DOCTOR'S CROSSING
CARPE DIEM PODCAST
BY HEATHER FORK, MD, MCC

TRANSCRIPT

Episode #259 - Student Loans Have Changed: What Physicians Need to Know

With guest Joy Sorensen Navarre

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JN (00:00.51)

In all the time we've been doing this work, every time there's a change in administration, there's a change in student loan policy. And so that's not something to be worried about, but it's something just to be cognizant of and to know that changes will be happening related to your student loan plans, especially if you're holding these loans for five, ten years or more.

HF (00:27.424)

If you're at the White Coat Crossroads and questioning your career, you're in the right place. Join us as we explore the many career options for physicians within medicine and beyond. You can learn more at doctorscrossing.com. And now, let's go carpe that diem.

Hey there and welcome to the Doctor's Crossing Carpe Diem podcast. I'm your host, Dr. Heather Fork, and you're listening to episode number 259. If you have medical school loans or you're about to take them on, you may be wondering how all the recent changes to student loans actually affect you. And if you're already working toward public service loan forgiveness, you may have an even more pressing question: what happens if I want to change jobs or leave clinical medicine altogether? There is a lot to sort through here. And I am so very excited to bring on a special returning guest today to help us sort through the changes. Joy Sorensen Navarre first joined me way back in episode 37: Hope for Your Medical Student Debt. Joy is the founder and president of Navigate and has spent years helping physicians understand student loan repayment and forgiveness and make decisions that fit not only their finances, but also their career and life. And as you'll find out, save a lot of money.

Today, Joy is going to help us make sense of what has changed, what hasn't, and what physicians and medical students need to know now. We'll also talk about what actually qualifies as public service employment and whether changing jobs or even leaving clinical medicine has to derail your path toward loan forgiveness.

I'm very honored and delighted to welcome Joy back to the podcast. Hi, Joy. It's so great to have you here again.

JN (02:21.352)

Heather, it's great to be with you. And it's so cool to see how many different episodes have happened since the first time I was here.

HF (02:29.898)

I know, I'm kind of surprised myself, I have to say. But yours was a really excellent one and we're going to link to it in the show notes so people can listen to that as well. Now before we dive in, I'd love it if you could tell your story about how you got in this area because it wasn't something you set out to do.

JN (02:49.53)

True. I was a financial advisor, helping people figure out how to use their money in a way that really matched their values. And I had clients that had super big student loans, and that was not my area of expertise. And a client came to me, asked for our help, and so I tried to refer him to somebody, and I couldn't refer, I couldn't find anybody that I trusted. And so just for him, Dr. Carl, I got smart. I did not want to get smart. This was not my plan for my life, but really cared about him. And he was a very beloved and very popular person. And so I thought, well, let me just do this for him. And so we figured things out and saved him $100,000 on his student loans.

HF (03:41.086)

Oh my god, he must have been so happy.

JN (03:44.398)

And then I thought, well, I've got these other 30 people on my book of business. I wonder if they have questions. So I sent out an email and within two weeks they'd all scheduled appointments.

Of those 30 brilliant people, only three had it all wrapped up well. And the other 27 saved anywhere from $40,000 to $400,000. That last one was two doctors married to each other, of course. So then I thought, well, that's all I want to do. So I sold my book of business and started Navigate.

HF (04:21.442)

That is just such a wonderful story. I love these stories where you don't intend to go in a direction but you're trying to solve a problem. And then you could have said, Well, someone else needs to do this, but you took it on and you have this amazing business and the numbers speak for themselves. So thank you, Joy, for doing what you do.

JN (04:42.104)

The numbers I'm most proud of are our overall numbers. We are on track to save over $620 million on the student loans of more than 3,000 doctors. So we're just thrilled to be able to come alongside doctors to help them when they've got any kind of question about student loans.

HF (05:03.182)

Well, we're definitely gonna have your contact information in the show notes and we'll give you a chance towards the end to tell folks how to reach out to you because this is a no-brainer. I'm just curious, Joy, in your assessment, why is this difficult to get right and why so often is money left on the table? Just sort of broad brush strokes.

