Medical School Debt for Physicians: Which Path Is Right for You?

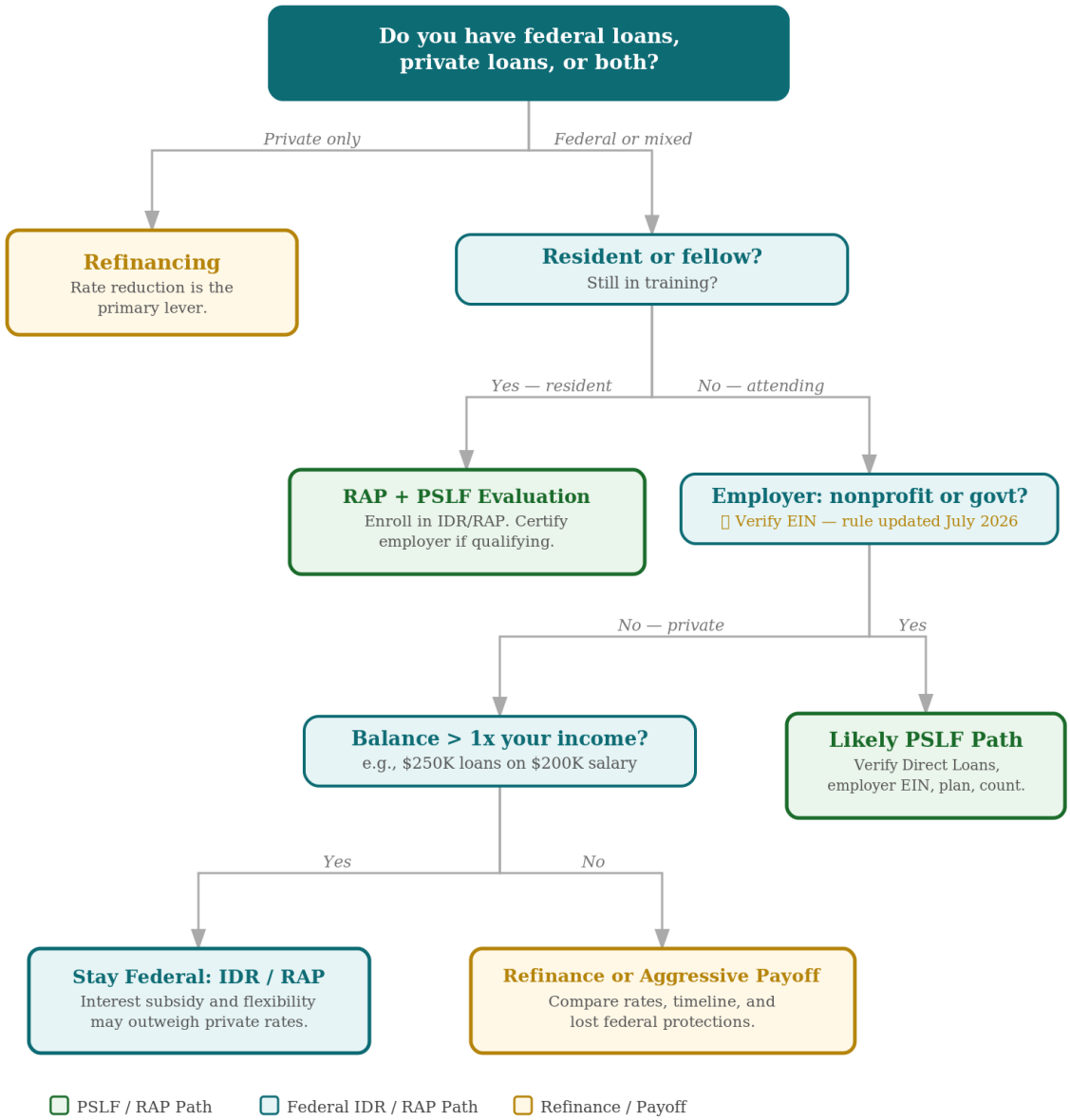
A framework for evaluating PSLF, income-driven repayment, refinancing, and aggressive payoff — in the right sequence.

Most physicians with federal medical school loans should evaluate four paths — PSLF, income-driven repayment (IDR/RAP), refinancing, and aggressive payoff — in sequence, not simultaneously. The right path depends on loan type, employer, training status, loan balance relative to income, and career trajectory. Choosing the wrong path early, or skipping the evaluation entirely, can permanently close off PSLF forgiveness worth $150,000 or more. Refinancing is irreversible. PSLF forgiveness is tax-free. IDR forgiveness is taxable. The distinctions matter. This guide maps the decision.

Four Paths, One Decision: Where to Start

The core question is not whether refinancing is good or bad. The question has two parts: first, whether the federal path is on the table for you — and second, if it is, whether what you would give up is worth what you would gain. Most physicians skip both questions.

Use the table below to identify your likely starting point, then follow the link for your path.



Your Situation	Likely Starting Point
Private loans only	**Refinancing evaluation**
Federal loans — in residency or fellowship	**Enroll in RAP; certify employment if at nonprofit**
Federal loans — attending at nonprofit or government employer	**Verify PSLF eligibility first**
Federal loans — attending, confirmed private practice, balance exceeds income	**IDR / RAP analysis**
Federal loans — attending, confirmed private practice, income exceeds balance	**Refinancing or aggressive payoff**

Your Situation	Likely Starting Point
Federal loans — uncertain employer type	**Verify employer status before refinancing**

If your situation does not map cleanly to a single row, or if more than one row applies, that is typically the point where a short conversation clarifies what months of independent research has not. That is what we are here for.

Not sure where you fit? Answer 4 questions.
The quiz maps your situation — loan type, training status, employer, and debt-to-income — to the strategy most likely to apply. Most physicians have a clear answer in under 2 minutes.
Take the 4-question quiz →

The Four Paths Explained

1. Public Service Loan Forgiveness (PSLF)

After 120 qualifying payments at a nonprofit or government employer, your remaining federal balance is forgiven — tax-free. PSLF was not affected by the OBBBA; the 120-payment structure is intact and RAP payments now count. Verify your employer EIN under the updated DOE rule effective July 2026 before assuming eligibility. Read the full PSLF guide →

2. Income-Driven Repayment: RAP and IBR

Under RAP and IBR, payments are set as a percentage of income — not loan balance. RAP waives any interest above your required payment, which can make staying federal cheaper than refinancing for physicians with high balances. Note: IDR forgiveness (non-PSLF) is now taxable as of January 1, 2026; PSLF forgiveness is not.
Read the full IDR / RAP guide →

3. Refinancing

Refinancing replaces federal loans with a private loan at a potentially lower rate — but permanently eliminates PSLF eligibility, IDR enrollment, and federal discharge protections the moment it closes. There is no reversal. Refinancing should follow a confirmed conclusion that the federal path does not apply, not precede the evaluation.
Read the full refinancing guide →

4. Aggressive Payoff

For physicians in private practice whose income significantly exceeds their loan balance, the objective shifts from managing payments to eliminating debt on a clear timeline. This path is often combined with refinancing to reduce the rate during

payoff. Whether IDR provides meaningful short-term benefit before committing to payoff depends on your specific numbers. See private practice loan strategy →

What Changes the Answer

The correct path is not determinable from one or two facts. These are the variables that most frequently change the analysis:

- **Loan type.** Direct Loans, FFEL loans, and private loans each have different options. FFEL loans generally must be consolidated into Direct Loans to access PSLF and RAP. Consolidation is not automatic and can affect payment-count history — verify the current rules before consolidating.
- **Employer type.** Nonprofit, government, or private practice determines PSLF eligibility. Most academic medical centers, VA hospitals, and county health systems qualify. Physician-owned private practices typically do not. Uncertain situations require verification.
- **Qualifying payment count.** If you have any PSLF-qualifying payments — even a small number from residency — the math changes. Payments made at a qualifying employer on a qualifying plan are already on the books. They disappear permanently if you refinance.
- **Loan balance relative to income.** High balance-to-income ratios favor IDR and RAP. Lower ratios favor aggressive payoff or refinancing. A practical screen: if your loan balance exceeds your expected annual income, IDR analysis belongs in the conversation before refinancing does.
- **Career trajectory.** Physicians who are uncertain about private versus nonprofit employment, or who expect employer changes, should be cautious about irreversible decisions. A physician who refinances in private practice and then takes a qualifying nonprofit position three years later cannot recover PSLF eligibility.
- **Marital status and tax filing.** Married physicians filing separately may qualify for lower IDR payments, which can be valuable for PSLF. The benefit depends on the income gap between spouses and the tax cost of filing separately. This is worth modeling explicitly, not assumed.
- **Timeline and risk tolerance.** Physicians who want debt eliminated in 5–7 years have different optimal paths than those comfortable with a 20–30 year strategy. Risk tolerance for federal program continuity is also a real variable — though PSLF has survived multiple administrations with its core structure intact.

What You Have to Apply For

This is consistently the most misunderstood aspect of federal student loan benefits. Most physicians assume that benefits accumulate by virtue of having federal loans. They do not. The default is the Standard 10-year plan. Every other benefit requires an action from you.

Benefit / Program	Status	What You Need to Do
Standard 10-year repayment	**Automatic**	No action required. This is the default if you take no steps after your loans enter repayment.
Income-driven repayment (RAP, IBR)	**Must Enroll**	Apply at StudentAid.gov. Recertify income every 12 months. Enrollment does not happen automatically.
PSLF qualifying payment credit	**Qualifying plan + employer**	Payments count only when made on eligible Direct Loans under a qualifying repayment plan while working full-time for a qualifying employer. Submit the PSLF Form to track credit.
PSLF employment certification	**Must Submit**	File the PSLF Form annually or at each job change. Certifying early surfaces problems while there is still time to fix them.
PSLF loan forgiveness	**Must Apply**	Submit the PSLF forgiveness application after completing 120 qualifying payments. Not automatic.
Deferment or forbearance	**Must Request**	Submit a request to your loan servicer. Not granted automatically, even during financial hardship.
Disability discharge (TPD)	**Must Apply**	Application and supporting documentation required through StudentAid.gov.
Death discharge	**Upon documentation**	Balance may be discharged after the servicer receives acceptable proof of death. Someone must notify the servicer and provide documentation.
Refinancing (private lender)	**Irreversible**	Must apply with a private lender. All federal protections — PSLF, IDR, discharge rights, forbearance — end permanently and cannot be recovered.

