



FACULTY LOAN REPAYMENT PROGRAM

Fiscal Year 2012

Application & Program Guidance

May 2012

U.S. Department of Health and Human Services
Health Resources and Services Administration
Bureau of Clinician Recruitment and Service
5600 Fishers Lane
Rockville, Maryland 20857

Questions? Please call 1-800-221-9393 (TTY: 1-877-897-9910) or email GetHelp@hrsa.gov Monday through Friday (except Federal holidays) 8:00 am to 8:00 pm ET.

Authority: Section 738(a) of the Public Health Service Act (42 USC 293b(a)), as amended. Future changes in the governing statute and Program Guidance may also be applicable to Faculty Loan Repayment Program participants.

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PRIVACY ACT NOTIFICATION STATEMENT

General

This information is provided pursuant to the Privacy Act of 1974 (Public Law 93-579), as amended, for individuals supplying information for inclusion in a system of records.

Statutory Authority

Section 738(a) of the Public Health Service Act (42 United States Code, Section 293b(a)), as amended.

Purpose and Uses

The purpose of the Faculty Loan Repayment Program (FLRP) is to increase the recruitment and retention of faculty members from disadvantaged backgrounds with an eligible health professions degree or certificate to serve at an eligible academic institution. FLRP provides financial assistance and thereby decreases the economic barriers associated with pursuing such careers. The information applicants provide will be used to evaluate their eligibility for participating in FLRP. In addition, information from other sources will be considered (e.g., credit bureau reports).

A participant's contract, application, required supplemental forms, supporting documentation, correspondence, and related data are maintained in a system of records to be used within the U.S. Department of Health and Human Services to monitor FLRP-related activities. The information may also be disclosed outside the Department, as permitted by the Privacy Act and Freedom of Information Act, to the Congress, the National Archives, the Government Accountability Office, and pursuant to court order and various routine uses (see <http://www.hrsa.gov/privacyact/sorn/09150037.htm>).

Effects of Non-Disclosure

Disclosure of the information sought is voluntary; however, if not submitted, except for the replies to questions related to Race/Ethnicity (Part II of the online application for the FLRP), an application will be considered incomplete and therefore will not be considered for an award under this announcement.

Paperwork Reduction Act Public Burden Statement

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current OMB control number. The current OMB control number for information collected through this application process is 0915-0150. The public reporting burden for this collection is estimated to average 6 hours per response, including the time for reviewing instructions, researching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to HRSA Reports Clearance Office, 5600 Fishers Lane, Room 10-33, Rockville, Maryland 20857.

Discrimination Prohibited

In accordance with applicable Federal laws, the U.S. Department of Health and Human Services is prohibited from discrimination on the basis of race, color, national origin, religion, sex, age, or disability.

PROGRAM OVERVIEW

INTRODUCTION

What is the Faculty Loan Repayment Program (FLRP)?

The Faculty Loan Repayment Program provides individuals who have a keen interest in teaching with loan repayments to serve as a faculty member in an accredited and eligible health professions school. FLRP participants contribute to the Health Resources and Services Administration's, Bureau of Clinician Recruitment and Service's goal of increasing the recruitment and retention of health professions faculty. Supporting careers for health professions educators is vital for preparing the next generation of health care professionals, and the FLRP encourages participants to promote careers in their respective health care fields.

FLRP applicants must be from a disadvantaged background, have an eligible health professions degree or certificate, and have an employment commitment to be a faculty member at an approved health professions institution for a minimum of two (2) years (see "Eligibility Requirements, Funding Preferences and Application Process" section).

FLRP is administered by the Bureau of Clinician Recruitment and Service (BCRS) of the Health Resources and Services Administration (HRSA). HRSA is an agency of the U.S. Department of Health and Human Services (DHHS).

What are the benefits of the FLRP?

- (1) **Mentoring the future healthcare workforce.** By joining the past and current FLRP participants across the country, you have the opportunity to educate and train the next generation of health professionals.
- (2) **Loan Repayment.** FLRP will provide funds to program participants to repay qualifying educational loans. FLRP will award a lump sum, up to a maximum of \$40,000, for a two-year service obligation. All loan repayments paid to the participant must be used to repay qualifying educational loans and are subject to periodic verification.
- (3) **Tax Assistance Payment.** FLRP payments are subject to Federal income tax and Federal Insurance Contributions Act (FICA) taxes. To assist participants in meeting their tax burden, they receive an additional amount (equal to 39% of the loan repayment amount), which FLRP withholds (pays directly to the IRS) on behalf of the participant for their Federal income and FICA tax liability. All FLRP payments and Federal taxes withheld will be reported to the participant and the IRS on a Form W-2 after the end of the tax year. These FLRP payments may also be subject to State and local income tax.

ELIGIBILITY REQUIREMENTS, FUNDING PREFERENCES AND APPLICATION PROCESS

What are the eligibility requirements?

To be eligible for a FLRP award, all applicants must:

- (1) Be a U.S. citizen (either U.S. born or naturalized), U.S. national or Lawful Permanent Resident.

- (2) Provide certification from the health professions school (previously attended by the applicant) that identifies the applicant as coming from a disadvantaged background based on environmental and/or economic factors. HHS defines an individual from a disadvantaged background as one who comes from 1) an environment that has made obtaining the knowledge, skills, and abilities required to enroll in and graduate from a graduate or undergraduate school challenging for the individual, or 2) a family with an annual income below established low-income thresholds. Applicants also have the option of submitting documentation which satisfies any of the environmental factors listed on pg. 25 of this Guidance. (For more details, refer to the term, "Individual from a Disadvantaged Background" under the Definitions section.)
- (3) Have a degree in one of the following eligible health profession disciplines:
 - a. Allopathic Medicine;
 - b. Osteopathic Medicine;
 - c. Podiatric Medicine;
 - d. Veterinary Medicine;
 - e. Dentistry;
 - f. Pharmacy;
 - g. Optometry;
 - h. Nursing (RN or higher);
 - i. Public Health (graduate level only);
 - j. Physician Assistant;
 - k. Behavioral and Mental Health: clinical psychology, clinical social work, professional counseling, or marriage and family therapy (graduate level only); or
 - l. Allied Health Professions: dental hygiene, medical laboratory technology, occupational therapy, physical therapy, radiology technology, speech pathology, audiology, and registered dietitians (baccalaureate or graduate level; see Definitions).

