



College of Medicine

Health Professions Loans

Primary Care Loan Program

To be considered for the Primary Care Loan, the student needs to file the Application for Health Professions Loans to indicate willingness to make the primary care commitment and to document the parental information or if the student qualifies for the exemption.

Parental Information Exemption:

Effective on Primary Care Loans made after March 23, 2010, an eligible student seeking an MD degree must demonstrate financial need by filing the FAFSA. If the student is at least 24 years of age and has not been listed as a dependent on his/her parents income tax forms for at least the last three years, parental information is not required. The student must provide documentation of independent status if requested.

Primary Care Commitment

The Primary Care Loan, if accepted, requires the student to agree to (a) enter and complete a residency training program in primary care not later than 4 years after the date on which the Borrower graduates from the Institution (b) practice in primary health care in a State (as defined in 42 USC 295) for 10 years (including the years spent in residency training) or through the date on which the loan is repaid in full, whichever occurs first, and certify to the Institution on an annual basis until the loan is repaid in full that he/she is practicing in primary health care and (c) not enter any subspecialty training (i.e. non-primary care residency, fellowships, etc. that could lead to board certification in a subspecialty) from the time of graduation until the loan is repaid in full.

Primary Health Care is defined as family medicine, general internal medicine, general pediatrics, or preventive medicine, or osteopathic general practice. **Residency Training Program in Primary Health Care is defined** as a 3-year residency program in allopathic or osteopathic family medicine, internal medicine, pediatrics, combined medicine/pediatrics, or preventive medicine approved by the Accreditation Council on Graduate Medical Education (ACGME) or the American Osteopathic Association (AOA) or a general practice residency program approved by the AOA. This may include participation in a rotating or primary health care internship approved by the AOA.

NOTE: Primary Care Loans made on or after March 23, 2010 now includes the years spent in the primary care residency program in the 10 year primary care service period. This provision was not in previous Primary Care Loan promissory notes.

Primary Care: Acceptable Specialties

Clinical Preventive Medicine
 Occupational Medicine
 Public Health
 Public Policy Fellowship
 Senior Residencies in one of the above
 Faculty administrators / policy makers certified
 in one of the primary health care disciplines
 Geriatrics
 Adolescent Medicine
 Adolescent Pediatrics
 Sports Medicine

Non-Primary Care: Unacceptable Specialties

Cardiology
 Gastroenterology
 Obstetrics/Gynecology
 Surgery
 Dermatology
 Radiology
 Rehabilitation Medicine
 Psychiatry
 Emergency Medicine

Non-compliance: If the student accepts primary care funding and fails to complete the primary health care residency and practice, the loan will be recomputed at an interest rate of 2 percent per year greater than the rate at which the student would pay if compliant. For instance, the compliant rate is currently 5 percent per year, so the service default rate would be at 7 percent per year beginning on the date of noncompliance, and ending when the loan is paid in full. The non-compliant borrower is not eligible for the deferment provisions outlined in the promissory note. Primary Care Loans made previous to March 23, 2010 carried an 18% non-compliance interest rate and no change has been made for loans made under previously-signed promissory notes.

It would not be advisable to make a commitment to primary care on this federal loan and have a record of non-compliance when being considered for advancement in your profession, so consider the obligation carefully.

Pre-payment: The Borrower may, at his or her option and without penalty, prepay all or any part of the principal and accrued interest at any time.

If offered an award, review the promissory note carefully before accepting the funds.

Primary Care Loan (PCL)

Maximum loan:	Varies: Up to the cost of attendance
Loan fees:	None
Interest accruing during school:	None
Grace Period:	12 months
Repayment Period:	10 – 25 years at the discretion of the Institution
Deferments include:	Advanced professional training in primary care, including internship and residencies.
	Interest accruing during approved deferment: 0%
Interest during repayment:	5%

Loan Program Without a Primary Care Commitment

Loan for Disadvantaged Students

Amount of loan varies. Loan terms (see PCL above) are similar to the **Primary Care Loan (PCL)** but **without** the primary care commitment.

Loans for Disadvantaged Students is a federal loan program for exceptionally financially needy students who meet the federal definition of “disadvantaged.” Federal law requires that parental information be submitted, although as a graduate/professional student, the medical student is an independent student for some other federal aid programs. The student is the borrower for the Loans for Disadvantaged Students and parental information is only to determine eligibility. Information provided is based on federal laws in effect at the time this is written and is subject to change.

Definition of Disadvantaged Student

Department of Health and Human Services:

An individual from a disadvantaged background is defined as someone who:

- 1) (Part I – educational/environmental) comes from an environment that has inhibited the individual from obtaining the knowledge, skills, and abilities required to enroll in and graduate from a health professions school, or from a program providing education or training in an allied health profession;

OR

- 2) (Part II-economic) comes from a family with an annual income below a level based on low-income thresholds according to family size published by the U.S. Bureau of the Census, adjusted annually for changes in the Consumer Price Index, and adjusted by the Secretary of Health and Human Services for use in health professions and nursing programs.

FINANCIAL NEED

The student must be in need of financial assistance in order to pursue the full-time course of study at the health professions school in which he or she is enrolled or accepted for enrollment. In determining financial need, the school must take into consideration the:

- financial resources available to the student; and
- costs reasonably necessary for the student's attendance at the school.

[Section 722 of the Public Health Service Act; 42 CFR Part 57.206]

GENERAL REQUIREMENTS

All schools participating in the LDS program must:

- use the expected family contribution calculated from the need analysis formulas legislated under the Higher Education Act of 1965, as amended;
- collect and assess parents' financial information even if the student is considered independent according to the definitions under Title IV of the Higher Education Act; and
- consider estimated resources and other financial aid before awarding LDS.

[42 CFR Part 57.206]