Where to Go Deeper

Is PSLF Worth It for Physicians?

After 120 qualifying payments at a nonprofit or government employer, your remaining federal loan balance is forgiven — tax-free. This guide covers who qualifies, how to verify eligibility, how to model the PSLF-versus-refinancing tradeoff, and what changed under the OBBBA.

arthamadvisors.com/pslf-physicians

Should I Refinance My Medical School Loans?

Refinancing can lower your rate — but permanently closes off every federal option on your loans. This guide walks through what you are actually giving up, when refinancing is the right call, and the most expensive mistakes physicians make when they refinance too early.

arthamadvisors.com/should-i-refinance-medical-school-loans

Income-Driven Repayment for Physicians (IDR, RAP, IBR)

RAP, IBR, and how to choose the right plan at each career stage. Covers the OBBBA changes, the interest subsidy mechanics for residents, how to model IDR against refinancing when PSLF is off the table, and the tax implications of IDR forgiveness. Coming soon.

arthamadvisors.com/income-driven-repayment-physicians

Student Loan Strategy for Private Practice Physicians

For physicians who have confirmed PSLF is off the table. Covers the payoff-versus-refinancing decision, optimal loan term selection, and integrating debt payoff with early investment and retirement goals. Coming soon.

arthamadvisors.com/student-loan-strategy-private-practice-physicians

Frequently Asked Questions

What is the best repayment strategy for medical school loans as a physician?

It depends on three things: employer type, loan balance relative to income, and career stage. Most physicians should evaluate PSLF before IDR, and IDR before refinancing — because each step in that sequence is reversible, while refinancing is not. The right answer is not a universal rule; it is a function of your specific numbers and situation.

What federal loan benefits do I lose if I refinance my medical school loans?

Refinancing permanently eliminates: PSLF eligibility, RAP and IBR enrollment, disability discharge, death discharge, and federal forbearance protections. These have real dollar value. The analysis should quantify what you are giving up — not just what you are gaining. See our refinancing guide for the full decision framework.

Do I have to apply for PSLF, or does it happen automatically?

Not automatic. You must be enrolled in a qualifying repayment plan, submit employment certification annually, and file a forgiveness application after 120 qualifying payments. Physicians who meet every requirement but never certify employment do not receive forgiveness. The earlier you certify, the sooner you can catch and fix any problems with loan type, employer status, or repayment plan.

What is RAP and how does it affect physicians with student loans?

The Repayment Assistance Plan (RAP) is the new income-driven repayment option launched July 1, 2026 under the One Big Beautiful Bill Act. Monthly payments are calculated as a percentage of your adjusted gross income (1% to 10% depending on income level), with a $10 minimum. If the required payment falls below monthly interest, the difference is waived. For residents with typical loan balances, the effective rate can be well under 2%. RAP payments count toward PSLF. RAP forgiveness comes after 30 years and is taxable. Enrollment is required — the Standard 10-year plan is the default.

Is PSLF forgiveness taxable?

No. PSLF forgiveness is tax-free. This is a statutory provision that has survived multiple administrations. IDR forgiveness — forgiveness through RAP or IBR that is not through PSLF — is taxable as of January 1, 2026. A physician forgiven $200,000 through PSLF and a physician forgiven $200,000 through IDR at the end of a 30-year RAP term are not in the same financial position. The distinction matters when modeling long-term outcomes.

Download the Complete Guide

The Physician Student Loan Decision Guide packages the full framework across all four paths — PSLF, income-driven repayment, refinancing, and aggressive payoff — in a single PDF. Useful for reading offline, sharing with a partner, or bringing to a consultation.

Physician Student Loan Decision Guide (PDF)
Covers the hub decision framework, PSLF eligibility and strategy, refinancing decision criteria, income-driven repayment mechanics, and new attending financial planning — current through the July 2026 OBBBA and DOE rule changes.
Download the guide (PDF) →

Not sure which path applies to your situation?
In a 30-minute conversation, we look at your loan types, qualifying payment count, employer tax status, career trajectory, and — if you are married — your tax filing options. You leave knowing which path likely applies, what still needs verification, and what to do next. That is the analysis. Not a sales call.

Artham Advisors is based in the Dallas–Fort Worth area and works with physicians locally and virtually.

Schedule a complimentary 30-minute consultation:
arthamadvisors.com/contact

PHYSICIAN STUDENT LOAN GUIDE
Updated June 2026 | By Artham Advisors

Is PSLF Worth It for Physicians?

How to decide -- without spreadsheets, guesswork, or a decision you can't walk back.

Quick Answer: PSLF is worth it for physicians who have federal Direct Loans at a qualifying nonprofit or government employer, carry a loan balance that exceeds roughly 1x attending income, and plan to remain in qualifying employment for 10 years. Residency counts -- a 5-year training program at a qualifying hospital means you may only need 5 more years as an attending. PSLF forgiveness is federally tax-free. The one irreversible mistake: refinancing federal loans to private before confirming PSLF is off the table.

PSLF can be genuinely transformative for certain physicians -- tax-free forgiveness of six figures after ten years of payments. For others, it's the wrong path entirely. The challenge is that these two outcomes require very different decisions, and the most consequential ones are irreversible. This guide gives you the decision logic that matters: how to confirm you're eligible, what numbers to run, and what can go wrong.

For a broader overview of all federal student loan options and how to think about the federal vs. private path, see our guide to managing medical school debt as a physician.

What PSLF Is -- In Plain Terms

Public Service Loan Forgiveness cancels your remaining federal student loan balance, **federally tax-free under current law,** after you:

- **Make 120 qualifying monthly payments** (that's 10 years -- but they don't need to be consecutive)
- **Work full-time** for a qualifying nonprofit or government employer during those payments
- **Repay under a PSLF-eligible repayment plan** -- for most physicians, that means an income-driven plan to keep required payments low and preserve a larger balance for forgiveness. Some non-IDR plans technically qualify but usually reduce or eliminate the value of PSLF.

PSLF forgiveness is federally tax-free. IDR forgiveness is not. Income-driven repayment plans -- IBR, ICR, RAP, and any successor programs -- produce taxable forgiveness under current law as of January 1, 2026 (per the

One Big Beautiful Bill Act, signed July 2025). For a physician with a $200,000 forgiven balance after 20-30 years on IDR, that tax liability can be substantial. PSLF forgiveness carries no federal income tax -- which is one of the primary reasons it has more financial value than IDR forgiveness for eligible physicians, even at similar nominal forgiveness amounts.

PSLF and IDR are two separate federal programs -- but they're designed to work together.

Income-Driven Repayment (IDR) is its own federal program that caps your monthly payment based on your income -- not your loan balance or the interest accruing on it. PSLF requires qualifying payments under an eligible repayment plan. The combination is the core of the strategy: IDR keeps required payments low (often $0-$300/month during residency), those low payments still count toward PSLF's 120-payment requirement, and after 10 years PSLF forgives whatever balance remains, tax-free. Without an IDR plan, higher required payments could pay off the loan before reaching 120 payments -- leaving nothing for PSLF to forgive.

The new RAP (Repayment Assistance Plan), launching July 1, 2026, includes an interest protection feature. Importantly, RAP payments count toward PSLF under the OBBBA changes -- so RAP is a viable PSLF-eligible plan going forward. We cover all IDR plan options in detail -- PAYE, IBR, and RAP -- in a separate guide: Income-Driven Repayment for Physicians.

The detail that changes everything for physicians: Residency and fellowship years count toward those 120 payments -- if you're at a qualifying employer. A physician who completes a 5-year training program at a nonprofit hospital arrives at their first attending job needing only 5 more years of qualifying payments. That's not a footnote. That's the entire financial case for PSLF in primary care and many other specialties.

Step 0: Are Your Loans Eligible?

Before employer status or repayment plan, there is a threshold question that some physicians miss entirely: **PSLF only applies to federal Direct Loans.** Private loans do not qualify -- ever. Older federal loan types, such as FFEL (Federal Family Education Loans) or Perkins Loans, may need to be consolidated into a Direct Consolidation Loan before they can be eligible for PSLF going forward. Consolidation can affect your qualifying payment count -- verify the current rules at StudentAid.gov before consolidating, and do not assume prior payments automatically reset to zero.

Check before you do anything else: Log in to StudentAid.gov and confirm your loan types under your loan detail. If you see FFEL or Perkins loans, read the current consolidation guidance carefully before acting. If you have Direct Loans, you can move on to the next steps.

Step 1: Does Your Employer Qualify?

Everything else in the PSLF decision depends on this. The qualifying factor is your **employer's legal tax status** -- not the type of work you do, the patients you serve, or the hospital where you practice. For most physicians, the qualifying employer is a 501(c)(3) nonprofit or government organization. Some other nonprofits providing public services may also qualify; private practices and for-profit management companies generally do not.

✓ Typically Qualifies	✗ Does Not Qualify
• Academic medical centers and teaching hospitals • Nonprofit health systems -- Ascension, CommonSpirit, Providence, most regional systems • VA hospitals and federal government employers • State and county public hospitals • Most residency and fellowship training programs	• Private practice -- independent, group, or DSO-affiliated • For-profit hospital systems -- HCA Healthcare, Tenet, Community Health Systems • Employed by a for-profit physician management group -- even if the hospital itself is nonprofit • Locum tenens arrangements -- payments may not count even at qualifying sites because the employing entity is typically a for-profit staffing firm

⚠ **The management group trap:** A physician employed by a for-profit management company -- even one that contracts exclusively with a nonprofit hospital -- does not have a qualifying employer. The legal entity on your W-2 is what matters, not the facility where you work. Always verify at studentaid.gov/pslf before assuming you qualify.

New rule -- effective July 1, 2026: For most physicians employed directly by a large nonprofit hospital system or government employer, the core analysis is unchanged: verify the EIN on your W-2 matches your employer using the PSLF Help Tool at studentaid.gov/pslf. If your employer has an unusual organizational structure, do not rely on old certifications -- re-verify before making irreversible loan decisions.

Step 2: The Three Questions That Decide It

If your employer qualifies, work through these in order. The answer shapes the entire strategy.

Question 1: How does your debt compare to your income?

