

# New programs aim to forgive student medical loans

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(HealthDay)—Changes to the student loan environment will make it possible for a significant amount, if not all, of medical student loans to be forgiven, according to an article published May 8 in *Medical Economics*.

Craig Molldrem, C.L.U., Ch.F.C., a financial consultant, writes that the new federal loan repayment programs of Income-Based Repayment (IBR) in 2009, the Pay As You Earn repayment in 2013, and Public Service Loan Forgiveness (PSLF) are helping doctors have their loans forgiven. For physicians faced with a long period of training, large federal loans, and who are confident they will be taking a job at a qualifying public service organization out of training, these programs can be helpful.

According to Molldrem, loan forgiveness was designed by the PSLF program for loans that were consolidated through the federal Direct Loans program if the borrower achieved 120 qualifying payments while working at public service jobs such as 501(c)(3) organizations. A lower monthly payment for people with high debt and low income is possible with the IBR program, but to qualify a doctor must have a "partial financial hardship." Under the PSLF program, physicians can achieve loan forgiveness after 10 years of working at a qualifying public service organization or 25-year loan forgiveness if working at a for-profit organization.

"The key to maximizing these programs is paying as little on these [loans](#) for as long as possible. This can work nicely for a physician in training since the salary during training is minimal compared to post-[training](#)," Molldrem writes.

**More information:** [More Information](#)

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