

## Sorting out the Financial Stuff:

### Helpful Tips and Information for Incoming Medical Students

Congratulations on your admission to Schulich Medicine! You've made it and we are so glad you will be part of the Schulich Family!

Over the coming months, you will have many things to sort out—where to live, who to live with, obtaining police checks, immunization records etc....all important for a successful start on this next part of your journey.

One of the things you are probably most concerned about is how you are going to pay for all of this. For many of you, you may be considering a combination of personal and/or parental savings, provincial & national loans and lines of credit.

The Learner Experience Office, with the help of our colleagues at Western's Student Services, the Canadian Medical Association and the Ontario Medical Association, developed some information and resources to help you navigate this next step.

Here is what you'll find:

[1.0 Figuring out What You'll Need: Cash Flow & Budgeting](#)

[2.0 Understanding the Medical Student Line of Credit](#)

[3.0 What the Banks Have to Offer: Line of Credit Comparison Chart](#)

[4.0 Looking After Yourself and your future: Disability Insurance](#)

[5.0 Financial Aid for Medical Students: OSAP, Bursaries & Need Based Awards](#)

[6.0 Useful Contacts](#)

## 1.0 Figuring Out What You'll Need: Cash Flow & Budgeting

### What is Cash Flow?

Cash flow is simply a record of your income and expenses. How you manage that record, however, has a direct effect on your ability to minimize debt during medical school and start your career on the right foot. The first step to managing your debt is to develop an annual budget.

Building an annual budget for each year of medical school will help estimate your costs and potential income. Some examples include:

Basic Costs	Other Costs	Sources of Income
Tuition	Travel	Summer work
Books	Membership fees	Grants
School fees	Insurance	Scholarships
Rent/Accommodation	Interest accumulation on debt	Gifts and family assistance
Food/Entertainment		

To calculate your personal income and expenses, you may want to use an online debt assessment tool (e.g. , <https://mdm.ca/tools/medical-school-cost-calculator>).

Calculating your Personal Income & Expenses is comprised of three easy steps:

- 1) Estimating your net worth – the difference between what you have and what owe
- 2) Calculating your cash flow – where your money comes from and where it goes
- 3) Projecting your total debt – how much debt you will take on during medical school

The results from this tool will provide a snapshot of where you stand financially. Using this knowledge, adjustments can be made to your budget (i.e. reducing expenses or increasing borrowing) to maintain alignment with your debt management goals.

### Why do I need to pay attention to this?

Pursuing your dreams of medicine can be financially daunting. The combination of debt from medical school, an undergraduate degree, and personal debt can accumulate to over \$150,000 upon graduation! The key to managing that debt to an acceptable level is proper budgeting.

Secondly, keeping to your budget will provide full visibility on your spending habits. Therefore, no expense should come as an unwanted surprise as your budget has already accounted for it.

Creating and managing your budget is a necessary step to managing your cash flow and allocating funds to meet your short-term and long-term financial goals and requirements.

## What options should I be considering?

Expenses generally fall into the categories of basic lifestyle expenditures and discretionary expenditures.

*Basic lifestyle expenses* are those that would be difficult to avoid without changing your standard of living. Some examples are housing, food, transportation, and clothing.

On the other hand, some examples of *discretionary expenses* are vacations and entertainment. When determining your budget, it is important to consider what expenses are necessary for your lifestyle and what expenses are discretionary.

Additionally, it is important to understand the annual costs of medical school. The Schulich Medicine program is four years long and each year looks financially very different. Therefore, you should be re-visiting and adjusting your budget on an annual basis to account for variation.

An example of costs associated with the 4 years of Medicine can be found below:

<b>Sample Budgets Academic Year 2020/2021</b>				
<b>Expense</b>	<b>Yr. 1 (39 wks)</b>	<b>Yr. 2 (40 wks)</b>	<b>Yr. 3 (50 wks)</b>	<b>Yr. 4 (35 wks)</b>
	<b>10 months</b>	<b>10 months</b>	<b>12 months</b>	<b>8 months</b>
Tuition/Ancillary Fees	25,489	25,489	25,489	25,489
Books	2,885	2,885	2,581	2,705
Rent \$700/mth	7,000	7,000	8,400	5,600
Food \$400/mth	4,500	4,500	5,400	3,600
Transportation Home	350	350	350	350
Entertainment \$100/mth	1,000	1,000	1,200	800
Clothing \$75/mth	750	750	900	600
Personal Items/Incidentals \$100/mth	1,000	1,000	1,200	800
Laundry \$30/mth	500	500	600	400
Utilities/Cable \$100/mth	1,000	1,000	1,200	800
Phone/Internet \$100/mth	1,000	1,000	1,200	800
Elective Costs incurred in Third Year			2,200	

