

Navigating Loan Repayment Programs

Powered by the National Recruitment and Retention Network

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About 3RNET

3RNET is the most trusted resource for health professionals seeking careers in rural and underserved communities.

3RNET Mission

3RNET works to improve rural and underserved communities' access to quality health care through recruitment of physicians and other health care professionals, development of community based recruitment and retention activities, and national advocacy relative to rural and underserved health care workforce issues.

3RNET Vision

3RNET is the national leader for community-based health professional recruitment and retention, using interactive technologies and communication.

3RNET.org

Health professionals have trusted 3RNET.org to find jobs across the United States since 1995.

Rural and underserved health care employers' trusted, national platform for promoting their job openings.

3RNET's Network Coordinators

3RNET is powered by the National Rural Recruitment and Retention Network.

3RNET Network Coordinators can guide health professionals through their job search process.

Network Coordinators support employers in rural and underserved communities with hiring and keeping mission-focused health professionals.



About this Guide

This guide is a basic overview of what you should know if you're interested in participating in a loan repayment program.

Trusted, Reliable Information

3RNET and our national network of Coordinators, the National Rural Recruitment and Retention Network, are committed to providing unbiased, reliable information for health professionals.

Powered By

This guide was created in a collaborative effort to combine the expertise and industry knowledge of 3RNet's Network Coordinators.

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De-Jargoning the Jargon

Loan Repayment

In this guide, when we use the term 'loan repayment' we're referring to a program where:

- You already have a job with an employer, and
- You're awarded an amount of money or other financial incentive as additional compensation, or to be applied toward education expenses or debt.
- Your award is given in exchange for a set amount of service.

For example: you agree to work three more years at your eligible place of employment and will receive \$40,000 a year for each of those years of service.

Scholarship

In this guide, when we use the term 'scholarship' we use it to mean a program where:

- You may or may not have a job lined up, and
- You are still working toward your intended degree.
- You apply for money toward medical education you're already accepted to or completing.
- This may or may not come with a contractual service (or other) obligation.

Health Professional Shortage Areas (HSPAs)

These four little letters can have a big impact. A federal designation of an area (eg. A county) ranking the need for/shortage of health professionals. Learn more about HPSAs with 3RNET's HPSA guide.

Primary Care Office (PCO)

The federally designated person/office responsible for many tasks related to HPSAs and loan repayment programs. There is one PCO in every state; you can find a full list of PCOs here: <http://bhpr.hrsa.gov/shortage/hpsas/primarycareoffices.html>



Loan Repayment Basics

The Most Important Piece of Advice We Can Give

Loan repayment should not be the only factor you consider when choosing a job (or profession!).

Choosing a job based solely because loan repayment is offered (while ignoring other factors about the job) may lead to job dissatisfaction, and ultimately, the loan repayment you signed up for may result in financial penalties if you leave the job before your commitment is fulfilled.

Do not choose an opportunity just because it provides repayment.

Choose an opportunity and consider repayment a bonus.

A loan repayment program should not be the only factor when choosing a job.

Important Things to Know about Repayment Programs

Know that many programs—including National Health Service Corps—cannot be promised. There is an application process and things (such as HPSA scores) can change.

Most loan repayment programs approve funding for renewals first, then get into new applications. Funding for new applications typically starts at the highest HPSAs and continues until funding is depleted. Meaning that normally, the higher of a HPSA area you work in, the more likely your loan repayment application be approved.

Renewals are not guaranteed, however, once you are locked into a contract, you are locked in! For example, if the HPSA score of the facility you're working at changes, it will not affect your current loan repayment, but could impact your ability to get a renewal.

Know the source of your funding. Program funding can be subject to budgeting.

Look at the history of the program.

Know the requirements for participation (reporting, etc.) for you AND your employer.

Virtually all programs are competitive—if recruiters and/or employers imply that such an award is guaranteed it probably is a community-based program, and these offers should be received in writing.

Penalties for defaulting are generally severe.

Federal and state loan repayment programs are restricted to U.S. citizens, but community-based or hospital/health system-based programs may welcome foreign medical graduates.

3RNET Network Coordinators are excellent resources since they are aware of federal, state, and local programs, which is important since regulations for one program may prohibit the use of another.

Common Loan Repayment Programs

Indian Health Service

Employment Status

Must be employed with Indian Health Service

Award Amount and Service Obligation

\$40,000 toward repayment of your student loans for two years of service

Eligible Professions & Specialties

Many professions and specialties are eligible: advanced practice nurses, behavioral health, dentistry, medicine, nursing, optometry, pharmacy, physical rehabilitation, physician assistant, and other professions.

View the full list of IHS Loan Repayment eligible health professions here: <https://www.ihs.gov/loanrepayment/lrpbasics/eligiblehealthprofessions/>.

Other Helpful Information

You may request an extension of your loan repayment annually in exchange for an additional year of service until all of your qualified education loans are paid.

