

Loan Repayment Programs Tied to Service Commitment

You may be eligible for the following programs after graduation to help repay your educational loans. Pay special attention to the Considerations section following this listing, as there are a number of factors to consider with any service commitment program. Please refer to a program's website or contact them by phone for additional information on requirements.

Armed Forces Health Professions Scholarship Program provides scholarships for dental students that cover tuition and fees, equipment, and a stipend in exchange for a three-year minimum commitment. Students must meet eligibility requirements and be enrolled at a dental school accredited by the Commission on Dental Accreditation. See www.goarmy.com/amedd/education/hpsp, www.navy.com/healthcareopportunities, or www.airforce.com/opportunities/healthcare for details.

Faculty Loan Repayment Program offers up to \$40,000 toward repayment of student loans for individuals from disadvantaged backgrounds who serve as faculty of an accredited health professions college or university for two years. Visit www.hrsa.gov/loanscholarships/repayment/faculty or call 800-221-9393 for more information.

Federal Student Loan Repayment Program is offered by individual federal agencies to help recruit and retain highly trained individuals for a three-year employment commitment. Awards offer \$10,000 per year payment on eligible loans, not to exceed \$60,000 for any one employee. Visit www.opm.gov/oca/pay/studentloan for more information.

Indian Health Service Loan Repayment Program offers up to \$20,000 toward repayment of eligible student loans per year of service with a two-year minimum commitment. This program is designed to help meet the staffing needs of Indian health programs. Visit www.loanrepayment.ihs.gov or call 301-443-3396 for more information.

National Health Service Corps Loan Repayment Program offers a minimum of \$50,000 toward repayment of a student's loans in exchange for a minimum two-year service commitment in a Health Professional Shortage Area (HPSA). A total of \$145,000 is available for five years of service, with additional amounts available for additional years of service. Visit www.nhsc.hrsa.gov/loanrepayment or 800-221-9393 for more information.

Student Loan Repayment Grant Program

The CDA Foundation's Student Loan Repayment Grant Program significantly reduces the amount of debt load for graduating dental students in exchange for service in an underserved community dental clinic. Students completing a dental school education graduate with an average of \$250,000 in accumulated student loans. Dentists graduating with such enormous financial burdens are economically discouraged from working in underserved areas because loan reimbursement requirements begin shortly after graduation. This financial obligation erodes the recent dentist's ability to choose where to apply his or her skills other than in a practice that provides sufficient income to fulfill the loan obligation. Through the CDA Foundation's Student Loan Repayment Grant Program, these new dentists are not only increasing access to much needed oral care within their community, but building relationships with and changing the lives of their grateful patients.

California State Loan Repayment Program (SLRP)

The SLRP was congressionally authorized in 1987 under the U.S. Public Health Services Act, 42 U.S.C. 254q1.

- SLRP increases the number of primary care physicians, dentists, dental hygienists, physician assistants, nurse practitioners, certified nurse midwives, and mental health providers practicing in defined [Health Professional Shortage Areas \(HPSAs\)](#).
- SLRP authorizes repayment of educational loans to health professionals, who in turn must commit to practice in medically underserved areas in public or non-profit entities for a minimum of two years and maximum of four years.

Federal Scholarships During and After Dental School

Did you know there are additional federally funded scholarships available for pre doctoral and postdoctoral students with interests in research?

- The National Institute of Dental and Craniofacial Research (NIDCR) offers numerous programs for dental students who have an interest in dental research. www.nidcr.nih.gov/CareersandTraining
- The Howard Hughes Medical Institute Research Scholars Program is a joint program with the National Institutes of Health (NIH). The program provides the opportunity for students to work in an NIH laboratory as part of the research team. www.hhmi.org/science/cloister
- The NIH/Fogarty International Clinical Research Scholars and Fellows Program provides the opportunity for individuals to experience mentored research training at NIH-funded research centers in developing countries. For more information, contact the Fogarty International Center at 301-496-1653.
- Research opportunities for graduate students through the Graduate Partnerships Program. <http://gpp.nih.gov>
- Other opportunities through the National Institutes of Health (NIH) during or after dental school. www.grants.nih.gov/grants/guide

National Institutes of Health Loan Repayment Program awards up to \$35,000 toward repayment of eligible student loans per year of research with a minimum of a two-year commitment. Visit www.lrp.nih.gov or call 866-849-4047 for more information.

Considerations with Loan Repayment Programs

If any of the above loan repayment programs interest you, there are a few things you will want to consider as you proceed: Tax implications – Any money that you receive from a loan repayment program is considered taxable income. Lump-sum loan repayments can be helpful because they generally lower the amount of interest you pay over the life of your loan, but they can also result in a higher tax burden. Gradual loan repayments may lessen your tax burden, but you may end up paying more in interest costs. If given the choice between lump-sum and gradual loan repayments, take a close look at your personal financial situation to decide what's best for you. Some programs will also cover the cost of your taxes, so make sure to ask about this before you make a commitment. Application dates – Some programs require that you sign up before you finish school. It's a good idea to consider these programs early. Service contracts – Loan repayment in the majority of these programs is contingent on a specified length of service outlined by your service contract. Breach of the contract is serious business and can result in heavy financial penalties (not to mention loss of repayment funds)! Make sure you do not have future commitments that could adversely impact your completing the required term of service. Eligibility requirements – It sounds simple, but make sure you are eligible for the loan repayment programs to which you are applying. For example, eligibility may include the requirement that you come from a disadvantaged background (as certified by your educational institution). Be sure you are eligible before you spend time applying, as you may miss out on other opportunities. False assumptions – Some students may be turned off by loan repayment programs because they're afraid they will lose control over where they will live and work in the few years after graduation. While possibly true in some situations, this is not always the case, and you should not let assumptions about a program prevent you from participating. Do your homework up front and find out what each program will require of you. Future goals – Do you want to eventually buy a house or help a sibling pay for his or her education? What about opening your own practice or entering academia? Perhaps you want to be a leader in community service? The better you manage your educational debts, the easier it may be to focus on these and other goals. Loan repayment programs may be a great way to help you accomplish this.

Public Service Loan Forgiveness

This relatively new program provides eligible borrowers the chance to have a portion of their student loan portfolio forgiven after 10 years, assuming there is a balance remaining and the borrower meets certain conditions. The requirements are:

- Only Stafford, Graduate PLUS, and consolidated loans borrowed through the Direct Loan Program are eligible for forgiveness
- Borrowers must make 120 eligible payments that result in an outstanding balance after 10 years
- Borrowers must work in a position considered as public service by the federal government while making the 120 required eligible payments

