



# Loan Repayment Programs for Behavioral Health Professionals

A FAQ guide for participation in loan repayment programs

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NORTHWEST MICHIGAN  
**Behavioral Health Initiative**



This is the work of the Recruit Behavioral Health Providers Action Team, one of the 12 Northwest CHIR's Behavioral Health Initiative Action Teams. Action Teams consist of cross sector partners willing and able to take action collectively and supported by the CHIR BBO staff. Learn more about the [CHIR](#) and the [Behavioral Health Initiative](#), and stay connected by subscribing [here](#).

This document was developed by the Recruit Behavioral Health Providers Action Team, which is part of the Northwest CHIR's Behavioral Health initiative. This resource is designed to answer questions that are frequently asked by organizations regarding loan repayment program participation. Please review the information below to learn more about the loan repayment programs that exist and how participation in these programs can help to support the recruitment of behavioral health professionals. If you have additional questions about participating in a loan repayment program, please email [behavioralhealth@northernmichianchir.org](mailto:behavioralhealth@northernmichianchir.org).

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## What types of loan repayment programs exist? Are there different programs for different types of loans?

There are three primary loan repayment/forgiveness programs:

**1): National Health Service Corps Loan Repayment Program (NHSC LRP):** Licensed behavioral healthcare clinicians in eligible disciplines can receive assistance through this program. In exchange for loan repayment, individuals must work for at least two years at a NHSC-approved site in a [Behavioral Health Professional Shortage Area \(HPSA\)](#). Learn more at: <https://nhsc.hrsa.gov/loan-repayment/nhsc-loan-repayment-program>

**2): Michigan State Loan Repayment Program (MSLRP):** Provides loan repayment to those entering into MSLRP service obligations, which require participants to provide full-time behavioral healthcare services in HPSAs at not-for-profit health clinics for two years. MSLRP will provide up to \$300,000 in tax-free funds to qualified candidates to repay their educational debt over a period of up to ten years.

Learn more at: <https://www.michigan.gov/mdhhs/doing-business/providers/slrp>

**3): Public Service Loan Forgiveness (PSLF):** Forgives the remaining balance on your Direct Loans after you have made 120 qualifying monthly payments under a qualifying repayment plan while working full-time for a qualifying employer. An individual must be employed full-time through a public service, federal, state, local, or tribal government or not-for-profit organization. Learn more at: <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service>

Loans that typically do not qualify for repayment programs include loans not obtained from a government entity or private student loan lending institution, Primary Care Loans, Parent PLUS Loans, or Residency and Relocation Loans.

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## How do I apply for my organization to participate in a loan repayment program?

- To participate in the National Health Service Corps Loan Repayment Program (NHSC), your organization must submit a NHSC Site Application during the application cycle. This cycle usually opens in early June. For more information about eligibility, visit: <https://nhsc.hrsa.gov/sites/eligibility-requirements> or <https://mcrh.msu.edu/programs/workforce/nhsc>
- To participate in the Michigan State Loan Repayment Program (MSLRP), your organization must be located in a [designated mental health HPSA](#) and have a sliding fee schedule program with a policy. For more information, visit: <https://www.michigan.gov/mdhhs/doing-business/providers/slrp/4--funding-and-loan-repayment-agreements>
- The Public Service Loan Forgiveness Program (PSLF) does not require organizations to submit a formal application or reporting. The employee who is seeking loan forgiveness is responsible for applying and making their own loan repayments. The employer must verify work information on the employee's PSLF form and sign the form. For more information, visit: <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service/employers-role>

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### Who do I connect with to learn more about different types of loan repayment programs?

- **National Health Service Corps Loan Repayment Program Participant Application:** Reach out to the HRSA Customer Service Portal at <https://bhw.hrsa.gov/about-us/ask-question>
- **National Health Service Corps Loan Repayment Program Organization Application:** MDHHS Primary Care Office, Megan Linton, [LintonM3@michigan.gov](mailto:LintonM3@michigan.gov)
- **Michigan State Loan Repayment Program:** MDHHS Primary Care Office, Brittany Brookshire, [BrookshireB1@michigan.gov](mailto:BrookshireB1@michigan.gov)
- **Public Service Loan Forgiveness:** Reach out to the Federal Student Aid Help Center at <https://studentaid.gov/help-center/answers/landing>

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### Does my organization have to be a not-for-profit, 501(c)(3), to participate in a loan repayment program?