Fourth Year CARMS related expenses				4,600
<b>Total</b>	<b>\$45,474</b>	<b>\$45,474</b>	<b>\$50,720</b>	<b>\$46,544</b>

**Note:** This budget is a guideline, take into consideration the following when assessing an individual student's budget:

1. Interest payments on line of credit.
2. Purchase of a used car in third or fourth year (approx. \$6,000).
3. Adjust budget for students living at home, married students, and sole support parents.

## 2.0 Understanding the Medical Student Line of Credit

<p><i>What is a Line of Credit?</i></p>	<p>A line of credit is a financing option available to students that allows them to borrow to finance tuition payments, living costs, and other needs during medical school. A line of credit is a funding source that a borrower can make use of at his or her discretion. Unlike a standard loan, the borrower does not begin incurring interest charges until the line is actually used for spending. In general, lines of credit vary widely with respect to fees, interest rates, available limits, and repayment terms; however, because of their unique profiles and borrowing needs, medical students in Canada can easily access very large lines of credit at favourable interest rates relative to other borrowers. Due to the high tuition costs and the need to fund living and travel costs for the duration of medical school, medical student lines of credit are an increasingly important source of funding for medical students across Canada.</p>
<p><i>Why do I need it and what options should I be considering?</i></p>	<p>Most major financial institutions offer some form of credit line for medical students. Individual products and services may vary slightly between companies and regions, but most lines of credit are similar in terms and structure. For instance, medical student lines of credit are generally offered at Prime – meaning that the funds borrowed from the line are charged the Prime rate of interest (currently 2.45%). If an applicant is deemed creditworthy, a prime rate should be the standard for a medical student line, so if a higher rate is offered, you should consult other institutions to find out if a more favourable rate is possible.</p>
<p><i>How much financing will be made available?</i></p>	<p>Line of credit limits (the total that can be borrowed during medical school) will vary from institution to institution. Borrowers want to ensure that they will have enough to fund their needs at least until graduating</p>
<p><i>Will the financing be made available all at once or in increments?</i></p>	<p>Depending on the borrower’s budget discipline and spending habits, up-front access to a large sum could result in over-spending and over-borrowing. A more incremental product might result in less borrowing over four years. Students must realize that in the up-front lines of credit option, borrowers may not allow for further credit increases in residency therefore you must be mindful not to maximize your LOC during medical school. You may require this credit during your residency years as well.</p>
<p><i>How is interest charged and repaid?</i></p>	<p>Interest could be capitalized every month – meaning it’s simply added to the amount owing, or the lender may require monthly interest payments, where the borrower could have to borrow from the line every month to pay interest.</p>
<p><i>How long will funds from the line be accessible?</i></p>	<p>Even though they are earning salaries, many residents still rely heavily on lines of credit well after medical school. Some financial institutions will continue to allow borrowing up to allowable limits during residency; others may opt to limit a resident’s ability to borrow additional funds.</p>
<p><i>How long will the line of credit be available at prime?</i></p>	<p><i>Some lines will continue to provide financing at prime during residency, and some will even provide prime into practice if some conditions are met. Other institutions may increase the rate soon after medical school. Borrowers will want to keep financing at prime in place as long as possible.</i></p>

### ***I've got the line of credit...what next?***

Once you have chosen the appropriate line of credit, the next priority should be establishing a debt management plan to help ensure that funds are borrowed responsibly. This could involve [developing a cash flow statement](#) to understand spending habits and then working out a realistic budget that will prevent over-spending in medical school.

### ***I need some help figuring this out...***

Financial advisors can help students develop financial plans that are focused on debt minimization and can answer questions around everything from maintaining strong credit to transitioning into a saving and repayment plan in residency. Having a plan and sticking to it for the duration of medical school can have a significant impact on the debt students accumulate and the subsequent interest charges. See the [contacts](#) section of this booklet if you need assistance in finding someone to talk to about your questions.

