

Health Care Professional Loan Repayment Program Fact Sheet



The Health Care Professional Loan Repayment Program (HPRP) was established to increase the number of osteopathic doctors, physicians assistants, podiatrists and physical therapists practicing in high-need communities in Iowa. The program provides loan repayment benefits to individuals that practice in specified locations for up to four years. The maximum award for this program is \$50,000, which is paid in four increments toward outstanding Federal Stafford Loan and Grad PLUS Loan balances at the end of each 12 month employment period.

1. Are the loan repayment benefits taxable?

There is no exemption from state taxation provided in Iowa Code Section 261.19. Ultimately, a tax advisor should be consulted.

2. How do I know if the rural community I will be working in qualifies?

Eligible rural communities must be designated as a Health Professional Shortage Area (HPSA) or listed on the Governor's Designated Health Clinic County list. Preference is given to Iowa residents and communities with populations below 10,000 residents.

3. When can I apply for this program?

The application is available January - March 31. An individual can apply if an eligible rural community has agreed to the matching requirement by the application deadline. If not, the individual can apply the following year. For information about the application process, please contact the Des Moines University Financial Aid Office at 515-271-1470.

4. What happens if the community I am/will be working in has not agreed to the match by the application deadline, but agrees to provide community matching funds later?

The eligible rural community must certify agreement to provide matching funds at the time of application. If the eligible rural community cannot provide the certification within the application timeframe, the individual can apply during the next application cycle (if the eligible rural community can provide the certification at that time).

5. What if my employer is located in an eligible rural community but has clinics in communities that are not?

If full-time work is completed in an eligible rural community, the individual could qualify for full loan repayment benefits (for up to 4 years). If only part of the work is performed in an eligible community, a prorated amount of the maximum annual award could be earned.

6. My outstanding eligible student loan debt is \$40,000, but the maximum award is \$50,000. What will my award be if I receive HPRP funds?

Since the HPRP funds must repay student loans, the total amount of the award and match cannot exceed the outstanding balance of student loans. In this situation, the individual could only receive \$40,000 in combined loan repayment funds; \$20,000 from the state of Iowa and \$20,000 from the eligible rural community.

7. Can I receive HPRP funds if I already had Rural Medicine Educational Pathway (RMEP)?

Yes, the HPRP can be used to repay Federal Stafford, Grad PLUS and amounts of Stafford and Grad Plus loans that were included in a consolidation loan.

8. What if I am part-time at two different clinics, both of which are located in eligible rural communities?

If the number of hours worked in both eligible rural communities adds up to 40 hours per week or more, the individual could qualify for full loan repayment benefits (for up to 4 years).

9. Can payment to my lender be sent at the beginning of the year instead of the end of each year?

No, payment can only be made after Iowa College Aid verifies that the recipient worked for 12 consecutive months in an eligible rural community.

10. Does the community match get paid to Iowa College Aid?

No, the community match is not processed nor paid through Iowa College Aid. Although, Iowa College Aid does require verification from the eligible rural community that the required matching funds will be provided.

11. When does the eligible rural community pay the matching funds to my loans?

In most instances, this will be defined through an agreement between you and your employer. Ultimately, for each dollar paid by Iowa College Aid toward your eligible student loans, \$1 must be paid in community match.

12. What is full-time employment equivalent to in hours worked per week?

40 hours per week.



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