

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 who practice for up to four years in communities identified as having critical shortages of health professionals. 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?

Iowa Code Section 261.19 does not provide an exemption from state taxation. The repayment amount generally represents taxable income for income tax purposes in the year it is received. 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 Health Professional Shortage Areas (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 each year from January - March 31. You can apply if an eligible rural community has agreed to the matching requirement by the application deadline. If not, you 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 provide certification at the time of application that it will provide matching funds. If the eligible rural community cannot provide the certification within the application timeframe, the you 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 you work full time in an eligible rural community, the you may qualify for full loan repayment benefits (for up to 4 years) even if your employer has other locations. If only part of your 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 your outstanding student loan balance. In this situation, you may 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, you 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 you were employed 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 neither processed nor paid through Iowa College Aid. However, 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 Iowa College Aid pays toward your eligible student loans, one dollar must also be paid in community match.

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

Defined by service commitment area.



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