Yes, with the exception of the Michigan State Loan Repayment Program (MSLRP), organizations must maintain a not-for-profit status to enroll in or have employees participate in a loan repayment program. The MSLRP requires not-for-profit organizations to contribute 20% to an employee's loan repayment. If an organization is for-profit, that organization must contribute 50% to an employee's loan repayment. The National Health Service Corps Loan Repayment and Public Service Loan Forgiveness Programs are reserved only for not-for-profit organizations.

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### Once my organization is enrolled in a loan repayment program, what do we need to do to remain enrolled?

- **National Health Service Corps Loan Repayment Program (NHSC):** Organizations must renew their application every three years to remain an active NHSC site. Some sites can be automatically renewed. To see if your organization can participate in auto-renewal, visit: <https://nhsc.hrsa.gov/sites/eligibility-requirements>.
- **Michigan State Loan Repayment Program:** Organizations must remain in a [behavioral health HPSA designation area](#) and have a sliding fee schedule program.
- **Public Service Loan Forgiveness:** Organizations must maintain not-for-profit status.

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### Will participating in a loan repayment program cost my organization money?

With the exception of the Michigan State Loan Repayment Program (MSLRP), loan repayment programs are free for organizations to participate in.

The MSLRP requires not-for-profit organizations to contribute 20% to an employee's loan repayment. If the organization is for-profit, it is required to contribute 50% to an employee's loan repayment. Organizations that participate in the MSLRP cannot use federal funds to pay for employees' loan repayment.

The National Health Service Corps Loan Repayment Program and Public Service Loan Forgiveness are free for organizations to participate in. Organizations cannot decrease the salaries of the employees who participate in any loan repayment program.

## Which behavioral health professionals qualify to participate in a loan repayment program?

- **National Health Service Corps Loan Repayment Program:** Qualified applicants include: Psychiatrists (MD/DO), Health Service Psychologists, (Masters/PhD), Licensed Clinical Social Workers (Masters/PhD), Psychiatric Nurse Specialists (Masters/PhD), Marriage and Family Therapists (Masters/PhD), Licensed Professional Counselors (Masters/PhD), Substance Use Disorders Counselors (Masters/PhD), Physician Assistants and Nurse Practitioners specializing in mental health. **Limited licensed professionals cannot apply.** Individuals must be fully licensed to qualify and work for a not-for-profit organization.
- **Michigan State Loan Repayment Program:** Qualified applicants include: Psychiatrists, Clinical or Counseling Psychologists (Ph.D./Masters), Licensed Professional Counselors (Ph.D./Masters), Marriage and Family Therapists (Ph.D./Masters), Psychiatric Nurse Specialists (Masters), Clinical Social Workers (Masters), Mental Health Counselors (Masters), Psychologists (Masters), and Master of Social Workers providing autism services. **Limited licensed professionals can apply.**
- **Public Service Loan Forgiveness:** Qualified applicants can be bachelors, graduate, or doctoral level professionals who are working in the government sector or for a not-for-profit organization.

## What are the application timelines for organizations and employees to participate in the different loan repayment programs?

- **National Health Service Corps Loan Repayment Program (NHSC):** The application cycle for employees most generally opens in February or March and is open for approximately two months. (Employee application dates are subject to change)  
The application cycle for organizations opens in early June and generally remains open for two months. (Organization application dates are subject to change)  
Application guidelines can be found at:  
<https://nhsc.hrsa.gov/loan-repayment/nhsc-loan-repayment-program#application-requirements>
- **Michigan State Loan Repayment Program (MSLRP):** The next application cycle opens February 1st, 2024, and closes April 30th, 2024. (Application dates are subject to change) [Learn more about the application period HERE.](#)
- **Public Service Loan Forgiveness (PSLF):** Employees can apply at any time. Application process times can vary. [Learn how to submit the PSLF form HERE.](#)

## How would participating in a loan repayment program help my organization to recruit professionals?

- Loan repayment program options can be included in an organization's benefits package and can incentivize students graduating with student loan debts to apply to the organization's open positions. Offering loan repayment options as a benefit and incentivizing new employees can increase the number of job applicants and help organizations expand services.
- Loan repayment program participation can also help retain employees, even after their loan repayment program contract has ended.