Please note that any degrees obtained after the applicant's eligible health professions degree, will not be eligible. For more information regarding degree eligibility, applicants may contact the FLRP at 1-800-221-9393 or email GetHelp@hrsa.gov.

An applicant in his/her final year of approved graduate training or final year of study must submit by the application closing date of **June 12, 2012** (*postmark date*) a letter of good standing from his/her Program Director indicating the expected date of graduation. The individual must graduate no later than **June 30, 2012** to be eligible for the FLRP in FY 2012.

- (4) Have an employment commitment from an eligible health professions school for a full-time or part-time (as defined by the school) faculty position for a minimum of 2 years, with employment to commence on or before July 31, 2012.

Eligible health professions schools must be located in a State and be an accredited public or non-profit private school (see exception below) of:

- a. Allopathic or osteopathic medicine;
- b. Dentistry;
- c. Nursing;
- d. Pharmacy;
- e. Allied health;
- f. Podiatric medicine;
- g. Optometry;
- h. Veterinary medicine;
- i. Public health (graduate level);
- j. A school offering physician assistant education programs; or
- k. A school offering graduate programs in behavioral and mental health.

Exception: Schools of Nursing and schools offering physician assistant education programs may be one of the following: public, private non-profit, or private for profit. All other schools listed above must be public or private non-profit institutions.

- (5) Have a written agreement with the eligible health professions school in which the school has agreed to pay principal and interest due on the applicant's educational loans in an amount equivalent to the loan repayments made by the DHHS under FLRP, unless the school has been granted a full or partial waiver of this requirement from the FLRP. This amount is in addition to the pay the individual would otherwise receive as a faculty member. (See "What are the requirements of the FLRP applicant's employing institution?" below.)

Applicants must provide supporting documentation (i.e. an official agreement from the applicant's employing institution) stating the type of match (full or partial) and the estimated date(s) of financial disbursement(s) made by the institution.

For institutions that are unable to provide matching loan repayments, applicants must provide an official letter from the entity requesting a full or partial waiver from FLRP, with supporting documentation of undue financial hardship.

An applicant will be deemed ineligible if he/she:

- (1) Has any judgment liens arising from a Federal debt;
- (2) Has an outstanding contractual obligation for health professional service to the Federal Government, a State, or other entity (e.g., under the National Health Service Corps Loan Repayment Program, the State Loan Repayment Program, the Nursing Education Loan Repayment Program, or the Faculty Loan Repayment Program) that will not be completed by the application deadline;

Exception: Individuals in a Reserve component of the Armed Forces, including the National Guard, are eligible to participate in the FLRP. Reservists should understand the following:

- Military training or service performed by reservists will not satisfy the FLRP service commitment. If a participant's military training and/or service, in combination with the participant's other absences from the facility will exceed 7 weeks per service year, as set forth under Service Requirements (see page 10), the participant should request a suspension of his/her service obligation. The FLRP payment will be stopped while the reservist is on an approved suspension and will resume when the reservist returns to fulfill their service obligation. The service obligation end date will be extended to compensate for the break in service.
- If the FLRP-approved facility where the reservist is serving at the time of his/her deployment is unable to reemploy that reservist, the reservist will be expected to complete his/her FLRP service obligation at another eligible, approved facility. The reservist must contact FLRP and request a transfer, and receive approval, in accordance with the transfer policy (see pgs. 13-14).

- (3) Has defaulted on any Federal payment obligations (e.g., Health Education Assistance Loans, FHA Loans, Federal income tax liabilities, etc.) or non-Federal payment obligations (e.g., court-ordered child support payments);
- (4) Has defaulted on a prior service obligation to the Federal government or a State or local government, even if subsequently, that obligation was satisfied through service, monetary payment or other means;
- (5) Had any Federal or non-Federal debt written off as uncollectible;
- (6) Is currently excluded, debarred, suspended, or disqualified by a Federal agency from participating in a covered transaction; or
- (7) Has failed to apply all FLRP funds previously received (if applicable) toward the qualifying educational loans. Payment histories from the lender(s) will be required.

What types of educational loans qualify for FLRP?

FLRP participants will receive funds (up to \$40,000 for 2 years of service) from FLRP to repay the outstanding principal and interest of qualifying educational loans (see Definitions). The qualifying educational loans must be obtained prior to the date the participant submits his/her online application to the FLRP. Loans incurred after the submission of the applicant's online application will not be considered for loan repayment under a Fiscal Year 2012 contract (but could be considered under a subsequent FLRP application and contract).

- (1) **Qualifying Educational Loans** are loans obtained from Government (Federal, State or local) or commercial lenders for actual costs paid for:
 - a. Tuition, fees, and other reasonable educational expenses (see Definitions) for undergraduate and/or graduate education; and
 - b. Reasonable living expenses (see Definitions) incurred while enrolled in undergraduate and/or graduate education.

Examples of qualifying educational loans include: Federal Perkins student loans that are not subject to cancellation, Stafford Loans, and commercial Supplemental Loans for Students.

- (2) **Consolidated Loans** may also be eligible within the following guidelines:

- a. The consolidated/refinanced loan must be from a Government (Federal, State, or local) or commercial lender and must include only the applicant's qualifying educational loans.
 - b. If an otherwise eligible educational loan of the applicant is consolidated/refinanced with ineligible (non-qualifying) debt of the applicant or loans of another individual, no portion of the consolidated/refinanced loan will be eligible for loan repayment.
- (3) **Non-Qualifying Loans** include but are not limited to:
- a. Loans for which the associated documentation does not identify the loan as applicable to undergraduate or graduate education.
 - b. Loans obtained from family members, or from private institutions or other entities that are not subject to Federal or State examination and supervision as lenders.
 - c. Loans that have been paid in full.
 - d. PLUS Loans (made to parents).
 - e. Credit Cards
 - f. Personal Lines of Credit.
 - g. Loans subject to cancellation for faculty employment (e.g., Perkins loans subject to cancellation for full-time faculty employment at Tribal College or University, Nursing Faculty Loan Program loans subject to cancellation for full-time faculty employment at a school of nursing), unless the applicant can provide documentation that such loans are not subject to cancellation.

