myself away from school. If I did that I found I actually did better in all of my classes because I was less stressed out. At minimum I scheduled some sort of physical activity, like running, every other day. If it was a hectic week, I made sure on the weekend I did something for myself like go to dinner or a movie with friends. It's a nice balance to have activities away from dental school.

*What is the last good book your read?*

*Jemima J.* by Jane Green. It's a typical chick book and a nice change from thinking about science or dentistry all day. Each night I usually read a chapter or so before going to bed.

*Are you married/partnered/single? Any children?*

I'm not married but in a relationship. My boyfriend is also in the dental profession as an orthodontist in Dallas, Texas.

can be distributed over five, 10, 15, 25, or 30 years. The terms can change if you decide on a refinancing option or consolidation program.

**Repayment Plans:** There are several student loan repayment plans available: standard, graduated, and income-based.

- **Standard Repayment Plan:** Distributes payments evenly over the length of the repayment period.
- **Graduated Repayment Plan:** Monthly payments start at a lower level and gradually increase over time. This helps those who anticipate growth in their income.
- **Income-Based Repayment (IBR):** On July 1, 2009, Income-Based Repayment became another option for students to manage their federal loan payments. It is helpful for those who may not yet have the income to support loan payments or who are in the first few years of opening a practice. Visit [www.ibrinfo.org](http://www.ibrinfo.org) for more information.

Table 4-4 provides sample repayment plans.

**TABLE 4-4. SAMPLE REPAYMENT PLANS**

Total Amount of Loans: \$170,000		Interest Rate: 6.8%	
Type	Term	Monthly Payment	Total Payment (includes interest)
Standard Plan	10 yrs	\$1,956.37	\$234,762.40
Extended Plan	25 yrs	\$1,179.92 (fixed)	\$353,976.00
		\$963.33 (*graduated)	\$383,418.76
*Graduated	10 yrs	\$1,343.33	\$247,444.48

\*The monthly payment increases every two years in a graduated repayment plan.

## How to get the government to pay your student loans

With college costs rising at twice the rate of inflation, many students start their dental careers with thousands of dollars in student loan debt.

Participating in federal- and state-sponsored loan repayment programs is a way to significantly reduce your debt burden. The amount you may be eligible for depends on a number of factors—the agency you work for, the length of time you work there, and the types of loans you have are the most important.

Although the rules can be complicated and every program has different requirements, there is a wealth of information available about those programs for people who are willing to look. To make the process a little easier to understand, this sidebar describes the types of programs that are available and how much you may be able to save by participating.

### Federal Loan Repayment Programs Specific to Health Professionals

Dental graduates may be eligible for the following programs:

#### Faculty Loan Repayment Program

[www.bhpr.hrsa.gov/DSA/flrp/index.htm](http://www.bhpr.hrsa.gov/DSA/flrp/index.htm)

*Who's eligible:* new faculty from disadvantaged backgrounds at qualified health education institutions.

*Time and money:* a maximum of \$20,000 for two years of teaching at qualified health institutions, plus matching funds from the host institution.

#### National Health Service Corps Loan Repayment Program

[www.nhsc.hrsa.gov/loanrepayment](http://www.nhsc.hrsa.gov/loanrepayment)

*Who's eligible:* dentists, allopathic and osteopathic physicians, certified nurse-midwives, certified family nurse practitioners, and physician assistants.

*Time and money:* up to \$50,000, tax free, in exchange for two years of service with the possibility of applying for additional support for extended service.

#### National Institutes of Health Loan Repayment Programs

[http://lrp.info.nih.gov/about/faqs\\_loanpayments.htm](http://lrp.info.nih.gov/about/faqs_loanpayments.htm)

*Who's eligible:* students with doctoral degrees from accredited institutions who are interested in research.

*Time and money:* up to \$35,000 per year for a two-year contract.

#### Indian Health Service Loan Repayment Program

[www.loanrepayment.ihs.gov](http://www.loanrepayment.ihs.gov)

*Who's eligible:* students in all health professions, with special consideration given to physicians, nurses, and medical specialists in high-need fields.

*How much:* up to \$20,000 a year for two year and, in some cases, an additional 20% to offset the tax liability of award.

Only the most basic eligibility requirements for the above programs are listed in this article. For specifics, consult program websites.