This is the most predictive variable. A primary care physician carrying $280,000 in loans on a $190,000 salary has a strong mathematical case for PSLF -- income-driven payments will be low for years, and the forgiven balance will be substantial. A specialist carrying $150,000 on a $450,000 salary may pay the loans off entirely before ever reaching 120 payments, leaving nothing to forgive. **As a rough benchmark:** if your loan balance exceeds 1x your gross income, PSLF deserves serious analysis. If it's below 0.75x at attending wages, the case for refinancing or aggressive repayment may become stronger -- but only after confirming PSLF eligibility, current payment count, repayment-plan options, and career plans.

Question 2: How many qualifying payments have you already made?

Every year of residency or fellowship at a qualifying employer -- making IDR payments -- is a year you don't need to count as an attending. A radiologist who completed a 5-year residency and 1-year fellowship at a nonprofit hospital has 72 qualifying payments done before their first attending paycheck. They need 48 more. That changes the calculus significantly: six years of attending PSLF payments at a salary that keeps IDR amounts manageable is a very different commitment than starting from zero.

In our experience, this is the variable physicians most often haven't checked -- and most often have wrong. A physician who assumes they have 36 qualifying payments from a 3-year residency may actually have zero: because they were in forbearance, on the wrong repayment plan, or never submitted annual ECFs. The number on your StudentAid.gov account is the only number that matters. Pull it before modeling anything else.

Question 3: Are you willing to work for a qualifying employer for the remaining years?

This is the career question, not the financial one. PSLF requires full-time employment at a qualifying organization -- not just for the payments you've made, but for the ones still to come. If your goal is private practice, a for-profit group, or geographic flexibility that may take you to non-qualifying employers, PSLF creates a constraint. Some physicians are happy to work within it; others aren't. Both answers are legitimate -- but the answer has to be deliberate, not default.

What the Numbers Can Look Like

Here's a concrete example that illustrates the range. A family medicine physician with **$270,000 in federal loans** who completed a 3-year residency at a nonprofit hospital making IDR payments throughout:

Scenario	Estimated outcome

Pursues PSLF at nonprofit hospital	Makes 36 small IDR payments in residency, 84 more as attending. Total paid: ~$115,000. Estimated forgiven balance: $200,000-$230,000, federally tax-free.
Refinances at residency graduation and pays aggressively	Refinances $270,000 at 4.5%. Pays $5,600/month for 5 years. Total paid: $336,000. No forgiveness.

The difference in this example is over $220,000. That number is real -- but it depends entirely on staying in qualifying employment for 7 more years and making the right repayment-plan elections throughout. The math is not complicated once you have the inputs. The inputs are what require care.

The Two Mistakes That Are Hardest to Undo

1. Refinancing federal loans before confirming PSLF doesn't apply

Refinancing to a private loan is a one-way door. Once done, those loans are permanently removed from PSLF eligibility. No waiver, no exception. We have worked with physicians who refinanced in residency -- often encouraged by lenders marketing aggressively to residents -- and discovered years later they had forfeit six figures in potential forgiveness. If there is any possibility you will work for a qualifying employer, **do not refinance federal loans** until the PSLF decision is fully resolved.

In our experience, this mistake most often happens in the months around residency graduation -- when the pressure to get finances in order feels urgent and lenders are actively recruiting. The right order is: PSLF eligibility check first. Refinancing decision second.

2. Not submitting the annual PSLF form

You are not required to submit the PSLF form (formerly called the Employment Certification Form, or ECF) every year -- but doing so is strongly advisable. Federal Student Aid specifically recommends submitting annually as the best way to validate progress and stay on track. The PSLF tracking process has historically been prone to payment-count and employer-certification errors; submitting annually catches issues early, while they are still easier to correct. Physicians who wait until year 9 to certify and discover an employer issue face a much harder recovery. Submit every year. Keep records of every submission and every acknowledgment.

Two More Considerations Worth Getting Right

For married physicians: tax filing status changes the IDR math

Under most income-driven repayment plans, your monthly payment is

calculated based on your income as reported on your tax return. For married physicians, filing separately can reduce your IDR payment -- but it can also raise your household tax bill or eliminate valuable deductions. The answer is not automatically "file separately." It requires comparing the tax cost against the reduction in loan payments year by year. This is one of the most underappreciated levers in the PSLF strategy for dual-income households.

For residents: defaulting into forbearance can cost qualifying payments

Many residency programs default physicians into forbearance on their loans during training. This is a mistake if you are pursuing PSLF. A low or even $0 IDR payment during residency counts toward PSLF -- as long as your employer, loan type, and repayment plan qualify. Forbearance may pause required payments, but those months generally do not count toward the 120-payment requirement, and interest may still accrue on your balance. Residents should run the PSLF numbers before accepting forbearance, even if the IDR payment calculation comes out to zero.

One More Thing: The PSLF Side Fund

PSLF exists at the discretion of Congress. Every few years there is a proposal to limit or restructure it. Worth noting: PSLF for existing borrowers was not targeted by the OBBBA changes enacted in July 2025 -- unlike SAVE and other IDR plan structures, which were significantly restructured. That said, future legislation remains a possibility, and a prudent approach many physicians take is to build a parallel investment reserve while pursuing PSLF -- sometimes called a PSLF side fund. It doesn't need to equal your full loan balance on day one, but it should create enough flexibility that if your employment changes, your projected forgiveness amount shifts, or federal rules evolve, you are not starting over financially. If PSLF delivers as expected, you keep the reserve. It's not a reason to avoid PSLF -- it's a reason to pursue it with eyes open.

Related Reading

- Managing Medical School Debt as a Physician -- Hub guide: how PSLF, IDR, and refinancing fit together in the full student loan decision
- Income-Driven Repayment for Physicians -- Full comparison of PAYE, IBR, and RAP: payment calculations, forgiveness timelines, and how to choose
- Should Physicians Refinance Student Loans? -- When refinancing makes sense and when it permanently closes the federal path
- Financial Planning for a New Attending Physician -- Where the student loan decision fits in the full first-year financial picture
- Tax Planning for Physicians -- How IDR plan choice and retirement contributions interact with your tax strategy

External Resources

- StudentAid.gov -- PSLF Help Tool -- The only official way to verify employer eligibility
- White Coat Investor -- PSLF for Doctors -- The most comprehensive physician-focused PSLF reference available
- StudentAid.gov -- PSLF Payment Tracking & ECF Submission -- Track your qualifying payment count, submit Employment Certification Forms, and manage your PSLF account
- AMA -- PSLF Program Guide for Physician Borrowers -- American Medical Association overview of program rules and borrower steps
- U.S. Dept. of Education -- SAVE Plan Transition Guidance (March 2026) -- Official guidance for SAVE borrowers required to transition to another legal repayment plan

Frequently Asked Questions

Is PSLF still a good option for physicians in 2026?

Yes -- for physicians with qualifying employment and federal Direct Loans, the core PSLF program remains intact. PSLF was not targeted by the OBBBA changes enacted in July 2025: PSLF forgiveness is still federally tax-free, and the 120-payment requirement is unchanged. What did change: the SAVE repayment plan has ended (borrowers are being transitioned starting July 1, 2026), the new RAP plan launches July 1 with interest protection and PSLF-eligible payments, and the Department of Education issued a separate rule narrowing qualifying employer definitions effective July 1, 2026. If you have existing Direct Loans and qualifying employment history, your path to PSLF is substantially intact -- but your repayment plan election may need updating if you were on SAVE, and employer eligibility should be re-verified if you changed jobs in 2026. The case remains strongest for primary care, psychiatry, and specialties with higher debt-to-income ratios.

Do residency and fellowship years count toward the 120 payments?

Yes, if you were enrolled in a qualifying IDR plan and your training program is at a nonprofit or government institution -- which covers the vast majority of residency and fellowship programs. This is one of the most underappreciated features of PSLF for physicians. A resident in a 5-year program who makes IDR payments throughout arrives at their first attending job needing only 60 more qualifying payments. Confirm your program's employer status at studentaid.gov/pslf and verify your qualifying payment count in your StudentAid.gov account before modeling any projections.

What income-driven repayment plan should I use for PSLF?

As of mid-2026, most physicians pursuing PSLF should be on PAYE (Pay As You Earn), IBR (Income-Based Repayment), or the new RAP (Repayment Assistance Plan, launching July 1, 2026). RAP payments count toward PSLF under the OBBBA changes and include an interest protection feature. ICR (Income-Contingent Repayment) technically qualifies but generally produces higher payments for physicians and is being phased out. The SAVE plan has ended -- if you were enrolled, contact your servicer now; transition notices are expected starting July 1, 2026, and borrowers who don't act within their 90-day window may be moved to Standard repayment

automatically (U.S. Dept. of Education, March 2026). See our Income-Driven Repayment for Physicians guide for a full plan comparison and payment calculations. Verify your current options directly at StudentAid.gov before making projections.

What happens if I refinance my loans and then decide I want PSLF?

You lose PSLF eligibility permanently for those loans. Refinancing converts federal loans to private loans, which are not eligible for any federal forgiveness program. There is no reversal, no grace period, and no exception. If you are at all uncertain about your career path -- including whether your next employer will be a qualifying 501(c)(3) -- do not refinance federal loans until the PSLF question is resolved.

What is the PSLF side fund and do I need one?

The PSLF side fund is a parallel investment reserve you build while pursuing PSLF. The purpose is flexibility: if your employment changes, your projected forgiveness amount changes, or federal rules evolve, you are not forced into a bad decision. It does not need to equal your full loan balance immediately, but it should be intentional and sized around your remaining payment count, income, loan balance, and risk tolerance. PSLF for current borrowers survived OBBBA intact -- but the legislative risk that does exist is real enough that having optionality is worth building deliberately.

Should I hire a financial advisor to help with the PSLF decision?

The decision itself is resolvable with good information and about two hours of focused analysis -- the inputs are your loan balance, interest rate, IDR payment projection, income trajectory, and employer situation. What an advisor adds is sequencing: making sure the loan decision integrates properly with your retirement account strategy, tax filing approach (married filing separately vs. jointly matters here), and insurance coverage. If your situation is straightforward and your employer clearly qualifies, you may not need professional help. If you have a complex employer situation, a dual-income household, or a loan balance above $250,000, a consultation is likely worth the cost.