### ***What about the future?***

The debt management plans that students develop in medical school can be adapted in residency when they will be confronted with several choices related to debt repayment, saving and investing, and preparing for a transition into practice. If residents can stay on budget, limit borrowing, and at least pay the interest on the lines on credit every month, they can stop their debt from expanding and pivot into a repayment system when budgets allow.

Lines of credit offer many benefits to medical students, but it is important that you understand all the facts pertaining to your individual circumstances. You are encouraged to do your homework and seek objective financial advice when deciding which product to choose and how best to manage it.

### 3.0 What the Banks Have to Offer: Line of Credit Comparison Chart

	<a href="#">TD Canada Trust</a>	<a href="#">RBC</a>	<a href="#">Scotiabank</a>	<a href="#">CIBC</a>	<a href="#">BMO</a>	<a href="#">MD Financial</a>
<b>Interest Rate</b> <b>Prime is 2.45%</b>	Prime - 0.20%	Prime (2.2) - 0.25%	Prime - 0.25%	CIBC Prime (currently 2.20%) -0.25%	Prime -0.25%	Look under Scotiabank
<b>Total Amount</b>	Up To \$325,000 (it is determined on case to case basis)	Up To \$350,000	Up to \$350,000	Up to \$350,000	Up To \$300,000, access up to \$85,000 in first year	
<b>Credit Card</b>	Determined on case to case basis; limits may vary	RBC Infinite/Platinum Avion. Initial limit up to \$ 10,000	Passport Infinite & Gold American Express both with \$5000 limit and fees waived for duration of school	CIBC Aventura Gold Visa Card	Please check the website for more information	
<b>Annual Borrowing Limit</b>	Year 1 max. annual limit \$100,000; Year 2 \$75,000; Year 3 \$ 75,000 Year 4 \$75.000	No annual borrowing limit. Credit line gives full access from day one	No annual limits	Access to the full amount	Up to \$85,000 in first year	
<b>Chequing Account</b>	Free TD Chequing account	RBC VIP Banking (\$30.00/monthly cost fully waived)	Unlimited chequing account with fees waived for duration of school	No monthly fee, unlimited transactions and free unlimited Interac e-Transfer service	Please check the website for more information	

<b>Cosigner</b>	Required only if student has a poor credit report	Non required in most cases	Not required	Not required	Might be required	
<b>Repayment</b>	20 years of standard term (customer can choose the term of their choice, if they want to pay off the student loan early)	No repayment required as Professional RCL does not term-out for as long as they are studying or practicing. There are some additional features such as included overdraft protection and waived fees for 2 years on some investment options.	Ability to convert to personal line of credit after graduation. This would have the same limit and interest rate of prime -.25%. Only payments that would be required are interest only and this line of credit can remain open as long as you wish.	Make interest-only payments up to 24 months after your graduation or residency	Please check the website for more information	

#### 4.0 Looking After Yourself & Your Future: Disability Insurance

The Schulich School of Medicine & Dentistry strongly encourages you to consider purchasing disability insurance to protect yourself and your assets.

As a medical student, you may be vulnerable to the financial hardships that could result from a disability. Medical student disability insurance protects students from possible financial disaster and may be a wise investment. Purchasing a policy while still in medical school can save you money after graduation and provide the peace of mind necessary to focus on the demands of a career in medicine. Most medical students do not generate income while in school, but instead are accumulating high educational debt. A student that suffers a disability may never realize sufficient income to repay that debt. Repayment of student loans combined with medical expenses and lack of income due to disability can be very damaging to your financial future.

The Ontario Medical Association provides Ontario medical students with an exclusive disability plan that keeps pace with their needs as they progress through school, residency and into practice. The plan is heavily discounted and offered without a medical exam or other detailed health information. The cost is based on age, gender, and smoking status only. Once you are enrolled in the plan, the coverage automatically increases with each year of study and seamlessly transitions when you begin residency.