Documentation of loans will be required. Qualifying educational loans must have documentation to establish that they were contemporaneous with the education received. Loan documentation will be verified by contacting lender(s)/holder(s) and checking the applicant's credit report.

NOTE: The original date of the applicant's qualifying educational loan(s) must occur prior to or within 3 months from the date the health professions degree was received.

What are the requirements of the FLRP applicant's employing institution?

The employing institution must be an eligible health professions school and must satisfy the following requirements:

- (1) **Employment Contract.** The employing institution must enter into a contract with the applicant to serve as a full-time or part-time (as defined by the school) faculty member for a minimum of 2 years.
- (2) **Loan Repayment Agreement/Waiver of Loan Repayment Requirement.** The employing institution must enter into a written agreement with the applicant to make loan repayments in an amount equal to the FLRP loan repayments or request and be granted a full or partial waiver of this loan repayment requirement.
 - a. Loan Repayment Agreement. The employing institution's loan repayment agreement must provide that:
 - i. The institution will make payments of the principal and interest due on the educational loans of the faculty member in an amount equal to the amount of

- such payments made by DHHS under its 2-year FLRP contract (the maximum amount is \$40,000 for 2 years);
- ii. The loan repayments made by the school will be in addition to the pay that the faculty member would otherwise receive and the amount of the faculty member's pay will be determined without regard to the amount of the payments made by DHHS under its 2-year FLRP contract.
- b. Waiver of Loan Repayment Requirement. The Secretary of the DHHS or his/her designee may waive all or part of the above requirement if the Secretary or his/her designee determines, based on documentation submitted by the employing institution, that the requirement will impose an undue financial hardship on the employing institution. The following items are examples of documentation that would support a waiver request:
- i. Documentation of diminished financial resources (e.g., consistent budget cuts, reduced earnings on endowments, and/or unexpected expenditures), such that payment of all or part of the matching loan repayment funds would impose an undue financial hardship; or
 - ii. Documentation showing the institution is engaged in collective bargaining agreement(s) that either prohibits such differential compensation or that would require the institution to provide a similar amount of support for faculty not covered under the FLRP.

In instances where a partial waiver is requested, the employing institution must also enter into a written agreement with the applicant to pay the remaining portion of the loan repayment match amount outlined in a. above.

- (3) **Completion of "Institution Employment/Loan Repayment Verification Form."** The employing institution must complete this form. The form provides employment information, verification that the applicant will serve as a faculty member for a minimum of 2 years, and information regarding the institution's ability to make loan repayments.

NOTE: Applicants who were previously awarded by the FLRP and are re-applying for the current cycle, must provide documentation (i.e. an official record/receipt from the applicant's former employing institution) that indicates that previous site payments were made in accordance to the specific match promised by the entity.

If the institution is non-compliant and defaults on their agreed institutional match to the FLRP, future applicants will not be eligible to apply if they are employed at that specific institution.

How does the FLRP determine which applicants will receive loan repayment?

The program uses funding preferences to determine the sequential order in which awards are made to qualified applicants. A funding preference will be given based on the applicant's employing eligible health professions school's institutional match status (i.e., fully matching the DHHS level of loan repayments, partially matching the DHHS level of loan repayments, or no match required). For the "partial match" and "no match" statuses, the applicant's employing school must have received a partial or full waiver of the matching requirement.

Applicants will be grouped into one of the funding preference levels described below. Awards will be made to applicants, starting with the first preference level, in order of decreasing financial need within each level, until funds are expended. Priority will also be given to those clinicians serving as full-time faculty and to faculty who demonstrate a commitment to promoting health care careers.

FUNDING PREFERENCE LEVEL	INSTITUTIONAL MATCH
First Preference	Full Time with Full Match (100%) Part Time with Full Match (100%)
Second Preference	Full Time with Partial Match/Waiver (1-99%) Part Time with Partial Match/Waiver (1-99%)
Third Preference	Full Time with No Match/Full Waiver (0%) Part Time with No Match/Full Waiver (0%)

What should I know before I apply?

In FY 2011, FLRP received 304 eligible applications and made 20 awards to faculty members working at eligible health profession schools.

The deadline for submitting an application is June 12, 2012. Applicants will receive an email confirmation upon submission of an online application via the BCRS Program Portal. Applicants will be notified by October 31, 2012 as to whether or not they receive an award.

What should I expect if I am selected to receive an award?

If your application is approved, FLRP will notify you by e-mail that you have been identified as a possible recipient of a FLRP award. This notification does not guarantee an award. You will be asked to verify whether you are still working at the eligible health professions school identified in your online application. You will then be required to complete the additional required forms (e.g., FLRP contract and banking information to facilitate electronic transfer of award funds via the BCRS Program Portal).

The FLRP frequently corresponds with applicants by e-mail. It is critical that applicants use and maintain a current email address. Please check your email during the application process for correspondence from FLRP and make certain to disable SPAM blockers (or check your SPAM folder).

If an individual is selected for a FLRP award, the individual’s contract is signed by the Secretary of Health and Human Services or his/her designee. Please note that a contract is not effective until signed by the Secretary or his/her designee. An awardee will be able to download the award letter, copy of the awardee’s signed contract, a Payment Authorization Worksheet (PAW), and a welcome packet from the BCRS Program Portal.

Award payments will be provided in one lump sum through an electronic funds transfer to the participant’s checking or savings account identified on the banking information submitted by the participant. The first direct deposit is made approximately 90 days after the effective date of the contract.