JN (05:21.614)

There are two things. One, it takes a lot of time and energy to dig into things, especially when policy is often changing. The second is that a doctor can do everything right and their loan servicing company will make a mistake. So those are the two things.

HF (05:44.022)

Oh my gosh. Okay. So if I had loans right now, I'd be going to get the file and call you. All right. So let's talk kind of briefly about what are the major changes that happened recently that we've been hearing in the news.

JN (06:02.926)

Big changes to student loans in the news. There's been a cap or a limit on the borrowing maximums. There have been changes to student loan repayment plans, and then there was the sunsetting of the most popular repayment plan.

HF (06:20.032)

Okay. Now I know especially when we were talking before we were recording that you said that administrations are always tweaking and changing the loan repayment policies, the student loan situation. Is there anything in particular that you think was behind these changes and do you think these are more significant than we've seen in a while?

JN (06:42.168)

Yeah, the last two administrations have made major changes to student loan policy. One was very much pro-borrower, the more recent one is more pro-lender. And in both cases, borrowers have to be paying attention to what's happening. And so I just want to say that's not unusual.

In all the time we've been doing this work, every time there's a change in administration, there's a change in student loan policy and so that's not something to be worried about,

but it's something just to be cognizant of and to know that changes will be happening related to your student loan plans, especially if you're holding these loans for five, 10 years or more.

HF (07:23.052)

And you had mentioned some of these changes. You mentioned there's a cap now for borrowing. Could you give us some more specifics on that, please?

JN (07:31.246)

Yep. There are two caps to be aware of, two maximum lifetime limits. One is for undergrad, and that's $57,500. And then the other is for professional students, people are pursuing their medical education, and that's $200,000. So for someone that borrows for undergrad plus medical school, you would add those two together. So $257,500 would be the lifetime maximum.

HF (08:01.218)

Now we know a lot of physicians come away with $300,000, some even $400,000. So this sounds rough here, this change. Do you think it helps people be more conservative in how they choose to spend their money, or do you think, you know, this is gonna create a fair amount of liability here?

JN (08:20.462)

Well, it would be great if a medical student could say, Hey, I'm gonna try and save money and not spend so much on my tuition. But that's impossible. No, I think the system is broken. And me as a healthcare consumer, I'm complicit in this broken system because I need my medical provider to be smart enough to take care of me. And in order for my doctor to be smart enough to take care of me, she's got to go to medical school and incur this big debt.

And just because there's the maximum amount she can borrow, that doesn't mean she's not gonna need more to complete her studies. So yeah, my hair is on fire when I think

about this. So I'm giving you a little bit of high blood pressure. No, I'm kidding, but yeah, it's a problem. So here's the solution. In my world, my whole goal is to help doctors understand what their options are, not to get involved in hyperbole. I just try to keep people calm. Let's just breathe deep. There's a solution to every problem. And so the solution for this problem that puts my hair on fire is private lending. And so physicians will be able to access the private market for student loans. Often those student loans have a lower interest rate. So that's the positive side of things. You'll be borrowing on the private market in commercial student loans.

But you will be able to cover your full cost of attendance, right? You will be able to pursue and finish your degree. And then once you're done, you'll have two repayment plan strategies. You have a strategy for your private loan and you have a strategy for your federal loans.

HF (10:05.236)

It's good that we have people like you to help doctors navigate the situation, because it is complicated. And then in terms of the repayment, what has changed there?

JN (10:19.5)

Yes, so there is a brand new repayment plan. It's called RAP, the Repayment Assistance Plan, and it started July 1, 2026. And it is based on 10% of a borrower's income. So it has simplified, you know, the formula for student loans repayment. It also has a great interest subsidy, which we love, because in the past, when a borrower would make their income-driven repayment, like their RAP payment, if they're pursuing public service loan forgiveness, they would be making a smaller payment than would be due if they were paying it off in full. And so in the past, the interest would accrue. So sometimes during residency, here's an example. I'm thinking of a physician who came to us. She came to us first during residency to create a plan.

We picked the best plan for her after she looked at all the numbers. She was pursuing public service loan forgiveness. So she had 24 accumulated months of payments already counting for her by the time she graduated and became an attending physician. She called us to like update her plan, which folks do. That's just part of what our membership does. It follows people all the way through until their loans are done. And so I asked her, please send us your official list of loans.