You can learn more about the OMA's products for students here:  
<https://www.omainsurance.com/products/pages/student-special-offer/>

## 5.0 Financial Aid for Medical Students: OSAP, Bursaries & Need Based Awards

In addition to developing a relationship with banks and insurance providers, you will also want to connect (or re-connect) with Western's Student Financial Services to investigate access to government loans and/or bursary funding.

<b>What is OSAP?</b>	An integrated financial assistance program through the Federal and provincial governments. <ul style="list-style-type: none"> <li>• Meant to supplement not replace the financial resources that a student is expected to contribute</li> <li>• Based on Financial Need</li> <li>• Eligibility for grants automatically accessed</li> </ul>
<b>Who is eligible?</b>	Individuals who: <ul style="list-style-type: none"> <li>• Are Canadian Citizens and /or permanent residents</li> <li>• Are Ontario Residents</li> <li>• Possess a Satisfactory Credit Check</li> </ul>
<b>What might I be entitled to?</b>	Since there are many changes in OSAP this year, you are encouraged to apply, and use the OSAP Aid Estimator when applying, to determine what you are eligible to receive.
<b>What are the Interest Rates for Federal Loans?</b>	Prime + 2.5 %
<b>What are the Interest Rates for Ontario Student Loans?</b>	Prime + 1.0%
<b>When do I have to pay interest?</b>	<ul style="list-style-type: none"> <li>• Student loans remain interest free provided you remain a full-time student</li> <li>• Repayment starts 6 months after your studies are completed (e.g., study end date is April 25, 2021,</li> </ul>

	repayment starts on November 1, 2021) <ul style="list-style-type: none"> <li>• During the 6 month grace period, Ontario portion of loan is interest free and payment free. Interest <u>will accrue</u> on the federal portion.</li> </ul>
<b>How can I learn more about repayment?</b>	Visit the National Student Loan Centre website at: <a href="http://www.canlearn.ca">www.canlearn.ca</a>

<b>What is a Bursary?</b>	A bursary is a non –repayable grant awarded on the basis of financial need.
<b>What is a Need-Based Award?</b>	A need-based award is given to students based on a combination of academic merit, demonstration of financial need and in some cases, non- academic requirements.
<b>How do I find out about what awards and or bursaries I might be eligible for?</b>	<p>For first year students, You must submit a Financial Assistance Application</p> <p><a href="https://studentservices.uwo.ca/secure/AdmissionBursaries/default.cfm">https://studentservices.uwo.ca/secure/AdmissionBursaries/default.cfm</a></p> <p><b>By July 20 2021.</b></p> <p>Upper year students and students who <b>missed</b> the July deadline will have another opportunity to complete a Financial Assistance application which will become available in mid-August each year through the <a href="#">Student Services website</a> (a Western Student ID and or password/access code will be required).</p> <p>Deadline for Need Based Awards- Sept 30</p> <p>Deadline for Bursary Consideration – Oct 31</p> <p>To be considered for an award, additional documentation may be required. See the online <a href="#">Award Search</a> for more information.</p>
<b>When will I find out if I will receive any of these awards?</b>	Decision notification will be sent by November 30 <sup>th</sup> to your @uwo.ca email account.

## 6.0 Useful Contacts

### Western University Student Financial Services Contacts:

Financial Counselling Appointments: Online Appointment Scheduler <http://student.uwo.ca>

General information: [http://www.registrar.uwo.ca/Student\\_Finances/index.html](http://www.registrar.uwo.ca/Student_Finances/index.html)

### Confidential Counselling/Advising/Support:

- Note that due to COVID, our office is open on a limited basis. All appointments must be made in advance via email.

Learner Experience Office, Schulich School of Medicine & Dentistry

**London:** Kresge Building, Room K1

t. 519-661-4234

[learner.experience@schulich.uwo.ca](mailto:learner.experience@schulich.uwo.ca)

**Windsor:** Medical Education Building, Room 2124A

t. 519-253-3000 x 4312

[learnerexperience@uwindsor.ca](mailto:learnerexperience@uwindsor.ca)