Before Making the PSLF Decision: A Quick Checklist

Work through these before committing to a path in either direction:

- ☐ **Confirm your loan types** -- log in to StudentAid.gov and verify you have federal Direct Loans (or understand what consolidation means for your situation)
- ☐ **Verify your employer's eligibility** -- use the PSLF Help Tool at studentaid.gov/pslf to confirm your employer's EIN qualifies; re-verify if you changed employers in 2026
- ☐ **Check your current qualifying payment count** -- log in to StudentAid.gov and see how many payments are already on record; do not estimate from memory
- ☐ **Confirm your current repayment plan** -- if you are on SAVE, you need to switch before your servicer's 90-day deadline; if uncertain, check StudentAid.gov

- ☐ **Project your attending income** -- your debt-to-income ratio is the most predictive variable in the PSLF math
- ☐ **If married: model both filing statuses** -- separate vs. joint affects your IDR payment amount and total household tax burden
- ☐ **Be honest about career intent** -- PSLF requires remaining in qualifying employment for the full remaining payment count. Is that where you want to practice?

The PSLF decision is one of the most financially consequential choices a physician makes.

In a 30-minute conversation, we'll work through your loan structure, employer status, qualifying payment count, and how this integrates with your retirement contributions and tax picture. You leave knowing which path likely applies, what still needs verification, and what to do next.

That's the analysis. Not a sales call.

Artham Advisors is a fee-only, fiduciary firm based in Dallas, TX, working with physicians across the country.

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PHYSICIAN STUDENT LOAN GUIDE
Updated June 2026 | By Artham Advisors

Should I Refinance My Medical School Loans?

Refinancing can save physicians thousands — or cost them hundreds of thousands. The difference is whether you do it in the right order.

Most physicians should not refinance federal medical school loans until they have verified PSLF eligibility, their qualifying payment count, their loan types, and their repayment plan options. Refinancing can make sense for physicians in confirmed private practice or for those with existing private loans — but federal loans permanently lose PSLF, RAP, IDR, death and disability discharge, and forbearance protections the moment they are refinanced. Residents and fellows at nonprofit hospitals should generally keep loans federal while they evaluate PSLF and RAP benefits.

Refinancing your medical school loans sounds straightforward: lower your interest rate, lower your payment, pay off the debt faster. For some physicians, that's exactly what happens. For others, refinancing is one of the most expensive decisions they'll ever make — because of what they give up, permanently, in exchange for a lower rate.

Here's what makes this decision different from almost any other financial choice you'll face: **refinancing federal student loans is a one-way door.** Once you convert federal loans to private, you cannot convert them back. Every federal benefit — income-driven repayment, Public Service Loan Forgiveness, RAP interest subsidies, death and disability discharge — disappears permanently on the day you sign. There is no undo.

This guide walks through the decision framework physicians need before touching a refinancing application. The question isn't whether refinancing is good or bad. It's whether you've confirmed the federal path is off the table first.

A note on perspective: Artham Advisors does not receive compensation from student loan refinancing lenders or loan programs. This guide reflects a planning-first perspective — not an affiliate or lender-sponsored one.

Quick answer — where do you likely stand?

- **Resident or fellow at a nonprofit hospital:** Keep federal loans. RAP interest subsidies make your effective rate very low, and qualifying payments count toward PSLF.
- **Attending at a nonprofit or academic center:** Run the PSLF analysis

before touching a refinancing application. The tradeoff can be $150,000–$300,000+.

- **Confirmed private-practice attending:** Refinancing is often the right call — after verifying PSLF is definitively off the table and your attending income is fully documented.
- **Already have private loans:** Refinancing to a lower rate is worth evaluating -- no federal protections are at stake, though compare rate, term, total interest, and borrower protections before committing.

Already in confirmed private practice? If you have no realistic PSLF path, stable attending income, and a plan to repay aggressively, refinancing is often the right move. The goal isn't to preserve flexibility — it's to lower your interest cost without giving up benefits you were unlikely to use. Skip ahead to **When Refinancing Does Make Sense** on page 4, or use the situation table on page 3 as your starting point.

What Refinancing Actually Does

When you refinance student loans, a private lender pays off your existing loans and issues you a new loan at a different interest rate and term. If your existing loans are federal, they are gone — replaced by a private loan that carries none of the federal protections.

This is not a problem if you've already determined the federal programs don't apply to your situation. But many physicians refinance before working through that question — and some discover years later that they gave up substantial loan forgiveness for a rate reduction that would have been available to them after PSLF anyway.

The first question we ask any physician considering refinancing: Have you checked your qualifying PSLF payment count? Most haven't. That number alone — even if it's 12 or 24 — sometimes changes the entire analysis. Payments made during residency at a qualifying employer are already on the books. They don't disappear if you're uncertain. But they do disappear permanently if you refinance.

What you permanently give up when you refinance federal loans:

- **Public Service Loan Forgiveness (PSLF):** Tax-free forgiveness after 120 qualifying monthly payments on eligible Direct Loans while working full-time for a qualifying nonprofit or government employer. If you refinance before you've ruled out a PSLF-eligible career, you are forfeiting a benefit that could be worth $100,000–$300,000+ depending on your balance, specialty, and training length.
- **Income-Driven Repayment and RAP:** Federal IDR plans cap your monthly payment based on your income. During residency, this often means $0–$300/month on a $250,000+ loan balance. The new Repayment

Assistance Plan (RAP), launching July 1, 2026, includes an interest subsidy that can reduce the effective rate during training to well under 2% — a level that private refinancing is unlikely to match, especially before accounting for federal protections and PSLF credit.

- **Death and disability discharge:** Federal loans are discharged if you die or become permanently disabled. Private lenders vary — some offer partial protections, some offer none. Read the fine print carefully; a private loan balance may remain collectible from your estate or from a co-signer depending on the lender's terms — unlike federal loans, which are discharged at death.
- **Forbearance flexibility:** Federal loans offer deferment and forbearance options — though the One Big Beautiful Bill Act (OBBBA), signed July 2025, cut discretionary forbearance from three years to nine months. Private lenders rarely match even this reduced flexibility. In an unexpected hardship — illness, a career pause, a gap between positions — federal loan options are materially more protective.

For more on PSLF eligibility and whether it applies to you, see: Is PSLF Worth It for Physicians? — Artham Advisors

The Question You Must Answer First

Before rates, lenders, or terms, there is one question that drives the entire decision:

"Have I verified whether PSLF is available to me now — and whether I may want that option in the future?"

Not a guess. Not an assumption. Not something your colleague mentioned. This means you've verified your employer's tax status (the legal entity on your W-2), confirmed your loan types, understood how your training length and career trajectory interact with the 120-payment requirement, and honestly considered whether your career path — now or within the next decade — might include a qualifying employer. If any of those questions are unresolved, resolve them before applying for refinancing.

Refinancing is a legitimate strategy for physicians who have definitively answered that question. It's the wrong move for those who haven't.

Your Situation	Likely Starting Point
Resident or fellow at a nonprofit hospital	Keep federal loans. RAP subsidies make your effective rate very low; every qualifying payment counts toward PSLF.
Attending at an academic medical center or nonprofit	Model PSLF carefully before refinancing. Your employer likely qualifies — the math on 7 years of

health system	payments vs. forgiveness is often decisive.
Confirmed private-practice attending, no PSLF path	Refinancing is often worth evaluating. Rule out PSLF first, document full attending income, then shop rates.
Already have private student loans	Refinancing to a lower rate is worth evaluating any time. No federal benefits at stake.
Mixed federal and private loans	Consider evaluating each loan type separately. Refinancing private loans while keeping federal loans federal preserves PSLF eligibility on the federal portion.
Career path is uncertain or a change is possible	Keep federal loans for now. Most early-career physicians change jobs within 2 years. Preserve the option until your path is clear.

If your situation doesn't map cleanly to any row in that table — or if more than one row applies — that's usually the point where a short conversation clarifies what months of independent research hasn't. That's what we're here for.

✓ Keep Federal Loans

- You work at a qualifying nonprofit or government employer — or may in the future
- You're in residency or fellowship (federal RAP subsidies make your effective rate very low)
- Your loan balance exceeds your annual gross income
- You have 3+ years of qualifying payments already made toward PSLF
- Your career path is uncertain — most early-career physicians change jobs within 2 years
- You want to preserve disability and death discharge protections

✗ Refinancing May Make Sense

- You've confirmed private practice or for-profit employment and plan to stay
- Your loan balance is under $100,000 or well below your projected attending income
- You've finished training and confirmed PSLF will not apply
- Your goal is aggressive payoff — loans gone in 5 years or less
- You already have private loans and want a lower rate
- You have a spouse or partner income supporting your household during repayment

The Two Mistakes Physicians Make Most Often

Mistake 1: Refinancing During Residency

This is the most consequential and most common error. The financial case for keeping loans federal during training is exceptionally strong — stronger than most residents realize.

Under the new Repayment Assistance Plan (RAP), launching July 1, 2026, residents typically pay $300–$500/month on loans exceeding $300,000 (minimum $10/month). If monthly payments don't cover the interest, the unpaid interest is waived -- meaning the balance doesn't grow. For residents with typical loan balances and resident-level incomes, the effective interest rate during training can be well under 2%. For most residents, private refinancing is unlikely to beat that effective cost -- especially before accounting for PSLF credit and the federal protections you'd be giving up permanently.

To illustrate: a resident with $343,000 in loans making $400/month RAP payments on a $2,000/month interest charge has the unpaid $1,600 waived each month. For that resident, the effective rate on the loan is approximately 1.4% (White Coat Investor, Refinancing After OBBBA). That's not a rate anyone is offering on private loans.

> ⚠ **The residency rule:** During training, federal RAP or IDR payments are almost always lower than what any private lender can offer — and they count toward PSLF if you're at a qualifying employer. Refinancing in residency closes both doors simultaneously. Unless you have signed a private practice offer and are certain PSLF is off the table, do not refinance during training.

Mistake 2: Refinancing Before Confirming PSLF Doesn't Apply

PSLF isn't just for primary care physicians at safety-net hospitals. It applies to any physician employed by a nonprofit or government entity — which includes most academic medical centers, VA hospitals, the majority of regional health systems, and a significant share of attending positions across nearly every specialty.

The mistake physicians make is assuming PSLF doesn't apply without verifying. A cardiologist at an academic center, a hospitalist at a nonprofit health system, an emergency physician employed by a county hospital — all of these positions can qualify. Refinancing before checking means potentially forfeiting $150,000+ in tax-free forgiveness.