Individuals who are uncertain that they will be able to fulfill a service commitment under FLRP are advised not to apply to participate in this program. An awardee who fails to begin or complete his or her service obligation will be placed in default and subject to the monetary damages specified in the FLRP contract.

Please note that only the Secretary or his/her designee can make a FLRP contract award. A FLRP award cannot be guaranteed by a school, any other person, or entity.

Important Notes:

- (1) Participants must use the FLRP payments to pay the lenders or holders of their qualifying educational loans, as indicated on a PAW that will be provided to participants with their award notice. Periodically, FLRP will contact a participant's lenders or holders to verify that award payments have been applied to FLRP approved loans.
- (2) Participants must immediately notify FLRP, via the BCRS Program Portal, of any changes in mailing address, telephone number, email address, name, or financial institution (bank) information to ensure an uninterrupted flow of loan repayment funds. Participants must also notify FLRP of changes in service site and employment status. In the case of a name change, please provide legal documentation, such as a copy of a marriage certificate.
- (3) Previous FLRP participants may re-apply for a new two-year contract if they have 1) completed the previous FLRP service obligation in good standing; 2) have remaining qualifying educational loans; and 3) provide a payment history showing that all FLRP funds were applied to the approved qualifying educational loans.
- (4) If for any reason a participant does not receive the scheduled payment within 90 day of their contract start date, the participant should contact FLRP as soon as possible through the BCRS Program Portal, phone (1-800-221-9393), or email GetHelp@hrsa.gov.

SERVICE REQUIREMENTS

What are the service requirements?

FLRP participant must provide full or part time service (as defined by the school) as a faculty member at an eligible health professions school for a period of two consecutive years beginning on the effective date of the contract. Under the guidelines of FLRP, it is expected that a participant will fulfill his/her service obligation at the employing institution identified in his/her application. Faculty member must primarily consist of teaching (as defined by the employing academic institution). No more than 7 weeks (28 work days) of the participant's scheduled work period (9 to 12 months) per service year may be spent away from the facility for vacation, holidays, continuing education, illness, maternity/paternity/adoption, or any other reason. Employment verifications will be conducted twice a year during the service period.

When does the service obligation begin?

A participant's FLRP service start date will be the date the Secretary of the Department of Health and Human Services or his/her designee countersigns the FLRP contract, or the date the participant commences employment at the eligible health professions school, whichever is later.

The applicant's signature alone on the contract does not constitute a contractual agreement. Employment prior to the Secretary's countersigning of the FLRP contract does not count toward the fulfillment of the service obligation.

Will I earn a salary during my service obligation?

FLRP participants will receive salary and benefits from the employing health professions school. Employment compensation packages may be negotiated between the participant and his/her employer. The academic institution cannot guarantee a FLRP contract. Therefore, the FLRP loan repayments should not be a part of any salary negotiations between the participant and his/her employer.

Can I be absent from my academic facility and receive service credit?

No more than 7 weeks of the applicant's scheduled work period (9 to 12 months) per service year can be spent away from the facility for vacation, holidays, continuing education, illness, maternity/paternity/adoption, or any other reason. FLRP-approved absences totaling greater than 7 weeks during the scheduled work period of a service year require an extension of the contract end date.

Service Verification

The FLRP will send each participant a verification form that must be submitted for each six months of service. The form must be completed and signed by the participant and an authorized official at the approved health professions school. By signing this form, the school will be certifying the participant's compliance or non-compliance with the full-time service requirement during that six-month period. The form will also record the participant's time spent away from the facility during that period. Participants who fail to complete and submit their six-month service verification forms on time jeopardize receiving service credit and may be recommended for default. Participants must download and submit the form via the BCRS Program Portal. Any participant who cannot complete the form through the portal should contact the FLRP immediately through the BCRS Program Portal, phone (1-800-221-9393), or email (GetHelp@hrsa.gov).

Changing Jobs

Can I leave my FLRP-approved academic facility prior to completion of service?

The FLRP expects that a participant will fulfill his/her obligation at the FLRP-approved facility identified on his/her application; however, the FLRP does understand that circumstances may arise that require a participant to leave their initial facility and complete service at another eligible health professions school. If a participant feels he/she can no longer continue working at the approved academic institution, the participant should contact the FLRP immediately through the BCRS Program Portal, phone (1-800-221-9393), or email (GetHelp@hrsa.gov). If the participant leaves his/her approved facility without prior written approval from the FLRP, he/she may be placed in default.

TRANSFER REQUEST

How do I request a transfer to another FLRP-approved academic facility?

If a participant needs to transfer to another site, the participant must notify the FLRP through the BCRS Program Portal before leaving the health professions school. The request should include: (a) the reason for the transfer; (b) a letter/certification from the health professions school where the participant is requesting to transfer to (i.e., the new site) verifying the health professions school is public, private non-profit, or private for profit, and indicating what type of discipline you will be teaching.

Participants will receive an official decision from the FLRP regarding the approval or denial of a transfer request. If a participant leaves his/her initial employing institution without requesting and receiving written approval for a transfer, he/she may be placed in default and held liable for the monetary damages specified in the contract. If a transfer is approved, once the participant has commenced service at the new eligible health professions school, the service end date will be extended to account for any break in service. The new institution must agree to meet the requirements outlined in the "What are the requirements of the FLRP applicant's employing institution?" section of this guidance.

If a transfer is approved and the participant does not resume service at another eligible health professions school within 60 days after ceasing employment at the initial employing institution, the participant may be recommended for default of his/her FLRP obligation.

BREACHING THE CONTRACT

What happens if I breach the FLRP contract?

The FLRP encourages participants to immediately contact the FLRP if a situation arises in which a participant is potentially unable to fulfill his/her service obligation. The FLRP will work with participants to assist them to the extent possible to avoid a breach and fulfill the service obligation. A participant who breaches the FLRP contract by failing to begin or complete his/her two-year service obligation will be placed in default and will be liable to pay an amount equal to the sum of the following:

- (1) The amount of loan repayments paid to the participant representing any period of obligated service not completed, plus 39% of that amount (representing the amount paid/withheld for Federal taxes on that amount); and
- (2) \$1,000 multiplied by the number of months of obligated service not completed.

