

## Residency and Relocation Loans

Medical school may be coming to an end but there are still many additional expenses that pop up in your last year that are necessary, *even required*, to help you get ready for residency. Residency Relocation loans are available to fourth year medical students to borrow 180 days before or up to 180 days after graduation and do not have to be certified by the financial aid office.

Fourth-year medical students may encounter expenses that are not included in the standard student budget and may find it necessary to borrow additional funds through a residency and relocation loan. If you are considering a residency and relocation loan to cover some of your additional expenses associated with the residency match (traveling for interviews, related meals, lodging) or relocation costs, it's important to understand how these private loans differ from federal loans. These residency and relocation loans are considered private loans for students in their final year of medical school to help cover expenses associated with finding a residency position.

Although you may have anticipated these additional expenses, do you have adequate funds to cover them? Do you find yourself needing some extra money to help you get through your last year as you prepare for interviewing and relocating? It's helpful to itemize your anticipated expenses to determine if your need for this loan is legitimate or if it's just a "*nice cushion to have.*" One of the costliest mistakes medical students make is to borrow funds they don't truly need.

While minimizing your student loan debt is important, such loans are generally preferable to credit cards, since most have lower interest rates. These loans do not require school certification of financial aid eligibility. If you have **not** exhausted all of your federal loan eligibility in your final year in Medical School, it is recommended that you do so before borrowing with a residency and relocation loan.

Be discriminating if you choose to borrow this type of loan. Compare the loan's features, benefits, terms, and repayment options before making a final decision to borrow. It's important to know what you're getting into; this loan you will have to pay back, and typically, private loans may cost you more than other loans.

### Residency and Relocation Loan Programs Options

Loan	Fees	Rates	Borrowing Limits
<a href="#">Sallie</a>	None	Variable/Fixed	up to \$30,000
<a href="#">The PNC Solution Loan for Health Professions Residency</a>	None	Variable/Fixed	up to \$15,000

### Is a Residency and Relocation Loan Right for You?

Review the following details to decide if this is the best product for your needs:

- interest rates
- maximum loan amount
- processing time
- disbursement dates
- options to postpone payment

- loan repayment terms
- other loan requirements or conditions

### **Some Questions to Ask Before Borrowing:**

- Interest Rates, Fees, and Terms
  - How is the interest rate calculated?
  - Is it a fixed or variable rate loan?
  - What are the terms of the loan?
- Loan Application Process
  - Is it an online application?
  - Is instant loan approval offered?
  - Is a co-signer required?
  - If a co-signer is needed, can the co-signer be released from the loan and if so, what does that process entail?
- Repaying Your Loan
  - When does repayment start?
  - Are deferment and forbearance options offered after graduation and during residency?
  - Are there incentives for on-time or electronic payments?
  - Are there any pre-payment penalties?
- Customer Service
  - Can you talk with a customer service representative if you have any questions?
  - Is customer service available during convenient hours?
  - Can you access your loan account online?

### **Additional Resources to Help You Evaluate Your Options**

Check your credit score at [FeeCreditReport.com](http://FeeCreditReport.com)

AAMC Guide to the [Cost of Applying for a Medical Residency](#)

[AAMC Guide to Easing into Residency: Transition Tips](#)

[AAMC Budgeting Basics: Managing Your Money During the Lean Years](#)