

# **CHAPTER NINE**

## **LOAN REPAYMENT/FORGIVENESS PROGRAMS**

Loan Repayment and Forgiveness Programs (LRP) offer alternative options to traditional programs.

Some are “front end” programs, in which individuals borrow or accept scholarship funds with a commitment to fulfill a specified service at the completion of their educational program. Some are “back end” forgiveness programs that pay specified amounts for educational debt incurred while in school in return for a specified service.

“In the state of New Jersey, The Primary Care Loan Redemption Program of New Jersey (NJLRP) was created to alleviate the state’s maldistribution of primary care physicians and dentists, physician assistants, nurse practitioners and certified nurse practitioners in rural and urban areas. The NJLRP assists graduates from these programs who agree to work in an underserved area by redeeming loans to reduce educational debt incurred during graduate, medical and dental school up to **\$120,000.00** over a four (4) year period.”

### **Contact information:**

**The Primary Care Loan Redemption Program of New Jersey**  
**30 Bergen Street**  
**ADMC 1, Room 119**  
**P.O. Box 1709**  
**Newark, New Jersey 07101-1709**  
**(973) 972-4605**  
[www.umdny.edu/lrpweb](http://www.umdny.edu/lrpweb)

Information on programs other than New Jersey can be found in the publication “State and Other Loan Repayment/Forgiveness and Scholarship Programs” Third Edition written by the Division of Students Affairs and Education Services, Association of American Medical Colleges, Washington, D.C. The entire publication is available on the web at <http://www.aamc.org/students/financing/repayment/start.htm>

Dental students can also contact the Division of Government Affairs of the American Dental Education Association or visit their website at [www.adea.org](http://www.adea.org)

The National Institutes of Health has recently announced the availability of educational loan repayment under the NIH Extramural Loan Repayment Program for Clinical Researchers (LRP-CR) and the NIH Extramural Pediatric Loan Repayment Program (RP-LRP). The LRP-CR and PR-LRP provide for the repayment of the educational loan debt of qualified health professionals who agree to conduct clinical or pediatric research. The programs offer the repayment up to **\$35,000** of the principal and interest of the educational loans of extramural grantees or awardees for each year of obligated service,

for a minimum commitment of two years. Also, NIH covers the federal taxes on the loan repayments which are considered taxable income to program participants.

The purpose of these programs is the recruitment and retention of highly qualified health professionals as clinical investigators and pediatric researchers.

Information regarding the eligibility requirements and benefits for the programs may be obtained via the LRP website at [www.lrp.nih.gov](http://www.lrp.nih.gov). Applications are submitted electronically and must be submitted via the LRP website.