

Health Care Professional Loan Repayment Program FACT SHEET

1. Are the HPRP payments taxed?

- There is nothing in the law providing an exemption from state taxation for these benefits. Ultimately, a tax advisor should be consulted.

2. How do I know if my community qualifies?

- Eligible rural communities must be on the HPSA or Governor's Designated Health Clinic County list. After that, preference is given to Iowa residents and communities under 10,000.

3. When can I apply?

- You can apply during the application cycle which runs from January to March 31st. Applications can be found on the DMU website. You can apply if you have a community that has agreed to match by the application deadline. If not, apply next year.

4. What happens if I do not have a match by the application deadline, but I find a match later?

- Apply during the next application cycle.

5. What if my employer is in one county and has clinics in other counties?

- It depends on where the work will be performed. If all work is performed in an eligible community, the individual would qualify for full annual benefit (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 would be earned.

6. Can I do HPRP if I already had 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.

7. What if I am part time at two different clinics for one employer?

- It depends on where the work will be performed. If all work is performed in an eligible community, the individual would qualify for full annual benefit (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 would be earned.

8. Can payments 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 the Commission verifies that the recipient worked for 12 consecutive months in an eligible rural community.

9. Does the community match get paid to the Commission?

- No, the community match is not processed or paid through the Commission. Although, the Commission does require verification that the match is in place.

10. What is the timing of the community match payment?

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

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

- 40 hours per week.

12. What if I only have \$40,000 in loan debt?

- You can only receive \$40,000 in combined loan repayment, \$20,000 from your community/employer and \$20,000 from the State of Iowa. You cannot receive loan repayment in excess of your federal student loan debt.