One complicating factor: early-career physicians change positions frequently. A 2023 survey by MGMA and Jackson Physician Search found that physicians who completed training within the prior six years spent less than two years on average in their first job before leaving. A physician who starts private practice, refinances their loans, and then takes a position at a qualifying employer three years later cannot recover PSLF eligibility. The option is gone.

In our experience, the physicians most at risk of this mistake aren't residents — they're attendings who moved to private practice assuming PSLF never applied, and never stopped to verify. By the time they've refinanced and received the first private loan statement, the question is moot.

When Refinancing Does Make Sense

Refinancing is the right move for physicians who've worked through the PSLF question and concluded it's definitively off the table — or who have private loans and simply want a better rate. Once the federal programs are confirmed not to apply, the math on refinancing can be compelling.

The savings case for refinancing:

A physician refinancing $400,000 at a 7.5% federal rate to a 3.5% private rate over a five-year term would save approximately $44,300 in interest compared to remaining on the federal standard rate (White Coat Investor, 2025). For physicians committed to aggressive payoff — living on resident-sized expenses for several years after training and directing attending income toward the loans — refinancing to a lower rate can meaningfully accelerate debt elimination.

The key condition: you only capture that benefit if PSLF is off the table. For a physician who would have qualified for $200,000+ in tax-free PSLF forgiveness, a $44,300 interest savings is not a trade worth making.

Refinancing is typically appropriate when:

- **Private practice is confirmed** — you've accepted a position with a for-profit employer and are certain you won't return to qualifying employment
- **Balance-to-income ratio is favorable** — loans are under $100,000, or well below your attending salary, and payoff in 5 years or less is realistic without financial strain
- **Training is complete** — you're past the period where RAP interest subsidies make federal loans extremely cheap; your attending income is being fully counted in IDR calculations
- **You have existing private loans** — refinancing private-to-private at a lower rate is always worth evaluating; no federal protections are at stake
- **Aggressive repayment is the chosen strategy** — for physicians who prioritize debt elimination and don't trust the long-term stability of federal programs, refinancing to a lower rate while paying aggressively can be the right personal call — but only after PSLF has been confirmed off the table

The Numbers: Two Scenarios Side by Side

This comparison uses a family medicine physician with $270,000 in federal loans who completed a 3-year residency at a nonprofit hospital:

Scenario	Estimated Outcome
Pursues PSLF Nonprofit hospital; RAP/IDR in residency; PAYE as attending	36 IDR payments in residency (~$200/mo); 84 more as attending (~$800–$1,200/mo). Total paid: ~$95,000–$130,000. Estimated forgiven balance: $190,000–$240,000, tax-free under current law.

Refinances at residency graduation Private loan at 4.5%; pays aggressively	Refinances $270,000 at 4.5%. Pays $5,100/month for 5 years. Total paid: ~$308,000. No forgiveness. Outcome: paid $178,000–$213,000 more than the PSLF path.
Refinances after confirming private practice No PSLF path; attending salary; 5-year payoff goal	Refinances $270,000 from 7.5% federal rate to 4.5% private. Saves ~$29,000–$44,000 in interest over 5 years. Right decision — PSLF was correctly ruled out first.

These are illustrative estimates. Assumptions: federal interest rate ~7%, nonprofit hospital employer, family size 1–2, stable employment throughout the repayment period, and PSLF remaining tax-free under current law. Your actual outcome depends on your income, specialty, tax filing status, loan balance, and repayment plan. **The order of operations matters more than the direction.** Rule out PSLF first. Then optimize.

What Changed in 2025–2026: OBBBA

The One Big Beautiful Bill Act, signed July 4, 2025, reshaped the federal student loan landscape in ways that affect the refinancing decision:

- **RAP is the new income-driven option:** The Repayment Assistance Plan (RAP) launches July 1, 2026, and includes an interest subsidy that prevents negative amortization during training and low-income periods. Existing IDR plans including SAVE and PAYE are being restricted or eliminated. IBR may remain available to some existing borrowers during a transition period — the rules are complex and evolving. PSLF continues to work with RAP. Because rules are changing rapidly, verify your available repayment options at StudentAid.gov before making any refinancing decision based on plan availability.
- **PSLF itself remains intact:** PSLF was not eliminated by OBBBA. Physicians with existing federal loans who are on a qualifying PSLF track are not affected by these changes to new borrowing limits.
- **Grad PLUS eliminated for new borrowers:** Starting July 1, 2026, new medical students are limited to $50,000/year and $200,000 total in federal borrowing. This does not affect physicians who already have federal loans — but it does mean future physicians will face a different borrowing environment.
- **Forbearance shortened:** Discretionary forbearance was cut from three years to nine months. Private loans offer even less flexibility. This increases the value of planning repayment carefully rather than relying on forbearance as a safety valve.

For the most current information on federal repayment options after OBBBA, see StudentAid.gov. The landscape changed significantly in 2025–2026 — guidance from a year ago may no longer reflect available options.

Pre-Decision Checklist: Before You Refinance

Work through each item before submitting a refinancing application. These are the questions that most often surface issues physicians missed.

☐ **Confirmed PSLF is off the table**	Verified your employer's tax status — the legal entity on your W-2, not the facility name. Checked studentaid.gov/pslf.
☐ **Checked qualifying payment count**	Logged in to StudentAid.gov and confirmed how many qualifying PSLF payments are already on record. Even 12–36 payments change the math.
☐ **Assessed loan-to-income ratio**	Compared current loan balance to your gross attending income. If loans exceed 1x income, federal forgiveness programs deserve a full analysis before refinancing.
☐ **Confirmed training is complete (or private practice is signed)**	Refinancing during residency or fellowship gives up federal RAP interest subsidies. Only refinance during training if private practice employment is already signed and certain.
☐ **Verified loan types**	Confirmed all loans being refinanced are already private, or that federal loans have been fully evaluated. Direct Loans have PSLF eligibility; private loans do not.
☐ **Compared rate offers against federal options**	Obtained rate quotes from at least 2–3 lenders. Compared against the effective cost of staying on RAP or a federal IDR plan for the same period.
☐ **Reviewed disability and death discharge provisions**	Read the lender's fine print on disability and death discharge. Do not assume private loans match federal protections — they typically do not.
☐ **Modeled tax filing status if married**	For married physicians on IDR or PSLF, filing jointly vs. separately affects your required payment and PSLF math. This variable should be included before finalizing a refinancing decision.

Frequently Asked Questions

Does refinancing always make sense for private practice physicians?

Not automatically. Private practice physicians who have been making PSLF-qualifying payments — either during residency at a nonprofit hospital or in a prior hospital-employed role — may have qualifying payments on record that still have value if their career path changes. And even in private practice, the timing matters: refinancing immediately after entering practice, before a full year of attending income is documented, may mean qualifying for a less competitive rate tier. A physician planning to refinance should confirm PSLF eligibility is fully off the table, then obtain rate quotes once their income documentation is strong.

Can I refinance just part of my loans?

Yes. Some borrowers choose to refinance private loans or a portion of their federal loans while keeping the rest federal — particularly when they are uncertain about PSLF eligibility for some loans but not others. Many lenders allow partial refinancing. The tradeoff is complexity: managing two loan servicers and tracking two repayment paths. Whether partial refinancing makes sense depends on your specific loan mix, employer situation, and payment count. This is one area where a financial advisor who works with physicians regularly can add meaningful value.

What interest rates can physicians expect in 2026?

Physician borrowers are generally viewed as strong credit risks — high income, stable employment, low default rates — which typically qualifies them for competitive rates. As of June 2026, fixed rates from major lenders start around 3.70%–4.30% APR for well-qualified borrowers, with ranges extending to 9%+ for those with higher debt-to-income ratios or shorter credit histories (White Coat Investor lender comparison, June 2026). Variable rates begin lower but carry rate risk over a 5–10 year payoff window. These are illustrative ranges — your actual rate depends on your credit score, income, loan balance, term, and chosen lender. Get personalized quotes from at least 2–3 lenders before deciding.

Should I refinance during residency?

Usually no. Residents at nonprofit hospitals qualify for low federal payments, RAP interest subsidies, and PSLF credit on every qualifying payment. Refinancing during training permanently gives up all three. The effective rate under RAP can be well under 2% — a level private refinancing is unlikely to match. The rare exception: a resident who has already signed an attending contract with a confirmed private-practice employer and has ruled out PSLF entirely.

What happens to my loans if I die or become disabled after refinancing?

Federal loans are discharged in full if the borrower dies or receives a qualifying Total and Permanent Disability (TPD) determination. Private refinance loans handle this differently by lender — some offer death discharge, some offer partial disability protection, and some offer neither. Before refinancing, review the lender's specific policies on disability and death discharge. If you have dependents, consider whether a private loan balance would become a burden on your estate or co-signers in a worst-case scenario. This is a real, material difference from federal loans — not a footnote.

How does refinancing interact with the new RAP plan?

The Repayment Assistance Plan (RAP), launching July 1, 2026, is the federal government's new income-driven repayment option following the end of the SAVE plan. RAP includes an interest subsidy — if your required monthly payment is less than the monthly interest, the difference is waived, preventing negative amortization. For residents and early attendings with high balances relative to income, RAP's effective rate can be extremely low. If you refinance out of the federal system, you lose access to RAP permanently. For physicians who are considering refinancing to capture today's private rates, the question to ask is whether those private rates are actually lower than your effective RAP rate during the period in question. For many physicians in training or early practice, they are not. See StudentAid.gov for RAP details and your current eligibility.

Does marriage affect the refinancing decision?

Yes — often significantly. For married physicians pursuing PSLF or an IDR plan, household income and tax filing status both affect required monthly payments. Filing jointly includes both spouses' incomes in IDR calculations, which can substantially

increase your required payment and reduce the amount that would eventually be forgiven. Filing separately may lower your IDR payment but costs you certain tax benefits. For some couples, the filing status decision alone is worth tens of thousands of dollars over the repayment period. If you are married, the PSLF-versus-refinance analysis should include tax filing strategy as a variable. For married physicians with two incomes, this is one of the most frequently overlooked planning considerations — and a natural place where working with a financial advisor pays for itself.