Please note that a breach of the contract will permanently disqualify the individual from receiving future awards under FLRP and some other Federal programs.

Any amounts the United States is entitled to recover, as set forth above, must be paid within 30 days from the date the DHHS' first demand letter is mailed. If these amounts are not repaid by the due date, interest and other delinquent charges will be assessed as provided by 45 Code of Federal Regulations Section 30.18.

Failure to pay the FLRP debt by the due date also has the following consequences:

- (1) **Report to Credit Agencies.** The debt will be reported to credit reporting agencies as “delinquent.”
- (2) **Debt Collection.** The debt will be referred to a debt collection agency and the Department of Justice. Any FLRP debt past due for 45 days will be referred to a debt collection agency. If the debt collection agency is unsuccessful in collecting payment in full, the debt will be referred to the Department of Justice for enforced collection.
- (3) **Administrative offset.** Federal and/or State payments due to the participant (e.g. an IRS or State income tax refund) may be offset by the Department of Treasury to repay a delinquent FLRP debt. Also, recovery through Administrative Wage Garnishment may be enforced to repay a delinquent FLRP debt.
- (4) **Bankruptcy.** A financial obligation under the FLRP may only be discharged in bankruptcy if the discharge is granted more than seven years after the due date and only if a bankruptcy court determines that the non-discharge of the debt would be unconscionable.

SUSPENSION AND WAIVER

What should I do if I feel I cannot continue my service or payment obligation?

The Secretary of Health and Human Services may, under certain circumstances, suspend (put “on hold”) or waive (excuse) the FLRP service or payment obligation. A request for a suspension or waiver must be submitted through the BCRS Program Portal. Additional supporting documentation will be required following submission of the request.

- (1) **Suspension.** This mechanism provides temporary relief to a FLRP participant if he/she has short-term (not permanent) circumstances that currently make compliance with the obligation impossible or would involve an extreme hardship such that enforcement of the obligation would be unconscionable. Periods of approved suspension will extend a participant’s FLRP service obligation end date.

All periods of time away from the approved facility should be documented by the employer on the six-month service verification form. If the total time away from the site, including the period of suspension, exceeds 7 weeks per service year as set forth under Service Requirements (“Can I be absent from my employing school and receive service credit?”), the service obligation end date will be extended accordingly.

The major categories of service suspensions are set forth below.

- a. **Leave of Absence for Medical or Personal Reasons.** A suspension may be granted for up to one year, if the participant provides independent medical documentation of a physical or mental health disability, or personal circumstances, including a terminal illness of an immediate family member, which results in the participant’s temporary inability to perform the FLRP obligation. Upon receipt of the written suspension request, the OLC will notify the participant of instructions for submitting supporting documentation.

- b. **Maternity/Paternity/Adoption Leave.** Participants must notify the FLRP of pending maternity/paternity/adoption leave and provide appropriate documentation. Maternity/paternity/adoption leave of 12 weeks or less will be automatically approved, if properly documented. If the participant's maternity/paternity/adoption leave will exceed 12 weeks during that service year, a suspension may be granted by the OLC based on documented medical need or if additional parental leave time is permitted under State law.
 - c. **Call to Active Duty in the Armed Forces.** Participants who are also military reservists and are called to active duty will be granted a suspension, for up to one year, beginning on the activation date described in the reservist's call to active duty order. In addition to the written request for a suspension, a copy of the order to active duty must be submitted to FLRP. The suspension will be extended if the applicable Armed Forces entity continues the period of active duty. The period of active military duty will not be credited toward the FLRP service obligation.
- (2) Waiver. A waiver permanently relieves the participant of all or part of the FLRP obligation. A waiver will be granted only if the participant demonstrates that compliance with his/her obligation is permanently (a) impossible or (b) would involve an extreme hardship such that enforcement of the obligation would be unconscionable. A request must be submitted in writing to the FLRP and must specify the reason(s) the waiver is being sought. The participant will be contacted directly by the FLRP regarding the medical and financial documentation necessary to process the waiver request. Please note that waivers are not routinely granted, and require a demonstration of compelling circumstances.

When would my service obligation be cancelled?

A participant's obligation will be cancelled only in the unfortunate event of death. No liability will be transferred to the participant's heirs.

APPLY NOW

TIPS AND IMPORTANT DATES

What should I do before I apply?

Please read the *Application and Program Guidance* in its entirety before proceeding with an application. It explains the contractual obligations of the Secretary of Health and Human Services and FLRP participants. Be sure you understand the obligation to serve full-time or part-time for 2 years at an eligible health professions school, and the financial consequences of failing to perform that obligation. Applicants are strongly encouraged to print and retain a copy of the *Application and Program Guidance* for future reference.

When is the application deadline?

A complete electronic application must be submitted by 5:00 pm ET on June 12, 2012. All supporting documentation must be scanned and uploaded to the BCRS Program Portal in a PDF format by June 12, 2012.

Awards are subject to the availability of funds. Awards will be made no later than September 30, 2012. Applicants not selected for an award will be notified no later than October 31, 2012.

What materials will I need when I apply?

To apply to the FLRP, you must submit a complete application package consisting of:

- (1) **Online Application**
 - a. The information collected in the online application will provide an initial ranking of your application for purposes of the funding preferences.
- (2) **Supporting Documentation**
 - a. Copy of employment contract;
 - b. Proof of U.S. Citizenship or U.S. National or Lawful Permanent Resident status;
 - c. Proof of Disadvantaged Background from school official;
 - d. Copy of health professional degree or certificate OR, if you are in the last year of a course of study in an eligible discipline, a letter of good standing from your Program Director which indicates your expected graduation date;
 - e. Curriculum Vitae (CV)/Resume;
 - f. Transcripts;
 - g. Copy of written agreement with employing institution

The following Supporting Documentation is required, when applicable:

- (1) Copy of complete loan payment history of previous awarded funds (applicable to past FLRP award recipients).
- (2) Authorization to Release Information (complete the form if you wish to authorize release of information to a third party).
- (3) Letter of Good Standing from Program Director (for applicant in his/her final year of approved graduate training or final year of study which indicates expected date of graduation).