Learn more

www.ihs.gov/loanrepayment

National Health Service Corps (NHSC) Loan Repayment Program

Employment Status

Must be employed at an NHSC-approved site

Award Amount and Service Obligation

Up to \$50,000 full-time, \$25,000 part-time for 2 years of service

Eligible Professions & Specialties

Physicians (DO/MD), Nurse Practitioners, Physician Assistants, Certified Nurse Midwives, Health Service Psychologists, Licensed Clinical Social Workers, Psychiatric Nurse Specialists, Marriage and Family Therapists, License Professional Counselors, Dentists, Dental Hygienists

View the full list of NHSC Loan Repayment eligible professions here: <https://nhsc.hrsa.gov/loan-repayment/nhsc-loan-repayment-program.html>

Other Helpful Information

Which NHSC loan repayment program is right for you? <https://nhsc.hrsa.gov/sites/default/files/NHSC/loan-repayment/nhsc-all-loan-repayment-programs-comparison.pdf>

Learn more

<https://nhsc.hrsa.gov/loan-repayment/nhsc-loan-repayment-program.html>

NHSC Substance Use Disorder Workforce Loan Repayment Program

Employment Status

Must be employed at an NHSC-approved SUD site

Award Amount and Service Obligation

Up to \$75,000 full-time, \$37,500 part-time for 3 years of service

Eligible Professions & Specialties

Physicians (DO/MD), Nurse Practitioners, Physician Assistants, Certified Nurse Midwives, Health Service Psychologists, Licensed Clinical Social Workers, Psychiatric Nurse Specialists, Marriage and Family Therapists, License Professional Counselors, Substance Use Disorder Counselors, Pharmacists Registered Nurses

View the full list of NHSC SUD Workforce Loan Repayment eligible professions here: <https://nhsc.hrsa.gov/loan-repayment/nhsc-sud-workforce-loan-repayment-program.html>

Other Helpful Information

Which NHSC loan repayment program is right for you? <https://nhsc.hrsa.gov/sites/default/files/NHSC/loan-repayment/nhsc-all-loan-repayment-programs-comparison.pdf>

Learn more

<https://nhsc.hrsa.gov/loan-repayment/nhsc-sud-workforce-loan-repayment-program.html>

Common Loan Repayment Programs

NHSC Rural Community Loan Repayment Program

Employment Status

Must be employed at a rural, NHSC-approved SUD site

Award Amount and Service Obligation

Up to \$100,000 full-time, \$50,000 part-time for 3 years of service

Eligible Professions & Specialties

Physicians (DO/MD), Nurse Practitioners, Physician Assistants, Certified Nurse Midwives, Health Service Psychologists, Licensed Clinical Social Workers, Psychiatric Nurse Specialists, Marriage and Family Therapists, License Professional Counselors, Substance Use Disorder Counselors, Pharmacists, Registered Nurses, Certified Registered Nurse Anesthetists

View the full list of NHSC Rural Community Loan Repayment eligible professions here: <https://nhsc.hrsa.gov/loan-repayment/nhsc-rural-community-loan-repayment-program>

Other Helpful Information

Which NHSC loan repayment program is right for you? <https://nhsc.hrsa.gov/sites/default/files/NHSC/loan-repayment/nhsc-all-loan-repayment-programs-comparison.pdf>

Learn more

<https://nhsc.hrsa.gov/loan-repayment/nhsc-rural-community-loan-repayment-program>

NHSC Students to Service Loan Repayment Program

Employment Status

Student in your last year of medical, nursing, or dental school; must work at an NHSC-approved site.

Award Amount and Service Obligation

Up to \$120,000 full-time in four annual installments (up to \$30,000 per year) for 3 years of service

Eligible Professions & Specialties

Physicians (DO/MD), Nurse Practitioners, Certified Nurse Midwives, Dentists

View the full list of NHSC Students to Service Loan Repayment eligible professions here: <https://nhsc.hrsa.gov/loan-repayment/nhsc-students-to-service-loan-repayment-program.html>

Learn more

<https://nhsc.hrsa.gov/loan-repayment/nhsc-students-to-service-loan-repayment-program.html>

NHSC Scholarship Program

Employment Status

Scholars commit to this program during schooling, prior to employment. Once ready for employment, you must serve at an NHSC-approved site in a HPSA.

Award Amount and Service Obligation

NHSC provides financial support for full-time enrollment in an eligible primary care health professions degree training program for up to four school years including: payment of tuition and eligible fees; an annual payment for other reasonable educational costs, and monthly stipends to assist with living expenses while attending school.

Eligible Professions & Specialties

Students pursuing primary care health professions training may be eligible to apply. Learn more about eligibility here: <https://nhsc.hrsa.gov/scholarships/eligibility-requirements.html>

Other Helpful Information

This is NHSC's most 'restrictive' program, meaning the penalties for backing out of your commitment are the most severe.

