Yale SCHOOL OF MEDICINE

Financial Aid Office

Loan Explanation

2023 – 2024

FEDERAL DIRECT STUDENT LOAN PROGRAM

The low-interest loan program is administered by Yale and provided by the U.S. government directly to students. The basic eligibility requirements are; you must be a U.S. citizen or eligible non-citizen, not be in default on a federal loan, be enrolled or plan to enroll at least half-time, and maintain satisfactory academic progress.

FEDERAL DIRECT UNSUBSIDIZED LOAN PROGRAM

Available to students regardless of need. The interest on a Federal Direct Unsubsidized Loan accrues from the day the loan is disbursed and is always the responsibility of the borrower. Students can choose to let this in-school interest accrue or pay it quarterly. In order to minimize the cost of borrowing, students are encouraged to pay the quarterly interest if at all possible. As of July 1, 2023, unpaid accrued interest will no longer be capitalized (i.e. added to the outstanding principal balance) when a borrower enters repayment at the end of the grace period.

The federal government charges an origination fee equal to 1.057% of the loan amount as of October 1, 2022. Loan origination fees are subject to change based on funding uncertainties at the federal level.

YEAR IN SCHOOL	LOAN LIMIT UNSUBSIDIZED	INTEREST RATES UNSUBSIDIZED
MD 1st year (*ten-month budget*)	$42,722	6.54%*
MD 4th year (*nine-month budget*)	$40,500	6.54%*
MD 2nd 3rd and 5th year (*twelve-month budget*)	$47,167	6.54%*
PA	$20,500	6.54%*

*Interest rate as of July 1, 2022 subject to change on July 1.

YALE SCHOOL OF MEDICINE ALUMNI LOAN (YUSL) *Medical School Only*

The loan is made with School of Medicine funds and is not subject to federal guarantees or interest subsidies. The basic eligibility requirements are: you must be a U.S. citizen or permanent resident, not be in default on a federal loan, be enrolled or plan to enroll at least half-time, and maintain satisfactory academic progress. The YUSL is based on demonstrated financial need and the Financial Aid Office determines eligibility for the loan. The current interest rate is fixed at 7.5%. The loan is interest free while you are in school and for the six month grace period before repayment begins. The loan can be deferred for up to two years during medical residency. If you are eligible for the YUSL, you will be notified on your financial aid award letter.

FEDERAL DIRECT GRADUATE PLUS LOAN

The loan is available to students regardless of need. You must demonstrate good credit in order to qualify for the loan. You can not borrow more than the difference between the cost of attendance and all forms of financial aid, including any Direct Unsubsidized Loan. The interest accrues from the day the loan is disbursed and is always the responsibility of the borrower. The current interest rate is fixed at 7.54% as of July 1, 2022. The interest rate will be established based on the 10-year Treasury bill rate as of June 1, 2022. There is a 4.228% origination fee as of October 1, 2022. Loan origination fees are subject to change based on funding uncertainties at the federal level.

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