Application packages deemed incomplete (e.g., missing, illegible, or incomplete application materials) after June 12, 2012 will not be considered for funding. FLRP will NOT accept updates to your online application after its submission (other than name and home and email address updates). FLRP will NOT accept the submission/resubmission of incomplete, rejected, or otherwise delayed application materials after the deadline. **In addition, FLRP staff will not fill in any missing information or contact applicants regarding missing information.**

INSTRUCTIONS

General Instructions

Please note that several supporting documents will need to be completed online as part of the FLRP online application. Additional forms that must be uploaded (in a PDF format) and require an applicant's signature, are available in the FLRP Supplemental Forms package.

If you have questions, please call 1-800-221-9393 (TTY: 1-877-897-9910), Monday through Friday (except Federal holidays) 8:00 am to 8:00 pm ET or send an email to GetHelp@hrsa.gov.

If any of the forms or documents described below are not included with the application, are not signed, or are otherwise incomplete or if the forms are not clear and legible, the application will be deemed incomplete and the applicant will not be considered for a FLRP award.

Instructions for Online Application

Instructions for completing the application are provided as necessary when an applicant is completing it online. It is strongly recommended that before you attempt to complete the online application you:

- (1) Review the *Application and Program Guidance* completely;
- (2) Complete all required and applicable Supplemental Documents and Forms;
- (3) Develop a list of all institutions (diploma school, college, university) where loans were incurred towards your respective health professions degree or certification, for those loans being submitted for loan repayment. Applicants will be asked to provide the type of degree received, the school name and address, the attendance start and end dates, and the graduation date if applicable; and
- (4) Develop a Curriculum Vitae (CV)/Resume, which documents all education, training, and degrees, and accounts for all time periods/employment since the completion of a qualifying health professions education.

Upon completion and submission of the online application, applicants will receive a receipt indicating a successful submission and an email confirming the online submission.

Instructions for Supporting Documents and Supplemental Forms

- (1) **Proof of U.S. Citizenship, U.S. National or Lawful Permanent Resident.** Applicants must provide proof of U.S. citizenship or status as a U.S. National or Lawful Permanent Resident (e.g., U.S. birth certificate, a copy of a certificate of citizenship or nationalization, U.S. passport ID page, or Green Card). Participants must immediately notify FLRP, via the BCRS Program Portal, of any changes in mailing address, telephone number, email address, name, or financial institution

(bank) information to ensure an uninterrupted flow of loan repayment funds.

Participants must also notify FLRP of changes in service site and employment status. In the case of a name change, please provide legal documentation, such as a copy of a marriage certificate.

- (2) **Loan Documentation.** Please review the types of loans that qualify and do not qualify for repayment under FLRP in the Program Overview section of the Guidance under Eligibility Requirements.

Overview

Applicants must include all loans for undergraduate and/or graduate education they wish to be considered with the application. Only those loans submitted with the application will be considered for repayment.

In order to successfully complete the FLRP loan module, you will need to submit the following documentation:

Account Statements should contain:

- Current Balance (Principal and Interest)
- Current Interest Rate

To obtain a copy of your account statements visit the lender's website or call your lender.

Disbursement Report should contain:

- Type of Loan
- Original Loan Date
- Original Loan Amount
- Consolidation dates (if applicable)

For Federal loans, the Aid Summary Report on the National Student Loan Data System (NSLDS) website, <http://www.nsls.ed.gov> is considered a disbursement report.

For private loans, there are several types of documents that provide disbursement information:

- Promissory notes
- Disclosure statements, and
- Letters directly from the lender containing the pertinent information

You may also obtain disbursement information for private loans on your lender's website or you can call the lender. All documentation must come from the lender.

Please note: Perkins loans that are subject to cancellation are not eligible.

Submitting Your Loan Documentation

For **Individual Federal Loans** you must submit:

- The main or landing page of your Aid Summary Report from the NSLDS website ONLY.
- If you have multiple federal loans, only one report is required for submission.
- The most recent Account Statements for each loan showing the current interest rate and the current balance (call or visit your lender's website).

For **Consolidated Federal Loans** you must submit:

- An Aid Summary Report from the NSLDS website. Only one report is required for submission, it must clearly show all loans in the consolidation.
- The most recent account statement for each loan showing the current interest rate and the current balance for the consolidation loan (call or visit your lender's website).

For **Individual Private Loans** you must submit:

- A disbursement report(s) from the lender, showing the loan type, original loan amount and original loan date. You may need to submit more than one type of disbursement report per loan to meet the requirements.
- The most recent account statements for each loan showing the current interest rate and the current balance (call or visit your lender's website).

For **Consolidated Private Loans** you must submit:

- A disbursement(s) report clearly showing all the loans in the consolidation. Each loan must have its original loan amount and the original loan date indicated.
- The most recent account statement for each loan showing the current interest rate and the current balance for the consolidation loan (call or visit your lender's website).

For **Perkins Loans** you must submit:

- A disbursement report(s) from the lender, showing the loan type, original loan amount and original loan date. You may need to submit more than one type of disbursement report per loan to meet the requirements.
- The most recent account statements for each loan showing the current interest rate and the current balance (call or visit your lender's website).
AND
- Documentation from the school showing that the loans are not subject to cancellation under 34 CFR Part 674.
OR
- Documentation from the current lender indicating that the Perkins loans were consolidated and paid off.

FLRP will contact lenders/holders and check the applicant's credit report to determine repayment eligibility of submitted loans.