And she hadn't been thinking about her loans, which really is the best thing to do. Once you're on a plan, just finish your training, right? Don't worry about these loans, especially if you've got good help alongside. And so she opened up the document and she owed more than she had when she graduated from medical school. And she was panicking because it's a bigger number.

Well, the good thing for her and everyone else pursuing public service loan forgiveness is whatever the balance is that's left at the end of your 120th payment, all that's going to be forgiven. So in the end, it's all gonna work out, but in the middle, it causes stress. On RAP, if you make a payment that's smaller than what would be due, like it's based on your income, they waive the rest of the interest that's due. What that means is we won't be seeing those ballooning balances for people on RAP.

HF (12:40.78)

And then the other thing you mentioned was some of the plans have gone away, or sunsetted. And so people were, I assume, notified, and then they have to make some changes. Do you think that that helps simplify things? Do you think there were some pros and cons to those plans disappearing?

JN (13:04.724)

Definitely. The con is that it's creating havoc and having to make a decision and do I pick this plan or that plan and having, you know, to figure out what's going to be better for me today and tomorrow. The plan that went away is called SAVE, S-A-V-E. And there are seven million borrowers that were on that plan and there are still many millions who haven't changed yet. People have 90 days from the time they're notified to make a change.

And this is important that people be watching for that email because if you don't pick a plan, they will pick a plan for you. And if you are a physician pursuing public service loan forgiveness, they might put you on the tiered repayment plan, which is not a qualifying plan. So you want to take proactive action to select a plan. And right now the plans available are Pay As You Earn, which is just briefly available for the next year, income-based repayment, which will be a long-term plan available, and RAP, which will also be a long-term plan available.

HF (14:10.25)

Okay. All right. That's very helpful. Now, is there a scenario or two that would be helpful to just address to give an example of how someone should approach thinking about this? Maybe someone who's just graduating from med school or going to get their first job to think about what could qualify and what might not qualify.

JN (14:36.334)

So most people graduating from their residency right now, when you graduate from med school, you're gonna do your residency and you really don't have a choice, basically, right? Most people just go where they match, right? And some are nonprofit, which qualify for public service loan forgiveness. Some are for-profit and don't qualify for public service loan forgiveness. So then during residency, you just live with whatever option you're given, basically, right?

Upon graduation from residency, then people are looking for their first attending jobs. And then you have the option to pick, do you want to go with a nonprofit or a for-profit? And if you are thinking public service loan forgiveness, or you run your numbers and you say that's going to be the best option for me financially, and you're willing to put up with the stress and problems that come along with public service loan forgiveness, then you would look for a nonprofit job and most major health systems in the US are nonprofits. So you've got lots and lots of options.

HF (15:40.967)

Okay, so let's take two different doctors. The first one, let's say this is Dr. Rachel, and it's gonna turn out that she ends up benefiting from going through public service loan

forgiveness. And then we'll have Dr. Sam, and it's not gonna be in his interest. Could you walk us through those two different possibilities?

JN (16:04.814)

Yeah. So I would guess that Dr. Rachel probably has a really big student loan balance. Like maybe $350,000, $450,000, $500,000. And if you're listening to this podcast and I just said to you you've got a really big student loan balance, don't be upset. Okay. Cause it's just true. A lot of people have a really big student loan balance. I didn't mean to make anybody nervous right there. Just keep listening.

So if that is you, or Dr. Rachel, as it was for her, she really wanted to find a job that would qualify for public service loan forgiveness. She was in pediatrics, so she had, you know, a wonderful salary, but maybe not as large as some of the other specialties. And so she picked a nonprofit organization because she could make payments based on her income. And at the end of those 10 years of payments, the balance that would be left over on her loans would be forgiven.

Every year. It just evaporates. Poof. Yeah. We get emails from our clients saying, I think it's gone. You know, like they don't really believe it's gone. You'd think there would be balloons or something. Yeah, none of that happens.

HF (17:21.902)

And so with all these changes, is there any guarantee that once you're on this, this is going to still work and they're not gonna say, Ha ha, fooled you. You thought you were gonna get all this forgiven, but no, now you really owe it all.