The Right Decision Requires the Right Sequence

Refinancing is not inherently a mistake — it's a tool. For physicians who have ruled out PSLF and are committed to aggressive repayment, it can save meaningful money. For physicians who haven't worked through that question yet, it closes doors that may never reopen.

The sequence matters: confirm PSLF eligibility first, calculate what's at stake, then decide whether a lower private rate is worth giving up what the federal system offers. Done in the wrong order, it's one of the most expensive financial decisions a physician can make.

Related Guides from Artham Advisors

- Is PSLF Worth It for Physicians? — The full PSLF decision framework, employer eligibility, and payment strategy
- Income-Driven Repayment for Physicians — PAYE, IBR, RAP, and how to choose the right plan for your situation
- Physician Financial Planning — How student loans fit into a broader financial plan for physicians

Sources and references:

StudentAid.gov — PSLF information and loan details | federal loan eligibility and qualifying payment tracking

White Coat Investor — Refinancing After OBBBA (2025) | RAP rate analysis, physician refinancing decision framework

White Coat Investor — Student Loan Refinancing Guide | current lender rates, June 2026

Jackson Physician Search / MGMA — Early Career Physician Survey (2023) | first-job tenure data for early-career physicians

AMA — OBBBA Federal Student Loan Overview | OBBBA changes to federal programs

Income-Driven Repayment for Physicians

The rules governing federal student loan repayment changed fundamentally in 2025 and 2026. The One Big Beautiful Bill Act (OBBBA, P.L. 119-21) created a new plan -- the Repayment Assistance Plan -- eliminated three legacy income-driven options, and restricted access to IBR for new borrowers. This page explains what changed, how each remaining plan works, and how to think through the decision as a resident, fellow, or attending physician.

What this page covers: How the OBBBA changed income-driven repayment. The RAP payment formula (1%-10% of AGI). Why IBR still matters for existing borrowers. Side-by-side payment examples for residents through attendings. How to decide between plans.

What Changed Under the One Big Beautiful Bill Act

The OBBBA (signed July 2025, effective July 1, 2026) is the most significant overhaul of federal student loan repayment since the income-driven repayment programs were created. Three changes matter most for physicians:

- **RAP launched July 1, 2026.** The Repayment Assistance Plan is now the primary income-driven option for new federal borrowers. Payments are based on a tiered percentage of your adjusted gross income (AGI), ranging from 1% to 10% depending on income level. If your payment falls short of monthly interest, the government covers the difference -- your balance does not grow.
- **SAVE, PAYE, and ICR are sunsetting July 1, 2028.** Borrowers currently enrolled in these plans must transition to RAP or IBR before then. Anyone still enrolled after July 2028 will be moved to the Standard 10-year plan.
- **IBR survives, but only for existing borrowers -- with a deadline.** Borrowers whose federal loans were first disbursed before July 1, 2026 can still enroll in IBR. But they must elect IBR before July 1, 2028. After that date, existing borrowers who have not yet enrolled lose IBR eligibility permanently.
- **New borrowers have two options: RAP or Standard.** If your first federal loan disbursement was July 1, 2026 or later, IBR is not available to you. Your income-driven option is RAP. The default is the Standard 10-year plan -- you must actively enroll in RAP.
- **IDR forgiveness is now taxable.** Forgiveness through RAP, IBR, or any non-PSLF path is taxable as ordinary income as of January 1, 2026. PSLF forgiveness remains tax-free.

PSLF is unchanged. Public Service Loan Forgiveness remains tax-free, applies after 120 qualifying payments, and RAP payments qualify just as IBR and SAVE did before. The 10-year commitment to a nonprofit or government employer is unchanged.

The RAP Payment Formula

RAP payments are not calculated as a percentage of discretionary income (as IBR, SAVE, PAYE, and ICR were). They are calculated as a tiered flat percentage of your entire adjusted gross income -- a structurally different formula with meaningfully different results.

RAP formula: Monthly payment = (AGI x applicable rate%) / 12. Minimum: $10/month. Dependent reduction: subtract $50 per dependent (floor: $10/month).
There is no poverty line subtraction. The rate applies to your entire AGI within each tier. This produces higher payments than IBR at most attending income levels -- where IBR first subtracts ~$23,250 (150% FPL) before applying the 10% rate.

RAP payment tiers:

AGI Range	Rate	Monthly Payment	Typical Physician Stage
$0 - $10,000	$10/month minimum	$10	N/A
$10,001 - $20,000	1% of AGI	$8 - $17	N/A (below $10 min, so $10)
$20,001 - $30,000	2% of AGI	$33 - $50	N/A
$30,001 - $40,000	3% of AGI	$75 - $100	N/A
$40,001 - $50,000	4% of AGI	$133 - $167	N/A
$50,001 - $60,000	5% of AGI	**$208 - $250**	Lower-income PGY-1
$60,001 - $70,000	6% of AGI	**$300 - $350**	PGY-1 resident (~$63K)
$70,001 - $80,000	7% of AGI	**$408 - $467**	PGY-4 fellow (~$78K)
$80,001 - $90,000	8% of AGI	$533 - $600	Late fellow / early attending
$90,001 - $100,000	9% of AGI	$675 - $750	Community attending, lower range
$100,001+	10% of AGI	10% / 12	Most attending physicians

For residents and lower-income fellows, the tier structure and interest waiver make RAP highly favorable compared to any private refinancing option. For attendings at high incomes, RAP produces higher required payments than IBR -- which matters for PSLF-track physicians trying to minimize payments and maximize forgiven balance.

The Interest Waiver: Why It Matters for Residents

RAP includes a full interest waiver. If your required monthly payment is less than the interest accruing on your loans, the government covers the unpaid interest -- permanently. Your principal balance does not grow while you are making RAP payments.

For a resident with $280,000 in loans at 7% interest, monthly interest accrual is approximately $1,633. A PGY-1 earning $63,000 (6% RAP tier) owes about $315/month. The $1,318 gap is waived. The balance stays flat for the entire duration of residency and fellowship -- typically four to eight years.

IBR, by contrast, does not include a broad interest waiver. Under IBR, if your payment is less than monthly interest, the unpaid interest capitalizes onto your balance. The 3-year interest subsidy under IBR applies only to subsidized loans and only for the first three years of IBR enrollment. After that, your balance grows.

For residents and fellows: The RAP interest waiver is the single most valuable feature of the plan during training. A resident who stays on RAP for six years preserves the entire loan balance -- no capitalized interest -- while also counting those 72 payments toward PSLF if employed at a qualifying nonprofit hospital.

IBR: Still Relevant -- If You Have Existing Loans and Act Before July 2028

For physicians whose federal loans were first disbursed before July 1, 2026, Income-Based Repayment (IBR) remains available -- and in many cases produces lower required payments than RAP at attending income levels. The critical constraint is the enrollment deadline: you must elect IBR before July 1, 2028 or lose eligibility permanently.

Why IBR produces lower payments at high incomes: IBR calculates your payment as 10% of discretionary income, defined as AGI minus 150% of the federal poverty line (approximately $23,250 for a single person in 2026). RAP uses your full AGI with no poverty line subtraction. At $215,000 AGI:

- **RAP:** 10% x $215,000 / 12 = $1,792/month
- **IBR:** 10% x ($215,000 - $23,250) / 12 = $1,598/month -- about $194/month less

For a PSLF-track attending with 5+ years remaining to forgiveness, $194/month x 60 months = $11,640 in additional payments under RAP versus IBR. More directly: lower IBR payments preserve more of the principal balance outstanding at forgiveness, which is forgiven tax-free under PSLF.

IBR strategy for attending physicians: If you are an attending at a nonprofit

hospital or academic medical center with loans first disbursed before July 1, 2026, model both plans before July 2028. IBR's lower payment at attending incomes means less paid out-of-pocket and more balance preserved for PSLF forgiveness. Enrolling in IBR before the July 2028 deadline costs nothing and preserves the option.

One important caveat: IBR does not include the broad RAP interest waiver. For residents and fellows earning below $100K, the RAP interest waiver is worth more than IBR's formula advantage. The IBR strategy is most relevant during the attending years when income is high enough that the payment difference outweighs the waiver benefit.

Payment Examples: RAP vs. IBR at Each Career Stage

The table below shows illustrative monthly payments under both plans for a physician carrying $280,000 in federal loans at 7% interest (monthly interest accrual: ~$1,633). IBR payments assume loans disbursed before July 1, 2026 and IBR elected before July 2028.

Career Stage	AGI	RAP Payment	IBR Payment*	Monthly Interest	RAP Interest Waiver
PGY-1 Resident	$63,000	~$315	~$331	$1,633	~$1,318 waived
PGY-4 Fellow	$78,000	~$455	~$456	$1,633	~$1,178 waived
IM / FM Attending	$215,000	~$1,792	~$1,598	$1,633	$0 (payment covers interest)
Hospitalist / OBGYN	$310,000	~$2,583	~$2,389	$1,633	$0 (payment covers interest)

* IBR payment applies only to borrowers with loans first disbursed before July 1, 2026, who enroll in IBR before July 1, 2028. IBR formula: 10% x (AGI - 150% FPL) / 12, using ~$23,250 for 2026 single-person FPL x 1.5.

Key takeaways from the table:

- **Residents and fellows:** RAP and IBR produce nearly identical payments at training-level incomes. RAP's full interest waiver makes it the better option for most residents -- the balance stays flat, versus IBR where unpaid interest capitalizes. Unless you have a specific reason to prefer IBR during residency, RAP is the right default.
- **Attending physicians (PSLF track):** IBR produces meaningfully lower payments at attending incomes. For PSLF-track attendings with existing loans, lower payments = more balance preserved = more forgiven tax-free. Evaluate IBR enrollment before the July 2028 deadline.

- **Attending physicians (no PSLF path):** At $215K+ income, both plans produce payments that cover or exceed monthly interest, so the interest waiver advantage disappears. For private-practice attendings, refinancing to a lower rate often makes more sense than staying on IDR and paying 10% of AGI annually.

Which Plan Is Right for You?

The answer depends on your career stage, employment setting, and whether your loans predate July 1, 2026. The table below covers the most common physician scenarios.

