

Medical Student Loans: Forgive and Forget!

You are at the point in your medical school career where the end is in sight! Unfortunately, you are now faced with the reality of having to pay back those dreaded medical school loans that somehow have accrued throughout the years. According to the Association of American Medical Colleges, in 2005, the average debt for U.S. medical school graduates was \$120,280. Owing this much can definitely be overwhelming, but the good news is that there are options available to lighten some of this debt burden.

Medical student loan forgiveness programs, also known as medical student loan repayment programs are an opportunity to gain medical experience while being relieved of some of your medical school loan debt! These programs are provided by the federal government, state government, military and other various organizations and agencies throughout the country. They offer part or full reimbursement on medical school loans in exchange for a commitment from new physicians to practice in a field or area pre-determined by the organization. These forgiveness and repayment programs are very similar to scholarship programs. Each organization's criteria, the amount that they offer to pay and the length of time they expect you to commit differs depending on the organization. Here are just a few available medical student loan forgiveness and repayment programs that are offered:

The U.S. Department of Health and Human Services offers medical student loan forgiveness programs through the National Health Service Corps (NHSC). These programs are available to physicians who agree to practice for a certain number of years in areas that lack adequate medical care, including remote and/or economically depressed regions. They also help to fund other organizations' forgiveness and repayment programs. To qualify for the NHSC Federal Loan Repayment Program, you must be a fully trained allopathic or osteopathic physician specializing in family medicine, general pediatrics, general internal medicine, general psychiatry, or obstetrics/gynecology.

The National Institute of Health offers to pay up to \$35,000 in medical school debt in exchange for a two year commitment to medical research. They will also contribute an additional 39% of the repayments to cover your Federal Taxes, and may reimburse state taxes that result from these payments. Some of the loan repayment programs that the NIH offers are: clinical research, pediatric research, health disparities research, AIDS research, and contraceptive and infertility research. Also, there is a program for clinical researchers from disadvantaged backgrounds.

The American Board of Family Practice – Nicholas J. Pisacano, M.D. Memorial Foundation, Inc. offers up to \$50,000 over a five year period for third and fourth year medical students committed to family practice. The recipients are not obligated to a specific length of service. A portion of the amounts are paid during medical school and the remainder, during residency.

The Army Reserve offers the Health Professionals Loan Repayment Program (HPLR) and the Specialized Training Assistance Program (STRAP). Both are funded through federal funds and the NHSC. The HPLR Program targets physicians and osteopathic practitioners. These practitioners must agree to serve in the Army Reserve Medical Unit one weekend a month and two weeks a year. For those who have never served in a military capacity, the total time obligation is eight years. If you qualify to participate in the HPLR Program, the Army Reserve will pay up to \$50,000. STRAP is aimed at those in medical residency who have graduated from an accredited U.S. school of medicine or osteopathy. Upon completing residency, the commitment expected is 2 years in the Army Reserve. This program provides recipients a stipend of over \$1,130 a month during the time the recipient is in residency.

The Indian Health Service (IHS) is a federal health program for American Indians and Alaskan Natives. To be eligible for their Loan Replacement Program Award, one must be a full-time Commissioned Corps, Civil Service or Direct Tribal Hire employee working for IHS, Tribal or Urban health programs. Recipients must commit to working 2 years in that facility or in an approved Indian health facility. The Loan Replacement Program Award will pay up to \$24,000 of the recipients' educational loans, including a portion for taxes, each year.

Each state runs their own loan repayment program through the Health Resources and Services Administration's Bureau of Health Professions. The programs are partially funded through the NHSC, and the federal, state, and local governments. This program is for primary health care professionals who will commit to serving full-time in a public or non-profit facility located in a federally selected Health Professionals Shortage Area. Benefits and requirements for eligibility vary for each state, so contact your individual state to learn about the terms of its program.

The preceding list of programs is not extensive. Check with your medical school advisor or financial aid advisor to explore other programs that might be available to you. For more information on the programs described in this article, visit these websites:

The National Health Service Corps – http://nhsc.bhpr.hrsa.gov/join_us/clinicians.asp

The National Institute of Health – <http://www.lrp.nih.gov/>

Association of American Medical Colleges – <http://www.aamc.org/students/financing/repayment/>

The Indian Health Services – <http://www.ihs.gov>