### Professional Student Line of Credit Contacts for Windsor:

<p><b>Scotiabank</b>  <b>Jason Crouse</b>            Small Business &amp; Professional Banking            388 Ouellette Ave Windsor, ON N9A 6P1            Tel. 519-973-5409            Fax. 519-973-5767            Email: <a href="mailto:Jason.crouse@scotiabank.com">Jason.crouse@scotiabank.com</a></p>	<p><b>TD Bank</b>  <b>Zachary Hicks</b>            JD, MBA/Account Manager,            Small Business/TD Canada Trust            4115 Walker Rd. Bldg. 1            Windsor, ON N8W 3T6            Tel. 519-972-6322 X 300            Fax 519-972-5842            Email: <a href="mailto:Zachary.hicks@td.com">Zachary.hicks@td.com</a></p>
<p><b>RBC – Windsor</b>  <b>Mary Ann Rahi</b>            13281 Tecumseh Rd. East            Tecumseh, Ontario N8N 3T4            Tel 519-974-8308            Email: <a href="mailto:maryann.rahi@rbc.com">maryann.rahi@rbc.com</a></p>	<p><b>CIBC</b>  <b>Adam Verbeem</b>            5870 Malden Road            LaSalle, Ontario            1-519-969- 3712 Ext. 448  <a href="mailto:Adam.Verbeem@cibc.com">Adam.Verbeem@cibc.com</a></p>
<p><b>BMO</b>- 1-877-CALL-BMO</p>	

**MD Financial Management**

London and Windsor Office:

**Kristine Greenfield** [Kristine.greenfield@cma.ca](mailto:Kristine.greenfield@cma.ca)

Tel: (519) 432-0883

Toll-free: (800) 461-9587

**Professional Student Line of Credit Contacts for London****RBC Contacts***Application can be started over the phone with credit advisor***1-800-769-2511**

Signing of documents must be done at the branch.

**Local Locations & Personnel****Natalee Blake****142 Fullarton St. London, ON N6A 0A4**

519-661-1181

[Natalee.Blake@rbc.com](mailto:Natalee.Blake@rbc.com)**Leonardo Rosas**

519-661-1240

[Leonardo.rosas@rbc.com](mailto:Leonardo.rosas@rbc.com)**Sarah White****1105 Wellington Rd. S. Unit 153 London, ON, N6E 1V4**

519-472-6697

[Sarah.g.white@rbc.com](mailto:Sarah.g.white@rbc.com)**Robert Stewart****96 Fanshawe Park Rd. E London, ON N5X 4C5**

519-660-4235

[Rob.Stewart@rbc.com](mailto:Rob.Stewart@rbc.com)

1670 Dundas Street

519-457-5700 - (please call to book appointment)

**CIBC****177-355 Wellington Street****London, Ontario N6A 3N7****519-661-8000****1-800-465-2422****TD Canada Trust****Nimish Shukla, Account Manager**

1663 Richmond Street

London, ON, N6G 2N3

519-660-0070 ext. 300

[Nimish.shukla@td.com](mailto:Nimish.shukla@td.com)

<p><b>BMO Bank of Montreal</b> 1-877-CALL-BMO  <i>Application can be started over the phone with credit advisor</i></p>	<p><b>Scotiabank</b></p> <p><b>Rod McFadden</b>  Small Business Advisor  Specializing in Professionals  Scotiabank/One London Place  255 Queens Ave., Suite 100  London, ON  N6A 5R8  P. 519-642-3017 F. 519-642-3278  <a href="mailto:Rod.mcfadden@scotiabank.com">Rod.mcfadden@scotiabank.com</a>  <a href="http://www.scotiabank.com">www.scotiabank.com</a></p>
<p><b>MD Financial Management</b>  London and Windsor Office:</p> <p><b>Kristine Greenfield</b> <a href="mailto:Kristine.greenfield@cma.ca">Kristine.greenfield@cma.ca</a></p> <p>Tel: (519) 432-0883  Toll-free: (800) 461-9587</p>	<p><b>Andrea Carnegie</b>  Financial Consultant, MD MedEd Counsel  1000-150 Dufferin Avenue  London, Ontario  N6A 5N6  Tel: 519-777-8644  <a href="mailto:Andrea.Carnegie@md.ca">Andrea.Carnegie@md.ca</a></p>
<p><b>National Bank Contact Info:</b>  1-888-835-6281  <a href="https://www.nbc.ca/personal/borrowing/student-credit.html">https://www.nbc.ca/personal/borrowing/student-credit.html</a></p>	

Revised April 21, 2021