



Alternatives to Paying Back Student Loans

As you continue your journey through medical school, it is not uncommon for students to worry about their growing student loan burden. It is important that you realize that several opportunities are available to minimize your student loan debt or assist you in repaying those loans. **You do not need to be entering primary care or working in a rural area in order to qualify for some of these opportunities—each program has different requirements.**

Some of these programs will come in the form of scholarships and others will come in the form of loan repayment funds. The funds for these programs are usually offered in exchange for a specified number of years of service.

The purpose of this short packet is to introduce you to several of these programs early in your medical school career. You might want to utilize one of these programs to ease your student loan debt burden. This is not intended to be an all-inclusive list of loan repayment programs. The descriptions are very brief so that you can learn about them without having to read for hours. However, if any of these programs interest you, we encourage you to take the time to investigate them further.

Military Scholarships

Most branches of the Armed Forces -- Air Force, Army and Navy -- offer this program. They provide full tuition and all authorized fees payments, as well as reimbursement for all required books and instruments, and required health insurance.

In addition, students receive more than \$2,200 per month stipend (before taxes) throughout the time they are in medical school (this includes the summer months and those months in which you are not in school) and more than \$3,400 for the 45 days of the required active duty (clerkship) time you would serve during the summer months. Since many students attend school the entire year, the active duty (clerkship) status is often spent at the individual's school of medicine rather than at the branch of service involved.

In return, students agree to practice medicine in the particular branch of the military based on the length of time they receive support in medical school. Some of the services also are funding a \$20,000 sign-on bonus that requires no additional active-duty service time.

ARMY

SFC Matthew Patterson
U.S. Army Healthcare Recruiting Team
2900 100th St., Ste. 105
Urbandale, IA. 50322
Office: (515) 253-9637
Cell: (515) 619-2713
Fax: (515) 253-9644
matthew.r.patterson1.mil@mail.mil

NAVY

HM1 Chad Husman
Talent Acquisition Specialist
Cell: (319) 481-7017
Fax: (319) 341-8434
chad.husman1@navy.mil
Talent Acquisition Site, Coralville
929 25th Avenue Suite 2
Coralville, IA 52241

AIR FORCE

USAF Health Professions Recruiter
348th Recruiting Squadron
Technical Sergeant Allan Ray
1751 W Diehl Rod Suite 310
Naperville, IL 60563
Office: (630) 687-1995

NATIONAL GUARD

7105 NW 70th Ave
Johnston, IA 50131
Fax: (515) 252-4504
www.1-800-GO-GUARD.com
1-800-GO-GUARD
Major Jill A. Finken, Iowa ARNG
Special Branch Officer Recruiting
jill.a.finken.mil@mail.mil
office (515) 252-4307

In the National Guard, you can receive full-time benefits simply by serving the state and country one weekend a month and two weeks a year. In addition, during medical school and your residency program, you are eligible to receive a monthly stipend of \$2,200. If you are pursuing a career in an eligible area of concentration, you can also receive up to \$240,000 in loan repayment assistance. Finally, you may further be eligible for the Healthcare Special Pay Bonus which can be up to \$25,000. All of these incentives are in addition to your military pay and benefits.

National Health Service Corps Scholarship (NCSC)

The NHSC awards scholarships to primary care providers in eligible disciplines in order to help strengthen and grow the primary care workforce. Students that are pursuing a career in primary health care are eligible to receive funding for their education in exchange for practicing in rural, urban, and frontier communities with limited access to care upon graduation and licensure. Eligible disciplines are: Primary Care Physicians and Primary Care Physician Assistants. Other health disciplines are also eligible but are not included in this description. Recipients of this scholarship receive funding for their tuition, required fees, and a monthly stipend for a maximum of four years. The monthly stipend is considered taxable income and scholars must be a US Citizen or a US national. NHSC scholars must practice at an NHSC-approved site in a Health Professional Shortage Area (HPSA), with a minimum score that is determined annually. You can find more information: <https://nhsc.hrsa.gov/scholarships/overview.html>

Program Description	Students pursuing a career in primary health care are eligible to receive funding for their education in exchange for practicing in rural, urban, and frontier communities with limited access to care, upon graduation and licensure.
Eligible Disciplines	Enrolled or accepted in the following primary health care disciplines in an eligible degree program in a U.S. state or territory: <ul style="list-style-type: none"> • Primary Care Physician (MD or DO) • Dentist (DDS or DMD) • Family Nurse Practitioner (NP) • Certified Nurse-Midwife (CNM) • Primary Care Physician Assistant (PA)
Service Commitment	1-year service commitment per scholarship year or partial scholarship year; 2-year minimum and 4-year maximum.
Financial Benefits	Funding for a maximum of 4 years: <ul style="list-style-type: none"> • Tuition • Required fees • Reasonable educational costs • Monthly support stipend
Tax Liability	Only stipend is taxable.
Where Members Serve	NHSC Scholars must practice at an NHSC-approved site in a Health Professional Shortage Area (HPSA) with a minimum score that is determined annually. Funding for a maximum of 4 years: <ul style="list-style-type: none"> • NHSC sites are located in 50 states, DC, and territories and may be a: <ul style="list-style-type: none"> o Federally Qualified Health Center (FQHC) o FQHC Look-alike o Rural Health Clinic o Hospital-affiliated Primary Care Outpatient Clinic o Indian Health Service, Tribal Clinic, and Urban Health Service Corps Indian Health Clinic (ITU); IHS and Tribal Hospitals o State or Federal Correctional Facility—Private Practice (Solo/Group) o Other Health Facilities <ul style="list-style-type: none"> • Community Mental Health Facility • Community Outpatient Facility • Critical Access Hospital • Free Clinic • Immigration and Customs Enforcement (ICE) • Health Service Corps • Mobile Unit • School-based Health Program • State and County Department of Health Clinic

