

QUESTIONS TO ASK YOUR LOAN PROVIDER ABOUT YOUR PRIVATE STUDENT LOANS

There are two main principles to remember when determining how your private loans will impact your overall repayment strategy as a dental school graduate:

First, in general, it is often best to pay down private loans as quickly as possible.

Second, dental school graduates with both federal and private loans who have monthly cash flow challenges may need to use the repayment and postponement flexibility provided on their federal loans. This may help them remain current on their private loans, regardless of whether they are entering practice immediately after dental school or pursuing an advanced dental education program.

However, both these principles can be influenced by the terms and conditions of your private loans. We suggest you contact your loan provider(s) and ask the following questions:

Interest Rate and Capitalization

- What is the current rate?
- Is the rate variable or fixed?
- If the rate is variable, is there a maximum (cap) and a minimum (floor)?
- If the rate is variable, how often is it reset and how does that impact subsequent payments?
- Are there any discounts on the rate you might be eligible for, such as ACH (automatic debit)?
- How often is accrued and unpaid interest added back to the principal of your loans (which is called capitalization)?

Repayment Options and Term

- How long do I have to repay these loans?
- Are there other repayment options, such as “interest only” for a designated period of time, if I need short-term help reducing my payments? What is the long-term impact on my balance?
- Can I target any additional payments against the principal?

Postponement Options

- How long can I postpone payments, if needed, especially during an advanced dental education residency?
- Is there a fee to postpone payments, and is this with a deferment or forbearance?
- How do I renew my deferment or forbearance if I need to postpone for a longer period of time?
- Does interest capitalize more frequently during postponement?

Cosigner Release (for dental school graduates who have a creditworthy cosigner on their loans)

- Is there a cosigner release provision and if so, how does it work?
- Is there a minimum credit score and maximum DTI (debt to income) ratio I must meet to have my cosigner dropped from the loan?
- If I am denied the request to drop my cosigner, can I reapply at some point?