#### The Federal Student Loan Repayment Program

[www.opm.gov/oca/pay/studentloan](http://www.opm.gov/oca/pay/studentloan)

Dental students may also be eligible for the **Federal Student Loan Repayment Program**.

This program allows individual federal agencies to establish loan repayment programs at their discretion as an incentive to recruit and retain highly trained employees. If you are employed at a qualified federal agency, you may be eligible for repayment of up to \$10,000 of federal student loan debt per calendar year, with a cumulative maximum of \$60,000; in return, you agree to work for the agency for at least three years.

### U.S. Military Programs

U.S. Navy Health Care

[www.navy.com/healthcareopportunities](http://www.navy.com/healthcareopportunities)

U.S. Army Health Care

[www.goarmy.com/amedd/](http://www.goarmy.com/amedd/)

U.S. Air Force Health Care

[www.airforce.com/opportunities/healthcare](http://www.airforce.com/opportunities/healthcare)

Branches of the U.S. military have programs for dentists, doctors, nurses, and medical technicians that include sign-on bonuses, up to 100% tuition payment, and stipends while in school. In exchange, you agree

**Options:** After graduation, there are additional options available to help you develop a repayment plan that fits your income level and career path.

- **Loan Consolidation:** If you have multiple loans at different interest rates, consolidating your loans can help streamline the payments and may reduce your monthly payments. Loan consolidation gives you one loan payment with a single interest rate. Private lenders can assist you with loan consolidations. You should examine all of the terms closely to make sure this option is better than not consolidating.
- **Deferment:** If you pursue additional graduate education, deferring your federal student loans is also an option. Interest does not accrue on subsidized loans during deferment. Dental students who enroll in residency programs at accredited U.S. dental schools are eligible for in-school deferment for the duration of their residency if the program is

to serve in the military for as many years as you receive program benefits.

### Hospitals and Private Health Care Facilities

Many hospitals and private health care facilities use loan forgiveness to recruit health care professionals. If you're considering working for such an institution, check to see what loan repayment assistance it may offer.

### State Funding

Check with your state health planning office—some states have scholarship and loan forgiveness programs targeted toward placing small numbers of primary care professionals in underserved areas. Opportunities can be found at [www.nhsc.hrsa.gov/communities](http://www.nhsc.hrsa.gov/communities).

### Things to Consider

If any of these loan repayment programs interest you, there are a few things you'll want to consider as you proceed:

**Tax implications** – Any money that you receive from a loan repayment is considered taxable income. Lump-sum loan repayments can be helpful because they generally lower the amount of interest you pay over the life of your loan, but they can also result in a higher tax burden. Gradual loan repayments may lessen your tax burden, but you may end up paying more in interest. If given the choice between lump-sum and gradual loan repayments, take a close look at your personal financial situation to decide what's best for you. Some programs will also cover the cost of your taxes, so make sure to ask about this too.

**Application dates** – Some programs require that you sign up before you finish school. For this reason, it's a good idea to consider these programs early.

**Service contracts** – Loan repayment in the majority of these programs is contingent on a specified length of service as outlined by your service

contract; breach of this contract is serious business and can result in heavy financial penalties (not to mention loss of repayment funds)! Make sure you don't have other commitments on the horizon that will prevent you from completing your term of service.

**Eligibility requirements** – It sounds simple, but make sure you are eligible for the loan repayment programs to which you are applying. As an example, some of these programs require that you come from a disadvantaged background (as certified by your educational institution) to be eligible. In this instance, it truly pays to read the fine print up front – if you focus your efforts on something you're not eligible for, you may miss out on other opportunities.

**False assumptions** – Some students may be turned off by loan repayment programs because they're afraid they will lose control over where they will live and work in the few years after graduation. This is true in some, but not all, cases. Don't let assumptions about a program prevent you from participating. Do your homework and find out what each program will require of you – they're all different.

**Future goals** – Want to buy a house? Help younger brothers and sisters pay for their higher education? Open your own practice? Enter academia? Be a leader in community service? The faster you can decrease your debt load, the faster you can focus on your other dreams. Loan repayment programs are a great way to make this happen!

For more information about loan repayment programs, contact your institution's FAO. They may be able to help you navigate the many loan repayment programs mentioned, as well as clue you in to institution-specific programs.