JN (17:37.484)

Well, there are some scenarios where life could change. Public service loan forgiveness is codified in federal law and there have been a couple of attempts to get rid of it and they have failed, gone up in flames because it has broad bipartisan support and would have taken an act of Congress to change it. There was a recent executive order that tried to change what kind of organizations would be qualified, but that did not, you know, make it through the courts, and so that got shut down.

But life could change. What if your hospital, nonprofit hospital, merges with a for-profit hospital? And now you're in a for-profit. Now you have to figure out, now what am I gonna do? Am I gonna repay my loans in a different way or am I gonna change jobs, for example? Or maybe you mentioned earlier, maybe someone decides clinical is not the best place. And maybe they want to look for a different kind of position. So yeah, life can change.

HF (18:37.57)

Okay. But there's pretty good assurance that if you're on that path and you stay with a nonprofit, it's gonna be forgiven when you've made your 120 payments. So, going back to Dr. Rachel. Based on the large size of her debt and the income she'd earn as a pediatrician, it seemed to make sense to go in this direction.

JN (18:59.246)

Yeah, absolutely. And then let's go just a little bit more with Dr. Rachel. It's likely, based kind of on your question earlier, that in the next 10 years of payments, her loan servicing company is gonna make a mistake. So it creates a problem for her. But if she were someone that's working with us, our promise is, and so far it's a hundred percent, everyone that's eligible for public service loan forgiveness that we're working with gets it. And that's because when there are problems, we help them fix them.

HF (19:37.578)

Mm. Well good. Very good to know. So she can go on and even if like the hospital changes, she could get another job at a nonprofit and continue on. Okay. Now we have Dr. Sam. What is his situation?

JN (19:53.624)

So Dr. Sam maybe is someone that just hates student loans, does not want to pay for 10 years. That could be one scenario. Or Dr. Sam might have a large salary related to his student loan balance. So maybe he only owes, only, listen to me, only owes $200,000 in student loans. But his salary is higher. And so then when he runs the numbers for public service loan forgiveness, even on an income-driven repayment plan, he would have paid

his loans off already in 10 years. So it didn't make sense for him to pursue public service loan forgiveness. Or maybe Dr. Sam's mother's a physician and has her own practice and she's wanting to retire. And so Dr. Sam says, maybe I will go work for my mom and then take over the practice. That would not be a qualifying employer. Or maybe Dr. Sam gets a great offer from a for-profit organization that's going to pay off $20,000 a year over five years, and the salary would be higher, or whatever the scenario.

Who knows what those options are. But what I love to talk to people about is the fact that you don't need, most of the time you don't need public service loan forgiveness. Keep your job search broad and open. Don't limit it at the beginning until you really see where your heart is calling you, right? Where that practice is for you in terms of leadership or whatever else might be coming up.

HF (21:21.856)

Those are great examples, Joy, because it shows this is very nuanced and it's really helpful to have someone like yourself. And I have no financial ties to Joy's company. I just want to say that. But I think this is brilliant what you're doing because this is not one size fits all. This is custom. Special orders don't upset us. Let's figure out the best path for you and help you really think through different potential scenarios.

JN (21:49.518)

Exactly, Dr. Heather. We wish that everybody would work with us. And I used to be kind of nervous about saying that. But when we hear our clients talk about how their life is different because they've got their student loans figured out, I'm no longer shy about saying work with us or somebody like us. Just get good help. Don't do this alone, especially if you've got $200,000 or more in student loans. Yeah.

HF (22:15.328)

Right. No, I mean, this is I feel like this is a calling for you. You know, you're doing this because you love helping and we love you for that. Now let's talk a little bit about these different options for working both clinically and then we'll go to some non-clinical options because people often ask me about that for the student loan forgiveness.

JN (22:36.942)

Wow, very, very broad for public service loan forgiveness. It could be any nonprofit organization. It could be an FQHC, but it doesn't have to be. It could be rural, but it doesn't have to be. You could be urban, you could be suburban, you could be in any 501(c)(3) organization, or even a nonprofit that's not a 501(c)(3). You could be with the federal government or a county or a state. You could even be in tribal employment. So those are the kinds of employment that qualify.