Learn more

<https://nhsc.hrsa.gov/scholarships/overview.html>

Common Loan Repayment Programs

Nurse Corps Loan Repayment Program

Employment Status

Must be employed at a Critical Shortage Facility or serve as nurse faculty in an eligible school of nursing.

Award Amount and Service Obligation

Up to 85% of unpaid nursing education debt for 2 years of service

Eligible Professions & Specialties

Licensed Registered Nurses, Advanced Practice Nurses, Nurse Faculty

Other Helpful Information

You will receive 60% of your total outstanding, qualifying, nursing education loans over the course of two years. Once you complete your initial two-year service contract, you may be eligible to apply for a third year for an additional 25% of your original nursing educational loans.

These funds are not exempt from federal income and employment taxes.

Learn more

<https://bhw.hrsa.gov/loans-scholarships/nurse-corps/loan-repayment-program>

Nurse Corps Scholarship

Employment Status

Scholars commit to this program during schooling, prior to employment. Once ready for employment, you must serve at a Critical Shortage Facility upon graduation.

Award Amount and Service Obligation

Nurse Corps pays tuition, fees, other education costs, and a monthly stipend for a 2-year commitment

Eligible Professions & Specialties

Nursing Students

Other Helpful Information

Learn more about eligibility and how to apply here: <https://bhw.hrsa.gov/loans-scholarships/nurse-corps/scholarship-program/determine-eligibility-and-apply>

Learn More

<https://bhw.hrsa.gov/loans-scholarships/nurse-corps/scholarship>

State Loan Repayment Program (SLRP)

Employment Status

Differs by state/territory.

Award Amount and Service Obligation

Differ by state/territory.

Eligible Professions & Specialties

Differ by state/territory.

Other Helpful Information

SLRP is partially federally funded but requires a state or employer to match the money they give, dollar for dollar. SLRP programs are typically similar to NHSC (e.g. SLRP programs are required to follow the same breach penalty as NHSC), but as the state also contributes money, they may be more flexible in certain aspects (HPSA score needed to apply, etc.).

You can see which states participate in the SLRP here: <http://nhsc.hrsa.gov/loanrepayment/stateloanrepaymentprogram/contacts.html>

Learn More

<https://nhsc.hrsa.gov/loan-repayment/state-loan-repayment-program/application-requirements.html>

Other Programs

There may be other options to consider in the state you want to work, such as employer sponsored loan repayment or awards from private foundations.

Independent State Programs

Many states have, through their own legislative processes, created financial incentive programs for health professionals. These programs will vary from state to state, searching online or connecting with your PCO are good ways to identify independent state programs.

Public Service Loan Forgiveness

<https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service>

Community-Based or Hospital/Health System-Based Programs

Some communities and even hospitals or health systems sponsor their own programs. Inquire with an employer during an interview or negotiation phase to learn more about these opportunities.



More Helpful Loan Repayment Resources

Rural Assistance Center

<https://www.ruralhealthinfo.org/funding/types>

Primary Care Office

<https://bhw.hrsa.gov/shortage-designation/hpsa/primary-care-offices>

3RNET Network Coordinators

<https://www.3rnet.org/members/organizational-members>

University Financial Aid Office

State Office of Rural Health

<http://nosorh.org/nosorh-members/nosorh-members-browse-by-state/>

If you know you're interested in a specific program (ex: NHSC) contact the specific program

Additional Resources for Physicians

Association of American Medical Colleges (AAMC)

Student loan repayment:

<https://students-residents.aamc.org/advocacy/article/student-debt/>

Association of American Medical Colleges (AAMC) Loan repayment/forgiveness and scholarship programs:

https://services.aamc.org/fed_loan_pub/index.cfm?fuseaction=public.welcome

American Academy of Family Physicians (AAFP)

<https://www.aafp.org/students-residents/medical-students/begin-your-medical-education/debt-management/funding-options/forgiveness.html>

Loan Repayment Assessment: What Questions Should I Ask About a Program?

When exploring a potential loan repayment or scholarship program, it's important to assess your risk!

These questions can help you start.

Eligibility requirements

Is your discipline/profession included?

Service commitment

How long are you obligated to the program for?

HPSA score

Is it required you work in a HPSA to apply for loan repayment?

If so, how high of a HPSA score has been needed for approval in the past?

Repayment obligations

What are the penalties if you back out of the service you've committed to?

Financial benefits

What amount of money (or other financial incentive) will you receive?

Application requirements

Are there certain requirements you must meet to apply?

If so, what are they?

Tax liability

Some financial incentives can be subject to income tax! Be certain you are aware of any pertinent tax laws.

NHSC programs are exempt from both state and federal income tax.

Remember that even if you are going to work in a state with no income tax, there may be federal income tax to consider if a program is not exempt.

When in doubt, check with your accountant.

Reporting requirements

Do you (or your employer) have to report any data back to your funder during the time you're participating in the program?

What do you have to report?

When do you have to report it?



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The Nation's Most Trusted Resource for Health Professionals
Seeking Careers in Rural and Underserved Communities.