*This article was written by the ADEA Division of Knowledge Management.*

affiliated with a dental school that registers its residents as students. However, dental residents in a hospital-based program that is not formally affiliated with a U.S. dental school must qualify for an "Economic Hardship Deferment." If you have private loans, check with the lender about deferment options.

- **Forbearance:** Most lenders allow forbearance on your loans if you encounter financial hardship. Forbearance is a period of time when the lender agrees to temporarily postpone your repayment obligations. If you find yourself unable to repay your loans, contact the lender immediately to avoid default. Interest will accrue during forbearance periods.
- **Public Service Loan Forgiveness:** Some dental practitioners may be eligible for part of their loans to be forgiven if they choose to work in a qualified public service position for 10 years (beginning after October 1, 2007) while making loan payments. For example,

*With college costs rising at twice the rate of inflation, many students start their dental careers with thousands of dollars in student loan debt. Participating in federal- and state-sponsored loan repayment programs is a way to significantly reduce your debt burden.*

positions at nonprofit organizations, government agencies (including the military or public schools and universities), the Peace Corps, and AmeriCorps qualify. Visit [www.ibrinfo.org](http://www.ibrinfo.org) for more information on qualifying positions and program terms.

- **Government Repayment Programs:** Service commitment and other public programs offer students loan repayment assistance in exchange for a period of service or employment. The government options are discussed in detail in the sidebar *Getting the Government to Repay Your Student Loans* on page 56.

## RESOURCES

For further information about financial aid, you may want to consult the following resources.

### ■ Scholarships

*ADEA Opportunities for Minority Students in U.S. Dental Schools*, published by ADEA, includes practical information of special interest to minority students considering careers in dentistry. This publication explains the scope of career opportunities available to minorities in dentistry, dental school admissions requirements, financing a dental education, deciding where to apply, and school-specific information directed to minority applicants. Available from ADEA Publications Department, 1400 K Street, NW, Suite 1100, Washington, DC 20005; 202-289-7201; [publications@adea.org](mailto:publications@adea.org).

ADEA also has numerous scholarships and awards for students during dental school. Visit [www.adea.org](http://www.adea.org) to learn more about these opportunities.

**Fastweb.com** is a searchable database of scholarships, awards, and other resources to assist students from all disciplines.

**Finaid.org** is a searchable database that also includes helpful information about the financial aid process. Students can register and receive updates according to their profile and interests.

### ■ Credit, Debt Management, and Financing

**AnnualCreditReport.com** allows you one free credit report a year from all three major credit reporting agencies.

**Debtfreeforme.com** offers low cost and free credit counseling.

**Edupass.org** is a comprehensive guide for international students pursuing an education in the United States.

**Myfico.com** provides useful information on credit scores, obtaining your credit score, and debt management.

**Studentaid.ed.gov** is the government's site on federal financial aid and offers useful information on loans, repayment options, and the application procedure.

### ■ Updates and Advocacy

**The Student Aid Alliance** is a website that provides up-to-date information on federal aid programs and opportunities for

students to let their voices be heard on Capitol Hill regarding funding for student aid. Visit [www.studentaidalliance.org](http://www.studentaidalliance.org).

## Tax Credits and Deductions

There are tax credits and deductions you can take advantage of as a student and a holder of federal loans that can help you manage your debt during and after dental school.

**The Lifetime Learning Credit:** This is a tax credit for qualifying educational expenses. You may claim up to \$2,000 on each tax return, up to a cumulative total of \$10,000.

**Tuition and Fees Deduction:** You may be able to reduce your taxable income up to \$4,000 for tuition and fees paid toward your education.

**Student Loan Interest Deduction:** The Student Loan Interest Deduction is available for the first \$2,500 of interest paid on your federal student loans. It does not require that you itemize deductions on your tax return.

For more information, read IRS Publication 970: *Tax Benefits for Education*.  
[www.irs.gov/publications/p970/index.html](http://www.irs.gov/publications/p970/index.html)

Students can sign up for updates on the new programs offered under the **Income-Based Repayment** program at [www.ibrinfo.org](http://www.ibrinfo.org). The programs include income sensitive repayment options and a public service loan forgiveness program.