Public Service Loan Forgiveness (PSLF)

Public Service Loan Forgiveness is a federal program that provides tax-free forgiveness for the remaining balance (principal and interest) of Direct Loans after the borrower makes 120 qualifying monthly payments while working for a qualifying public service organization. The amount that is forgiven is not taxable income. **You do NOT have to be going into Primary Care or work in a rural location to participate in this program.**

Qualifying Work

Borrowers must be employed full-time (at least 30 hours per week) in a qualifying public service position

- During the period in which they made 120 monthly payments
- At the time of the application for loan forgiveness
- At the time that remaining principal and interest are forgiven

Qualifying Employers:

- 501c3 organizations
- Non-profit organizations
- Government organizations

About 95% of teaching hospitals qualify for PSLF

Eligible Loans

Loans MUST be Federal Direct Loans

Direct Subsidized and Unsubsidized Loans

Direct PLUS Loans

Direct Consolidation Loans)

Loans that could count towards PSLF if the loans were consolidated:

Federal Perkins Loans

Federal Family Education Loans (FFEL)

Eligible Payment Plans

Pay As You Earn (PAYE)

Revised Pay As You Earn (REPAYE)

Income Based Repayment (IBR)

Income Contingent Repayment (ICR)

Why Is "No One" Qualifying for PSLF?

The majority of application denials could have been avoided. Between October 2017 and November 2020, the most prevalent reasons borrowers did not qualify for PSLF were:

Not enough qualifying payments **59%**

Incomplete application **26%**

No eligible loans **11%**

Rural Iowa Primary Care Loan Repayment Program

The Rural Iowa Primary Care Loan Repayment Program is a state-supported and administered loan repayment program developed to address critical doctor shortages in rural Iowa communities. It provides up to \$200,000 in loan repayment incentives for medical students who agree to practice as physicians in rural commitment areas for 5 years. (You will receive more information about this program in the spring of your M4 year)

Eligibility Requirements

A student is eligible to apply to enter into a program agreement if he or she:

- Attends the Des Moines University College of Osteopathic Medicine or the University of Iowa Carver College of Medicine.
- Is enrolled full-time in a program leading to a doctor of medicine degree or a doctor of osteopathy degree.
- Receives a recommendation from his or her college contact.
- A limited number of applicants will be recommended to complete the agreement. Program Agreements A student who meets the above eligibility requirements must sign an agreement in the final year of his or her program of study agreeing to fulfill the following requirements.
- Matriculate in and graduate from Des Moines University College of Osteopathic Medicine or the University of Iowa Carver College of Medicine;
- Complete an Iowa-based residency program at an accredited medical residency location
- Become licensed and employed in the practice of medicine and surgery or osteopathic medicine and surgery, specializing in family medicine, pediatrics, psychiatry, internal medicine or general surgery within nine months of completing residency.
- Work for a minimum of 5 consecutive years in an eligible service commitment area following completion of residency.

An eligible service commitment area is:

- An Iowa city with a population less than 26,000 located more than 20 miles from a city with a population of at least 50,000
- Service commitment areas must provide a \$20,000 matching contribution to a trust fund held by the state of Iowa that will fund future recipient awards.

Upon receipt of an Iowa license and secured employment, loan repayment awards will be paid directly to the student loan lender. Up to \$40,000 can be paid annually to eligible student loan balances for up to five years. Federal loans eligible for repayment include all Subsidized Stafford, Unsubsidized Stafford, Graduate PLUS and Perkins Loans. Priority will be given to eligible students who are residents of Iowa. If an applicant signs an agreement but fails to meet the program criteria prior to receiving a loan repayment award, the applicant has no further employment requirement under the agreement.

Other State/Federal Loan Repayment Programs

Iowa isn't the only state that has a shortage of physicians in rural areas. Every state is experiencing those same shortages, so almost every state offers financial incentives for physicians that are interested in serving in these areas. The AAMC keeps a list of these programs. This list is available at:

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

Other Federal Scholarship Programs

Department of Veterans Affairs Health Professionals Scholarship Program

The VA is offering multiple scholarships to US citizens that are enrolled/accepted into a medical school that is located in the United States. Eligible full-time medical students can receive 4 years of tuition/fees, stipend, and an annual education expense payment. These benefits are exempt from taxation. In exchange for this scholarship, the service obligation is 18 months of service for each year of support received. For a list of benefits and eligibility requirements, please go to <https://www.vacareers.va.gov/Benefits/EducationSupport/#scholarships>. Applications are accepted from March-June.

Indian Health Service Health Professions Scholarship

The Indian Health Service (IHS) Scholarship Program provides qualified American Indian and Alaska Native health professions students an opportunity to establish an educational foundation for each stage of your pre-professional careers. The Indian Health Service Health Professions Scholarship provides financial support to medical students in exchange for a minimum two-year service commitment within an Indian health care program in your chosen health professional discipline. This scholarship will cover tuition, required fees, and also provides a monthly stipend of no less than \$1,500 per month (minus taxes) for the months that you are working on your program curriculum. They will also provide a lump sum for other related costs such as books, travel, and other pre-approved expenses each August. The program does not cover medical equipment, laptop computers, licensure exams or health insurance. The annual application deadlines are typically due in March. Further information can be found at: <https://www.ihs.gov/scholarship/scholarships/>