HF (23:13.686)

Okay. So it doesn't have to be a 501(c)(3)?

JN (23:18.648)

Correct. It has to be a nonprofit that meets certain criteria.

HF (23:23.498)

Okay. Interesting. And so that's a really good broad base. And when someone comes to you, do you help them look at their geographic area and come up with a list of, it could be here, it could be there, it could be over there.

JN (23:35.406)

Most folks come to us already having figured that out. They do. And then sometimes we get the question, Are you sure my employer like I've got these three options? Can you just help me make sure these three offers all qualify? And then we can definitely help them. But I can also give your listeners the website. Do you want to know what it is?

HF (23:59.054)

Sure, absolutely.

JN (24:01.102)

studentaid.gov/pslf/employer-search

HF (24:10.136)

Okay, we'll put that in the show notes. That's definitely where they can go and search. That's excellent. Now a question that comes up sometimes when I'm coaching is I've been on the public service loan forgiveness program. I'm at this clinical job, but I just feel like I want to go non-clinical. And they're thinking, how can I continue this plan? And what are my options? And so this is where you can really help us out.

JN (24:41.378)

Be glad to. Options are still really broad. And I'm so glad you asked this question because sometimes people feel stuck in a position that they've grown out of, maybe, right? Or they're wanting to try something new. So what about a medical director? We have a physician who was only part-time at her nonprofit job with the big hospital, and she wanted to pursue public service loan forgiveness. It requires 30 hours a week minimum.

So she took on a job at a long-term care facility for that extra 10 hours a week as the medical director. Isn't that cool?

HF (25:20.384)

Yes. Yes. That is great because a lot of doctors still want to do clinical, but they want some non-clinical time to balance things out without hurting their repayment, or just in general, even if they're not on loans.

JN (25:33.772)

Yeah. Yeah, totally. There's patient safety, there's quality, other kinds of leadership that might not be direct patient care, right? But as long as you're in that leadership position in a nonprofit organization, definitely qualifies.

HF (25:52.686)

But it's like another medical director role in quality, patient safety, clinical operations. A lot of physicians like that area.

JN (26:03.032)

Yep, totally. We have some folks that are at the NIH, so they're not actually in the health system. They're doing more research. Totally that qualifies too.

HF (26:14.86)

Okay. And we've come up with a list and we're going through it, which is excellent. And I'm gonna also add in the physician advisor role, which we've talked about on the podcast where you're helping a hospital with utilization management determinations and that's a very dynamic role. It can be all non-clinical, but it can be both clinical and non-clinical as well. So the physician advisor role is another one. What else do you have there?

JN (26:42.498)

Yeah, I'm thinking public health, right? There are a number of roles in public health that if you are at the state level or in the nonprofit organization level, those kinds of roles, like at the policy decision-making level, totally qualify too.

HF (27:01.324)

Absolutely. But that's perfect. And so that could also be public health at the CDC. It could be at the FDA. Just had a client get a job there as well. So those are things to consider too. What else do we have, Joy?

JN (27:16.674)

One of the other areas is informatics. The person I talked about at the top, related to our story, that was his job, informatics. So working on leadership related to the EMR, or any other health data records in the organization. That is a growing area and an area where more and more physicians are becoming involved in that specific way.

HF (27:43.542)

Yes, clinical informatics. I'm so glad you mentioned that too, because with AI being integrated into the EMR and the system, this is a very dynamic area and something that could be a great way to continue working and pay off those loans.

JN (27:58.904)

Those jobs sometimes are with a for-profit private company, in which case they would not qualify for public service loan forgiveness, but other times they're actually employed with the nonprofit organization.

HF (28:11.526)

That's a really good distinction. We have to make sure that it qualifies. And then the VA. You know, that's a popular place too for some physicians. And research also doing some research and clinical investigation if you're employed by like a nonprofit university, an academic center, and you had mentioned the NIH, so other governmental agencies. Anything else that we haven't touched upon?

JN (28:40.974)

I think that gives a good idea of the options.

HF (28:46.242)

And then there's this area of utilization management. So we often think of that as being employed by one of the big like health insurance companies. But there are nonprofit health systems where they want you to help with revenue cycle management, utilization of services, medical necessity and these things. So that could be an area too.