Your Situation	Likely Best Path
Resident or fellow at a nonprofit hospital (likely PSLF employer)	Stay federal. Enroll in RAP (or IBR if loans pre-date July 2026 and you elect before July 2028). Every qualifying payment is counting toward PSLF.
Attending at nonprofit/academic center, 5+ years remaining to 120 payments	Run the PSLF analysis before touching anything. Existing borrowers: model IBR vs. RAP -- IBR often produces lower payments at attending incomes, which preserves more balance for tax-free forgiveness.
Attending at nonprofit/academic center, only 1-2 years to PSLF forgiveness	Stay on your current qualifying plan. Confirm payment count with your servicer. Do not refinance.
Confirmed private-practice attending, no PSLF path	Evaluate refinancing if you have a stable income and plan to pay aggressively. IDR may still make sense if income is variable -- model both paths.
New borrower (first disbursement July 1, 2026 or later)	RAP is your income-driven option. IBR is not available to you. If pursuing PSLF, RAP payments qualify. Confirm employment with PSLF Help Tool.
Existing borrower uncertain about PSLF eligibility	Enroll in RAP or IBR now (do not wait). Submit Employment Certification Form. The July 2028 IBR election deadline is a hard cutoff.

The enrollment default: The Department of Education defaults all federal borrowers to the Standard 10-year plan. RAP is not automatic. Existing borrowers on SAVE, PAYE, or ICR must actively transition to RAP or IBR before July 1, 2028 or be placed on the Standard plan.

IDR Forgiveness: Tax Consequences Under Current Law

IDR forgiveness -- forgiveness through RAP or IBR that occurs outside of PSLF -- is taxable as ordinary income effective January 1, 2026, under the OBBBA. RAP forgiveness comes at the 30-year mark. IBR forgiveness comes at 20 years (loans disbursed after July 1, 2014) or 25 years (older loans).

In practical terms: a physician who enters RAP in residency, shifts to private practice after year four, and carries $280,000+ in loans may have a balance significantly exceeding the original principal at the 30-year mark -- depending on income, payment amounts, and accrual during low-payment years. That forgiven amount will be taxable as income in the year forgiven.

PSLF forgiveness is different. Forgiveness after 120 qualifying payments at a qualifying employer is tax-free. This is the primary structural advantage of the PSLF track over long-term IDR forgiveness -- not just the total dollar outcome, but the tax treatment.

IDR vs. PSLF forgiveness: A physician forgiven $250,000 through PSLF owes $0 in tax on that forgiveness. A physician forgiven $250,000 through 30-year RAP forgiveness may owe $60,000-$100,000+ in taxes in the year of forgiveness, depending on their marginal rate. Build this into any long-term IDR model.

Key Actions

Residents and fellows (current training year):

1. **Confirm your loan type is Direct.** Only Direct Loans qualify for RAP, IBR, and PSLF. FFEL and Perkins loans require consolidation first.
2. **Enroll in RAP.** Log into studentaid.gov and select RAP as your repayment plan. Do not leave loans on the Standard plan.
3. **Submit an Employment Certification Form annually.** Even if you are not yet committed to PSLF, certifying annually costs nothing and creates a paper trail of qualifying payments.
4. **Do not refinance during training.** Refinancing to a private loan permanently surrenders federal protections, interest subsidies, and PSLF credit.

Attending physicians (within 2 years of completion):

5. **Confirm your employment qualifies for PSLF.** Use the PSLF Help Tool at studentaid.gov/pslf to verify your employer's EIN.
6. **Existing borrowers: model RAP vs. IBR before July 2028.** At attending incomes, IBR often produces lower required monthly payments. Lower payments preserve more balance for tax-free PSLF forgiveness.
7. **If pursuing PSLF: do not refinance.** A single missed moment of refinancing cannot be undone.

8. **If private practice is confirmed: model refinancing.** Compare private loan rates against RAP payments (10% of AGI) and projected IDR forgiveness tax exposure at year 30.

Frequently Asked Questions

How is RAP different from the old SAVE and REPAYE plans?

SAVE calculated payments as 5%-10% of discretionary income (AGI minus 225% FPL). RAP uses a tiered flat percentage of AGI with no poverty line subtraction, producing higher payments at incomes above roughly $100,000. Both include a government interest waiver for unpaid monthly interest. SAVE and PAYE are sunsetting July 1, 2028.

Can new borrowers (post-July 2026) use IBR?

No. Borrowers whose first federal loan disbursement was July 1, 2026 or later are not eligible for IBR. Their income-driven repayment option is RAP. This is a hard eligibility rule, not a waiver -- there is no opt-in.

I have existing loans. Should I enroll in IBR or RAP?

It depends on your career stage. During residency and fellowship, RAP's full interest waiver is generally more valuable -- your balance stays flat regardless of the formula. Once you reach attending income, IBR's discretionary income formula produces lower required payments than RAP's flat 10% of AGI. For PSLF-track attendings, lower payments = more balance preserved for tax-free forgiveness. **The key constraint: if you want IBR, you must elect it before July 1, 2028.**

Does having dependents reduce my RAP payment?

Yes. RAP reduces your monthly payment by $50 for each dependent, subject to a $10/month minimum. A physician with two dependents would subtract $100 from their calculated RAP payment (but not below $10/month).

Do RAP payments count toward PSLF?

Yes. Payments made under RAP while employed at a qualifying employer in an eligible repayment plan count as qualifying payments toward PSLF. The requirement is 120 qualifying payments -- the dollar amount of each payment does not affect whether it qualifies.

What happens if I miss the July 2028 IBR deadline?

If you have existing loans and have not enrolled in IBR by July 1, 2028, you lose IBR eligibility permanently. At that point, RAP and the Standard 10-year plan are your only federal repayment options. For PSLF-track attendings, this means foregoing the lower IBR payment for the remainder of their 10-year commitment.

Is RAP forgiveness tax-free like PSLF?

No. RAP forgiveness after 30 years is taxable as ordinary income. PSLF forgiveness after 120 qualifying payments is tax-free. This distinction is one of the primary financial arguments for pursuing PSLF if you work at a qualifying employer, rather than staying on RAP for the full 30-year term.

My loans are on SAVE right now. What do I need to do?

SAVE, PAYE, and ICR are sunsetting July 1, 2028. Before that date, log into studentaid.gov and actively switch to RAP (or IBR if you have pre-July 2026 loans). If you take no action, the Department of Education will move you to the Standard 10-year plan, which will significantly increase your monthly payment.

Talk Through the Numbers

The right IDR strategy depends on your specific loan balance, income trajectory, employer, and timeline. Artham Advisors works with physicians at every stage -- from first-year residents establishing their repayment plan to attendings approaching PSLF forgiveness who need to verify every payment qualifies.

Schedule a consultation: arthamadvisors.com/contact -- We review your loan servicer history, model RAP vs. IBR outcomes, verify PSLF payment count, and help you build a loan strategy that fits the rest of your financial plan.

Related guides: PSLF for Physicians | When to Refinance Medical School Debt | Financial Planning for New Attending Physicians

Information current as of July 2026 based on the One Big Beautiful Bill Act (P.L. 119-21) and Department of Education guidance. Repayment plan rules are subject to regulatory change. This guide is for informational purposes only and does not constitute legal, tax, or financial advice.

PHYSICIAN FINANCIAL PLANNING GUIDE
Updated June 2026 | By Artham Advisors

Financial Planning for New Attending Physicians: First-Year Checklist

Loans, insurance, retirement, and home buying -- in the order that actually matters.

The year you start as an attending physician is unlike any other year in your financial life. In the span of a few months, your income jumps from roughly resident-level income to attending-level income -- often $250,000 or more depending on specialty. Your student loan grace period ends. Benefits enrollment has a deadline. And suddenly, people with products to sell start paying close attention to your mailbox.

The decisions you make -- or don't make -- in this window have a compounding effect that runs for decades. We've worked with enough physicians to know that the first-year mistakes aren't usually dramatic. They're quiet: a refinancing decision made too fast, an insurance gap left open, a retirement account defaulting to the wrong settings. This guide lays out the sequence we walk through with every new attending client.

This isn't a comprehensive financial plan. It's a priority framework -- a sequence. The goal is to make sure you're doing the right things in the right order, so the complexity becomes manageable.

Who this guide is for

Residents, fellows, and physicians in the first year of becoming an attending. Especially relevant if you have federal student loans, are choosing employer benefits for the first time, or are deciding whether to buy a home soon after training.

Quick Answer: The New Attending Priority Sequence

1. Own-occupation disability insurance -- before your health changes
2. Student loan decision (PSLF vs. refinance) -- before making payments
3. Capture your full employer retirement match
4. HSA if your health plan qualifies
5. Backdoor Roth IRA ($7,500 for 2026)
6. Max 401(k) or 403(b) ($24,500 for 2026)
7. Attending-level emergency fund (3 to 6 months)
8. Home purchase -- only after the above

The order matters as much as any individual decision. Each step is explained in

detail below.

First 30 / 60 / 90 Days

First 30 days: Secure disability insurance, complete benefits enrollment, and finalize your student loan strategy.

First 60 days: Confirm employer match is captured, open HSA if eligible, and execute your Backdoor Roth IRA.

First 90 days: Max retirement accounts, set emergency fund target, make a deliberate housing decision, and consider a fee-only advisor.

The First-Year Financial Checklist for New Attendings

Work through these in order. Each step builds on the one before it.

1

Lock in own-occupation disability insurance -- before your health changes

Your ability to earn is your most valuable financial asset. Own-occupation, specialty-specific disability insurance means that if you can no longer practice your specialty, you get paid -- even if you could technically work in another capacity. Underwriting is most favorable while you're healthy and just entering practice. Once a condition is documented, coverage can be excluded, limited, or declined entirely. If you did not get an individual policy in residency, this is your first call.

-> Employer group disability benefits may be taxable if premiums are paid by the employer or with pre-tax dollars. Individual own-occupation policies paid personally with after-tax dollars generally produce tax-free benefits. Group coverage also ends when you change jobs.

2

Resolve your student loan strategy -- completely

The PSLF-or-refinance decision is the highest-stakes financial decision most new attendings face, and it needs to be made deliberately -- not by default. If you are directly employed by a 501(c)(3) nonprofit or government hospital and made IDR payments during residency, PSLF likely still makes strong financial sense. If you are heading to private practice or a for-profit system, refinancing may be the right path after confirming PSLF is off the table, reviewing your existing payment count, comparing private rates, and understanding the federal protections you would give up.

