

CCOMMON CENTS

YOUR FINANCIAL LITERACY NEWSLETTER

What do I need to know?**All Students:**

If you want to return any of your spring loans, please send [Chris Roling](#) an email and let him know how much you would like to return. Loan adjustment requests need to be submitted before April 24.

M1, PA1, M2 PA2, and M3 students:

Please double check and make sure that you have filed your 2026-27 FAFSA. If you are in doubt, email Chris Roling to see if we have received it.

M4 Students:

Don't forget to schedule your individual loan exit counseling session with Chris. Sessions generally last about 45 minutes. Spouses, partners, and significant others are welcome to attend! Click on this [link](#) to schedule an appointment. Appointments will be held in person. **If you need to meet over Zoom, please mention that in the NOTES section when you schedule your appointment. Before your appointment, make sure that you have watched the AAMC Loan Repayment Strategies video or attended one of their weekly webinars (for more details, please see the email that was sent out to M4 students on 1/23/26).**

Summer Loan Disbursements:**Current M2s, PA2s, & M3s**

7/6/26

Current PA1

6/1/26

Fall Disbursement Dates:**Current PA1 and M1 students:**

8/17/26

You must have filed your 2026-27 FAFSA in order to receive summer/fall loan disbursements!

You may be able to stay on your parents' health insurance after age 26

Most birthdays are a time of celebration...but not your 26th birthday. This is when students usually fall off of their parents' health insurance coverage. Students have to go out and purchase health insurance or apply for Iowa Medicaid. But what if you could still remain on their health insurance plan a little longer?

A few of our current students were able to remain on their parents' health insurance after age 26 because they were enrolled as a full-time students. According to the University of Iowa's Human Resources [website](#), full-time students may remain on their parents' health insurance plan after age 26 as long as they are enrolled full time. However, it also cautions that there may be IRS tax implications for those students that don't qualify as dependents for tax purposes. So, if this an option, be sure to contact a tax professional to see how this could impact their taxes.



This won't work with every health insurance plan, but it could be worth looking into. Ask your parents to check with their HR Department and their insurance provider to see if this is an option for you. It could save you \$300 per month!

One Big Beautiful Bill update: If you had a Federal Direct Unsubsidized/Grad PLUS loan disbursed before July 1, 2026, you will be grandfathered into the old loan program for student loan borrowers for the next 3 years. However, if you take a leave of absence during those three years, you could lose your Legacy status and fall under the new rules for loans. This would mean that you are no longer be eligible to borrow PLUS loans when you return. If you are thinking about taking a leave of absence (externship, combined degree program, year of research, medical leave, additional time off for Step 1 or 2 exam studying, etc.) then you should set up a meeting with [Chris Roling](#) so that you understand how this might impact your loan eligibility.

What happens if I don't pay back my federal loans?

Doctors and Physician Assistants have a relatively low delinquency rate on student loan debt. But there are a small percentage of these borrowers that don't make payments on their loans. There are serious consequences for students that don't pay back their federal student loan debt. Every time that you miss a payment, you are charged late fees and a negative marker is placed on your credit history. These markers will damage your credit and stay on your credit history for 7 years.

If you are 270 days past due on your loan payments your loans are in DEFAULT status. At this point, your entire balance (including interest and fees) will be due immediately. Once you are in default, there are even more serious consequences that can occur.

- The government can garnish up to 15% your wages (no court order needed)
- The government can withhold your federal and state tax refunds each year and apply them towards your debt
- The government can revoke professional licensure. You can not practice medicine without these licenses.
- Loans may be transferred to collection agencies—this will result in additional charges, late fees, and collection costs

This situation is completely avoidable. If you are having trouble making your monthly payments, contact your loan servicer. They have options to help you out so that you don't end up defaulting on your student loans.