JN (29:09.75)

Love that.

HF (29:11.352)

All right, so I think that's a wonderful list. And so people hopefully are feeling a little sigh of relief that if they do want to diversify their clinical work and still pay off those loans, there are options.

JN (29:24.974)

Definitely.

HF (29:26.614)

All right, dear Joy, as we are wrapping up here, I wanted to see what you have to offer in this area of mindset because money, big loans, finances, confusing terms, it can all be a big weight, and we can actually put our head in the sand and not want to deal with it. And it actually doesn't really help the situation.

Temporarily we might get a little relief, but do you have anything to offer for physicians who may be avoiding dealing with this situation just because it feels like a big ball of wax?

JN (30:04.814)

Absolutely, Heather. I'm so glad you asked. So, what comes to mind for me is just the common scenario when we first start consulting with a doctor. So I'm just gonna tell you

what it's like at the beginning. So we're on a Zoom call, the doctor is usually a little careful, cautious, a little standoffish even, right? We're starting to talk about student loans. Sometimes doctors haven't even talked to their beloved people about their student loans.

They haven't thought about them themselves, right, for a long time. I can feel the nervousness even through the virtual conversation, because like it's money, right? And for a lot of us, money is hard to talk about, especially if it's money that we owe. And so in that conversation, we just start just gently, slowly, but very specifically talking about student loans. We often start by saying, just take a deep breath.

There is a solution for you. I don't know what it is right now, but in 45 minutes from now, I bet you you're going to be feeling a lot happier than you're feeling right now. And so then what happens? We start digging in. We look at the facts. We look at the options. We crunch the numbers right on our great calculators that we have. And by three quarters of the way through, we're looking at actual scenarios. And so Dr. Sue is looking at, I could do this one option, which is very specific to her, or I could do that, or I could do this third thing.

And then she looks at her data and it is almost always very clear which is going to be best because the data speaks. Without the data, you don't know, like, I don't know. What am I going to do? Now all of a sudden you've got the data. It brings clarity. It brings a kind of sense of relief that there are some solutions here, right? And then by the end we give them what to do, what not to do, like all of that.

And at the end, people often say back to me, Joy, I didn't believe what you told me at the beginning. But I'm feeling happier now. It's kind of a surprise to them too that they're talking about their student loans in a very normal way. Like all the barriers are down. And so yeah, that would be our promise to folks is that we want that for you. We want you to feel like your handcuffs are off, that you've got freedom now from these student loans that feel like a burden and you have someone to call when something gets upset in your plan, and that will always be there for you.

HF (32:37.99)

Oh my gosh, I definitely felt that just as you were describing the arc of these conversations that you have. And I think that's a beautiful way to approach this situation is to give someone hope, but then give the concrete details and then it's true, like when we feel like there's a plan and someone can help us, it can be a really hard situation, but we know we're not alone in it and there's a path forward.

Thank you for sharing that. Well, this has been such a great conversation. I'm really excited for this to go live soon. How can folks get in touch with you and find out about these consultations?

JN (33:19.682)

Yes, please, please pick us. Please pick us or somebody like us. We'd love to work with you. On our website, navigatestudentloans.com, there's a Contact Us tab. And there's one for employers. And you've got to scroll down a little bit to physicians and click there. And that's how you can set a free 15-minute appointment with us just to like kick the tires, test us out, see if your questions are serious enough to need some support. And maybe you'll get your questions answered in 15 minutes and that would be terrific. If not, then we'll tell you about what it's like to work with us for the lifetime of your loans.

HF (34:01.794)

That is wonderful. We'll make sure to have that link in the show notes and we'll also have that one that you gave us before for the student loan site and anything else you wanna share with us. So thank you again so much for coming on the podcast yet again.

JN (34:18.25)

My pleasure. And thanks for taking on this topic. Man, it's really important and it really shows you understand physicians and what they're looking at. So thank you.

HF (34:27.598)

Well, it's a wonderful partnership, and I'm sure we'll have you back on later because things are going to change again. So thank you again. All right, my dear listeners. This has been really enjoyable to have you here. Please feel free to share this episode with anyone you think it could be helpful for.

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