-> Warning: refinancing federal loans to private loans permanently removes PSLF eligibility. Do not do this before running the math.

3

Capture every dollar of your employer retirement match

Before anything else in your retirement accounts, find out exactly how much you need to contribute to get your full employer match in your 403(b) or 401(k). This is free money -- a guaranteed 50% to 100% return on those dollars. Leaving it on the table is one of the most common and costly first-year mistakes.

4

Open a Health Savings Account if you have a qualifying plan

If your employer health plan qualifies as a high-deductible health plan (HDHP), an HSA is the only account in the tax code that is triple tax-advantaged: pre-tax contributions, tax-free growth, tax-free withdrawals for medical expenses. For 2026, the HSA contribution limit is $4,400 for self-only HDHP coverage and $8,750 for family coverage, with a $1,000 catch-up contribution if you are 55 or older. Employer HSA contributions count toward these annual limits -- subtract any employer contribution before setting your own payroll deduction. Invest the funds -- don't treat it as a checking account. Many physicians accumulate a substantial HSA balance by the time they retire, when medical expenses are at their peak.

5

Execute your Backdoor Roth IRA

As an attending, your income almost certainly exceeds the direct Roth IRA contribution limit (phaseout begins at $153,000 for single filers and $242,000 for married filing jointly in 2026). The Backdoor Roth -- contributing to a traditional IRA and then converting to Roth -- is the workaround. For 2026, the IRA contribution limit is $7,500, with a $1,100 catch-up contribution if you are 50 or older. Contribute, convert, and report the nondeductible contribution on IRS Form 8606.

-> *The pro-rata rule applies to pre-tax traditional IRA, SEP IRA, or SIMPLE IRA balances -- not old 403(b) balances. A common fix is rolling eligible pre-tax IRA dollars into a current employer 401(k) or 403(b) if the plan accepts roll-ins.*

6

Max your tax-deferred retirement accounts

Once you've captured your match and done your Backdoor Roth, focus on maxing the rest of your 403(b) or 401(k). For 2026, the employee deferral limit is $24,500, plus an $8,000 catch-up if you're 50+, or $11,250 if you're age 60-63. If your employer offers an eligible 457(b), it may provide another $24,500 of tax-deferred space in 2026. Before relying on it, confirm whether it is governmental or non-governmental, whether you are eligible to participate, what the investment options and fees are, and how distributions work. Non-governmental 457(b) plans carry employer-creditor risk and distribution restrictions that governmental plans do not. During your first one to two years as an attending, when your income is transitioning upward, Roth contributions may still make sense. In peak earning years, tax-deferred contributions often have the stronger near-term tax benefit, but Roth can still make sense depending on future tax rates, estate-planning goals, and cash-flow flexibility.

-> *Note: the $24,500 employee deferral limit is separate from the total defined-contribution plan annual additions limit, which is $72,000 for 2026 before catch-up. That higher limit matters most for physicians with employer profit-sharing contributions or self-employed/solo 401(k) plans.*

7

Rebuild your emergency fund to attending standards

Your resident emergency fund was sized for a resident income. Your attending emergency fund should cover 3 to 6 months of actual expenses -- mortgage, insurance premiums, and family obligations included. Physicians in private practice or with variable income should lean toward the higher end. Keep it in a high-yield savings account. This isn't an investment; it's insurance against having to sell assets or take on debt at the worst possible

	time.
8	**Then -- and only then -- think about buying a home** There's significant pressure on new attendings to buy immediately. Resist it if it means skipping the steps above. A physician mortgage loan can get you into a home with low or no down payment, but the right question is whether you're financially ready, not just whether you can qualify. We generally suggest waiting until your student loan strategy is settled and you have clarity on how long you'll stay in your first job's geography.

Three Mistakes That Set New Attendings Back for Years

1. Lifestyle inflation before the financial foundation is set

After a decade of training on a resident salary, the urge to spend is completely understandable. But a significant jump in housing, cars, and vacations in year one -- before debt is addressed and insurance is in place -- makes the next five years harder. A useful frame: extend your resident lifestyle for 12 to 24 months after you start. The payoff in financial stability is substantial.

2. Signing with a financial advisor before understanding how they're paid

New attendings are heavily marketed to. Commission-based advisors, insurance salespeople, and investment product reps all have good reasons to reach out when your income changes. Ask whether the advisor is acting as a fiduciary at all times, how they are compensated, and whether they receive commissions, referral fees, or product compensation. Fee-only RIAs generally reduce conflicts of interest, but the key is whether the advisor is legally acting in a fiduciary capacity for the advice being provided.

3. Defaulting on student loan decisions

The costliest student loan mistakes aren't the wrong decisions -- they're the non-decisions. Staying on a default repayment plan, deferring, or refinancing reactively without modeling the PSLF vs. refinance math can cost six figures. See our detailed guide: Is PSLF Worth It for Doctors?

What Makes This Moment Uniquely High-Stakes

Most financial decisions you'll make can be adjusted later. Student loan decisions mostly cannot -- once you refinance federal loans to private, PSLF eligibility is permanently gone. Employer group disability coverage is tied to benefits enrollment windows, but individual own-occupation disability insurance can generally be applied for at any time -- the real risk is that health changes make you harder to insure, not that you miss a calendar deadline. The first 90 days as an attending compress several

irreversible choices into a very short window, while you're simultaneously negotiating your first contract, relocating, and starting a new job.

This is why sequence matters as much as any individual decision. The checklist above isn't just a list of good things to do -- it's an ordering that accounts for what's irreversible, what's time-sensitive, and what provides the foundation for everything that follows.

Trusted Resources for New Attending Physicians

- White Coat Investor -- Financial Waterfalls for New Residents and Attendings -- The most-referenced attending priority framework in physician finance.
- StudentAid.gov -- PSLF Help Tool -- The only official way to confirm employer eligibility before making loan decisions.
- IRS Publication 969 -- Health Savings Accounts -- HSA rules, 2026 contribution limits, and qualified medical expense definitions.
- IRS Retirement Plan Contribution Limits (2026) -- Official source for 401(k)/403(b) deferral limits and catch-up amounts.
- American Medical Association -- Disability Insurance for Physicians -- Covers own-occupation coverage, policy features, and common coverage gaps.
- Transition to Practice: Personal Finance for Graduating Residents (PhysicianSideGigs) -- Practical guide covering the first year financial transition in detail.

How Artham Advisors Works With New Attendings

Every new attending client engagement starts with the same conversation: what decisions are in front of you right now, and what's the sequence that makes the most of this moment. We're a fee-only, fiduciary firm -- no commissions, no product sales. Our work covers:

- Comprehensive financial planning -- including your full financial picture from income, debt, and insurance through long-term goals
- Retirement planning -- 403(b)/401(k) optimization, Backdoor Roth strategy, and tax-deferred vs. Roth decisions
- Tax planning -- year-round strategy, not just filing
- Investment management -- low-cost, evidence-based portfolio construction

Frequently Asked Questions

When should a new attending physician hire a financial advisor?

The moment you accept your first attending offer is a reasonable trigger. Benefits enrollment, loan decisions, and insurance underwriting all happen in a concentrated window. The cost of a wrong decision in this window is high, and a fee-only advisor who works with physicians regularly can help you sequence and prioritize clearly. That said, you can accomplish most of this checklist yourself with good information and some time -- the value of an advisor compounds more over years than months.

Is PSLF still worth pursuing in 2026 after the recent legislative changes?

For physicians already in training at qualifying employers, yes -- the program still makes strong financial sense at higher debt-to-income ratios, particularly in primary care, psychiatry, and other lower-compensated specialties. The 2026 rule changes primarily affect new borrowers starting medical school after July 1, 2026. If you are currently in residency or fellowship at a 501(c)(3) or government institution, your existing qualifying payments and loan structure are largely unaffected. See our full guide: Is PSLF Worth It for Doctors?

Should I pay off student loans before investing for retirement?

It depends on your loan interest rate and the type of investment account. If your employer offers a retirement match, capture the full match before making extra loan payments -- that's a guaranteed return that beats your loan rate. Beyond the match, the math generally favors paying down federal loans above 6 to 7 percent rather than investing in taxable accounts, while tax-advantaged accounts (HSA, Backdoor Roth) are usually worth funding alongside moderate loan repayment. The specific answer depends on your loan balance, interest rate, specialty income, and whether you're pursuing PSLF.

What is own-occupation disability insurance and why does it matter for physicians?

Own-occupation disability insurance pays your benefit if you can no longer perform the material duties of your specific medical specialty -- even if you could work in another field or a different type of medicine. Without this definition, an insurance company can argue you're still able to work and deny your claim. For a surgeon, radiologist, or any procedure-heavy specialist, this distinction is critical. Group disability policies through employers rarely include this definition, and the coverage typically ends when you leave the job.

What is a Backdoor Roth IRA and who needs it?

The Backdoor Roth IRA is a two-step process that allows high earners to contribute to a Roth IRA despite exceeding the direct contribution income limit. You make a non-deductible contribution to a traditional IRA, then immediately convert it to a Roth. For 2026, the Roth IRA phaseout range is $153,000 to $168,000 for single filers and $242,000 to $252,000 for married filers -- below most attending physician incomes. The main complication is the pro-rata rule: if you have pre-tax traditional IRA, SEP IRA, or SIMPLE IRA balances, part of the conversion may be taxable. A common fix is rolling those pre-tax IRA dollars into a current employer 401(k) or 403(b), if the plan accepts roll-ins.

How much should a new attending physician have in an emergency fund?

Three to six months of actual expenses -- not just your minimum obligations. For a new attending, this typically means $30,000 to $80,000 depending on your fixed costs, family situation, and income stability. Physicians in employed positions (versus private practice) have more predictable income and can lean toward the lower end; those with variable or production-based income should lean higher. Keep it in a high-yield savings account, not invested in the market. It is not there to earn returns; it's there to prevent forced asset sales at bad moments.

Your first year as an attending is a narrow window.

Most physicians spend it reacting. The ones who arrive with a clear sequence -- insurance, loans, retirement, home -- build a fundamentally stronger financial foundation in year one than those who catch up years later.

Artham Advisors works exclusively with physicians, executives, and entrepreneurs as a fee-only, fiduciary firm. No commissions. No products. Just planning.

Schedule a free consultation -> calendar.app.google/zZirSPLUAh53nnRS9

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