- (3) **Institution Employment/Loan Repayment Verification Form.** The applicant's employer must fill out this form and return it to the applicant for submission with the other application materials. This form must be uploaded and submitted with the online application. Please see the FLRP Supplemental Forms package for more details.
- Name of Institution is the name of the university or college where the applicant will work to fulfill the FLRP service obligation.
 - Employment start date is the month, day, and year the applicant will begin or began his or her faculty appointment. Faculty employment prior to the effective date of a FLRP contract will not count toward the fulfillment of the two-year service obligation.
 - Medically Underserved Area (MUA) is an area or population designated by Health Resources Services Administration (HRSA) as having a shortage of personal health services.*
 - Health Profession Shortage Areas (HPSAs) are areas, population groups and facilities designated by HRSA as having shortages of primary medical, dental, or mental health care practitioners.*

*To determine if an institution is in a MUA or HPSA, please go to:
<http://datawarehouse.hrsa.gov/GeoAdvisor/ShortageDesignationAdvisor.aspx>

The applicant's employer or designated human resources officer's name, title, mailing address, phone, email, signature, and date of signature are required on the Institution Employment/Loan Repayment Verification form.

- (4) **Authorization to Release Information Form.** This form authorizes HHS, and/or its contractors, to release information that identifies the applicant for purposes of obtaining the applicant's educational loan information and checking whether the applicant appears on the Excluded Parties List System. It also authorizes any program to which the applicant owes a health profession service obligation and the applicant's employing school to release information to HHS and/or its contractors. This form must be uploaded and submitted with the online application. Please see the FLRP Supplemental Forms package for more details.
- (5) **Certification Regarding Debarment, Suspension, Disqualification, and Related Matters Form.** This form contains a certification regarding whether an applicant is barred by Federal law from participating in "covered transactions" or has been convicted of, or indicted for, certain offenses. Applicants should read the entire form and certify whether the form is applicable to their situation.
- (6) **Employment Contract.** The applicant must submit a copy of the contract to validate his or her full-time or part-time employment with the academic institution. The contract should document the individual's effective start and end dates in addition to his or her base salary.
- (7) **Proof of Disadvantage Background.** An official school document (on school letterhead) provided by the health professions school (previously attended by the applicant) which must be signed and authorized by a program or school administrator, indicating that the applicant was economically and/or environmentally disadvantaged (see Definitions).

- (8) **Health Profession Degree or Certificate.** A copy of the applicant's official health professions degree(s) or certificate(s) as awarded by the accredited institution(s) must be provided. The document must include the applicant's name, type of degree, date conferred, and signature by an authorized program director, dean, or other school official.
- (9) **Curriculum Vitae/Resume.** Individuals are required to submit a Curriculum Vitae (CV), which documents all education, training, and degrees, and accounts for all time periods and employment since the applicant's completion of a qualifying health profession education.
- (10) **Transcripts.** Applicants must submit transcript(s) from each college, university or health professions school attended for all health profession education coursework directly related to the attainment of their degree(s), if the applicant is seeking repayment for loans incurred while attending that institution. If a degree was obtained from an institution, the transcript must state the type of degree and the date it was conferred. The program will accept unofficial transcripts.
- (11) **Employer's Agreement to Loan Repayment Match/Request for a Waiver of the Loan Repayment Match.** The applicant must submit the documentation outlined in (a), (b) or (c) below:
 - a. A copy of the employer's written agreement to pay the applicant a loan repayment amount equal to the DHHS/FLRP loan repayment amount;
 - b. A request from the applicant's employer for a full waiver of the requirement to match the DHHS/FLRP loan repayment amount, with supporting documentation of undue financial hardship; OR
 - c. A request from the applicant's employer for a partial waiver of the requirement to match the DHHS/FLRP loan repayment amount, with supporting documentation of undue financial hardship, and a copy of the employer's written agreement to pay the applicant the remainder of the loan repayment match amount.
- (12) **Letter of Good Standing.** An official letter from Program Director for applicants in his or her final year of approved graduate training or final year of study which indicates expected date of graduation.

CHANGE IN STATUS DURING APPLICATION PROCESS

What if I change jobs?

Applicants may switch to a position at another eligible health professions school prior to submitting their online application. The employment information in the online application must match the information on the Employment Verification Form. If an applicant changes a facility after submitting an application, the applicant will not be considered for an award.

May I withdraw my application?

The FLRP contract becomes effective on the date it is countersigned by the Secretary or his/her designee. An applicant may withdraw his/her application at any time prior to the Secretary signing the contract and remain eligible to apply for FLRP in the future. Once the contract becomes effective, the applicant is obligated to provide two years of full or part time service at the health professions school identified in the application. If such applicant fails to commence service on the effective date

of the contract, the applicant will be in breach of the contract, placed in default, and will be permanently disqualified from receiving future awards under the FLRP and some other Federal programs.

As soon as the applicant becomes aware that he/she will not be able to commence his or her service at the health professions school identified in the application, the applicant should submit a request to withdraw the application through the BCRS Program Portal.

What if I want to consolidate my educational loans?

Loan consolidations/refinances that occur before the applicant's submission of the online application are acceptable, provided that the applicant submits Loan Documentation (see Checklist in this Application and Program Guidance) for the consolidated/refinanced loans simultaneously with the online application. If the Loan Documentation is not submitted concurrently with the applicant's online application and does not match the consolidated loan information that appears on the online application, the consolidated/refinanced loan will not be considered for loan repayment. If the applicant has consolidated otherwise qualifying educational loans with any other debt or with the loans of another individual, the entire consolidated loan is ineligible.

Loans that are consolidated/refinanced after the online application is submitted and prior to the date an award is made will not be considered for loan repayment.

ADDITIONAL MATERIALS

RESOURCES FOR APPLICANTS

Any individual with questions about the FLRP may contact the BCRS Customer Care Center, Monday through Friday (except Federal holidays), from 8:00 AM to 8:00 PM, ET.

- GetHelp@hrsa.gov
- 1-800-221-9393
- TTY – 1-877-897-9910

DEFINITIONS

Administrative Funding Preferences – Objective factors that are used to place an applicant ahead of others without the preference on a list of applicants recommended for funding.

