

ADA: FAQ's Student Loans, Federal Income Taxes, SBA Loans

I'm a new dentist and am barely working because of the COVID-19 pandemic. My financial situation is very tight: can I postpone making payments on my student loan until I'm working again?

The COVID-19 pandemic is affecting incomes for people in all professions, including dentists, team members and healthcare workers. Dentists who are concerned about meeting their student debt obligation should contact their [student loan servicer](#) or their school's financial aid office as soon as possible.

A representative of your servicer or school can provide information about any options, such as deferment or forbearance, that may allow you to temporarily stop making payments on your loans or that may allow you to move to a different repayment plan with a lower monthly payment. Dentists who have refinanced or combined their educational debt through Laurel Road, which services the [ADA Student Loan Refinancing Program](#), can contact Laurel Road's servicing partner (MOHELA) at 1-877-292-6845.

In the meantime, the ADA is waiting for details about the Trump administration's plans to waive federal student loan interest during the COVID-19 pandemic, retroactive to Friday, March 13. It is unclear whether the student loan servicers will do this automatically or require some type of notification or application. Also unknown is whether and how this might apply to institutions that do not service student loans for the U.S. Department of Education.

Additional information is available from [Federal Student Aid](#), an office of the U.S. Department of Education.

Should I refinance my student loans while interest rates are lower?

The Federal Reserve cut interest rates to near-zero on March 15, making it less expensive for consumers to borrow money in the hope of limiting the economic impact of the COVID-19 pandemic.

For dentists who are currently paying down student loans, it's possible that a private lender may offer the option to refinance your loans at a lower interest rate, providing that you qualify.

Since only private lenders offer student loan refinancing, the decision to refinance and move any federal loans will make those obligations private loans. Be aware that those with private loans may miss out on novel coronavirus-related student debt relief, such as any waiver of student loan interest during the crisis or other aid that may be on the horizon. Borrowers with private loans also will not be able to take advantage of federal student loan repayment programs, generous payment postponement options, income-driven repayment plans, and other federal benefits.

The ADA recommends contacting your [student loan servicer](#) to discuss the benefits and drawbacks of refinancing your student loans during this period of low interest rates.

What should I do if I can't file my taxes by the April 15 deadline because of the COVID-19 pandemic?

Filing Deadline

The tax filing deadline for 2019 returns is still April 15 2020. If you need extra time to finish your taxes, you can [request an extension](#) following the usual process and receive six extra months to complete your return.

Payment Relief

The payment deadline has been extended to July 15, 2020. In other words, if you are an individual who owes up to \$1 million in taxes, you have until July 15 to pay—but you must still file your return by Apr. 15 (unless you request an extension).

This payment relief applies to all individual returns (including self-employed individuals) and all entities other than C-Corporations, such as trusts or estates. It also applies to estimated tax payments for the tax year 2020 that would have

otherwise been due by April 15.

Taxpayers do not need to file any additional forms or call the IRS to qualify for this payment relief.

Note that this payment relief applies only to federal income tax (including tax on self-employment income) payments otherwise due by April 15, 2020, not state tax payments or deposits or payments of any other type of federal tax.

Other Disaster Relief

Check with your tax preparer to see if you are eligible for any [disaster-related tax relief](#).

Additional tax information is available at [IRS.gov/coronavirus](https://www.irs.gov/coronavirus).

My practice revenue has dropped because of the COVID-19 pandemic. I'm not sure how we're going to meet fixed expenses, pay my staff and take an income to support my own family. Does the federal government have a program to help small businesses, like dental practices, that have been financially impacted by the pandemic?

Help may be available through the U.S. Small Business Administration's Economic Injury Disaster Loan program. Under the program, small businesses in areas that have been declared disaster areas and experienced substantial economic injury because of COVID-19 may qualify for low-interest federal disaster loans for working capital.

[Economic Injury Disaster Loans](#) are available only to small businesses located in declared disaster areas and without credit available elsewhere. Businesses with credit available elsewhere are not eligible.

The loans, which may offer as much as \$2 million in assistance, can be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. Long-term repayment plans, up to a maximum of 30 years, are available. Terms are determined on a case-by-case basis according to each borrower's ability to repay.

Contact the SBA's disaster assistance customer service center for more information. They can be reached at 1-800-659-2955 (TTY: 1-800-877-8339), or via e-mail to disastercustomerservice@sba.gov.

Applications for [SBA Disaster Loan Assistance Loans](#) are available online. Applicants will be required to provide a signed and dated IRS Form 4506-T: that information gives the Internal Revenue Service (IRS) permission to provide your tax return information to the SBA.

Source: <https://success.ada.org/en/practice-management/patients/coronavirus-frequently-asked-questions>