Commercial Loans – Commercial loans are defined as loans made by banks, credit unions, savings and loan associations, insurance companies, schools, and other financial or credit institutions which are subject to examination and supervision in their capacity as lenders by an agency of the United States or of the State in which the lender has its principal place of business.

Default of Payment Obligation or Debt – Being more than 120 days past due on the payment of a financial obligation.

Default of Service Obligation – Failure to begin or complete a service obligation owed to an entity pursuant to a legal agreement.

Division of Nursing and Public Health – A division of the Bureau of Clinician Recruitment and Service of the Health Resources and Services Administration.

Eligible Disciplines – Individuals in the following disciplines are eligible to apply for FLRP awards: allopathic, osteopathic, podiatric or veterinary medicine; dentistry, pharmacy, optometry, nursing (RN or higher), public health (graduate level only), physician assistants, graduate programs in behavioral and mental health (clinical psychology, clinical social work, professional counseling, and marriage and family therapy), and allied health (baccalaureate or graduate degree programs of dental hygiene, medical laboratory technology, occupational therapy, physical therapy, radiologic technology, speech pathology, audiology, and registered dietitians).

Eligible Health Professions Schools – Public or private nonprofit schools located in a State which are accredited schools of or have accredited programs of: allopathic, osteopathic, podiatric or veterinary medicine; dentistry, pharmacy, optometry, public health, behavioral and mental health, or allied health. Public, private nonprofit, or private for profit schools located in a State which are accredited schools of or have accredited programs of nursing or physician assistant.

Faculty Loan Repayment Program (FLRP) – The FLRP is authorized by Section 738(a) of the Public Health Service Act, as amended. Under the FLRP, eligible individuals from disadvantaged

backgrounds provide service as a faculty member at eligible health professions schools in exchange for funds for the repayment of their qualifying educational loans.

Federal Judgment Lien - A lien that is placed on an individual's home or property when a court-ordered judgment is entered against the individual for an unpaid Federal debt (e.g. a Federal student loan or a Federally-insured home mortgage). An IRS tax lien that is not created pursuant to a court-ordered judgment is not a Federal judgment lien.

Fiscal Year (FY) – The Federal FY is defined as October 1 through September 30.

Government Loans – Loans which are made by Federal, State, county or city agencies which are authorized by law to make such loans.

Health Resources and Services Administration – An operating agency of the U.S. Department of Health and Human Services.

Holder – The commercial or Government institution that currently holds the promissory note for the qualifying education loan.

Individual from a Disadvantaged Background – An individual who has been certified by the health professions school (previously attended by the applicant) as having come from a “disadvantaged background” based on economic and/or environmental factors.

Economically Disadvantaged – the applicant comes from a family with an annual income below a level based on low-income thresholds according to family size published by the U.S. Bureau of the Census, adjusted annually for changes in the Consumer Price index, and adjusted by the Secretary, HHS, for use in health professions and nursing programs.

Environmentally Disadvantaged – the applicant comes from an environment that has inhibited the individual from obtaining the knowledge, skill, and abilities required to enroll in and graduate from an undergraduate or graduate school based on factors including, but not limited to, the following:

The individual graduated from (or last attended) a high school from which a low percentage of seniors receive a high school diploma;

The individual graduated from (or last attended) a high school at which, many of the enrolled students are eligible for free or reduced price lunches;

The individual comes from a family that receives public assistance (e.g., Temporary Assistance to Needy Families (TANF), food stamps, Medicaid, public housing);

The individual comes from a family that lives in an area that is designated under section 332 of the Public Health Service Act as a Health Professional Shortage Area or is designated as a Medically Underserved Area;

The individual participated in an academic enrichment program funded in whole or in part by the Health Careers Opportunity Program, authorized by section 739 of the Public Health Service Act;

The individual is a high school drop-out who received an AHS diploma or GED or has received or is receiving public assistance;

An individual who comes from a school district where 50% or less of graduates go to college or where college education is not encouraged;

An individual who is the first generation to attend college or is on public assistance;

An individual who has a diagnosed physical or mental impairment that substantially limits the person's participation in educational experiences and opportunities offered by the college;

An individual for whom English is not his/her primary language and must take a Test of English as Foreign Language (TOEFL) before entering health professions/nursing school; or

An individual who was accepted to the program after academic reassessment at the completion of remedial courses.

Lender – The commercial or Government institution that initially made the qualifying loan (e.g., Department of Education).

Qualifying Educational Loans – Qualifying educational loans are Government and commercial loans for actual costs paid for tuition and reasonable educational and living expenses related to the undergraduate or graduate education of the participant. Such loans must have been incurred prior to the application deadline, and there must be documentation to support that the loans were contemporaneous with the education received. Participants will receive funds for repayment of qualifying educational loans that are still owed. If the applicant has consolidated otherwise qualifying educational loans with any other debt or consolidated his/her loans with loans of another individual, the consolidated loan is ineligible. Residency relocation loans are not eligible.

Reasonable Educational Expenses – Reasonable educational expenses are the costs of education, exclusive of tuition, such as fees, books, supplies, clinical travel, educational equipment and materials, which do not exceed the school's estimated standard student budget for educational expenses for the participant's degree program and for the year(s) of that participant's enrollment.

Reasonable Living Expenses – Reasonable living expenses are the costs of room and board, transportation and commuting costs, and other costs which do not exceed the school's estimated standard student budget for living expenses at that school for the participant's degree program and for the year(s) of that participant's enrollment.

State – As used in this *Guidance*, State includes the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, Territory of American Samoa, Territory of Guam, Republic of Palau, Republic of the Marshall Islands, and Federated States of Micronesia.

Suspension – A suspension of the service or payment obligation may be granted if the individual has a temporary physical or mental health condition that temporarily prevents the individual from fulfilling the obligation (e.g., surgery and chemotherapy, motor vehicle accident).

Waiver – A waiver of the service or payment obligation may be granted if the individual has a permanent physical or mental health condition that permanently prevents the individual from fulfilling the obligation (e.g., terminal illness).