

## Got Loans? Understanding the National Health Service Corps Loan Repayment Program

Gary Hawley, Psy.D.  
Kansas Psychological Association

*Many post-doctoral psychologists have graduated their programs with loan debt in excess of \$90,000. The National Health Service Corps (NHSC) is one federal loan repayment program that assists health professionals reduce their debt by working in underserved health professional shortage areas. This article describes the program and the application process.*

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Do you find yourself lying awake at night wondering how you will pay off your student loans before you retire? Do you sometimes think about getting a part time job that has with nothing to do with psychology for extra cash to put toward your loans? If this sounds familiar to you, perhaps you should consider becoming a member of the National Health Service Corps (NHSC). I can recall being in graduate school and hearing about this mythical organization that would help to pay off student loans working in remote areas with underserved populations (remember the television show “Northern Exposure?”). Many of us in psychology are not aware that we also have access to this funding as other healthcare providers (e.g., physicians, dentists, nurses) do. My dream became a reality recently as I had received notice that I had been accepted for the National Health Service Corps Loan Repayment Program. I’ll describe the program briefly here and what you need to know about the process to apply.

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Gary Hawley received his Psy.D. from Loma Linda University in California in 2002. Dr. Hawley is a current member of the NHSC Loan Repayment Program and works at the South Central Mental Health Counseling Center in Butler, Kansas. He is also serving on the Kansas Psychological Association’s Board of Governors as the 2006 President-Elect and the Early Career Psychologist Committee Chair.

There are 50 million people who live in communities in the United States who do not have adequate access to healthcare (particularly mental health care). Established in 1970, the NHSC establishes clinicians in Health Professions Shortage Areas (HPSAs) and in return, assists clinicians with repaying qualifying student loans. Currently, there are approximately 4,000 members in the field and over 25,000 professionals have served since inception. Kansas, being the rural state that it is, has many underserved areas that have qualified, or might qualify, for being designated as an approved site. The key to becoming a member of NHSC and getting loan repayment is that you must work (or apply to and begin work) at a site with a HPSA score from NHSC. This is essentially a formula that NHSC uses to determine how many professionals from a given field are in the area to determine the need for the area. If you work at a site that is not rated, then the agency could contact the NHSC for the process of obtaining a HPSA score.

Once you have secured the employment and the site is rated with a HPSA score, then there is a lengthy application process for you to complete. You are applying for a two year contract at the site where you are employed. Following these two years (if you continue to have eligible loans), you may apply for a contract amendment to extend your service for one year at a time. The

main deadline is generally March, but they accept applications throughout the year (if funding continues to be available). If you have been considering this process for yourself, now is the time to check this out.

In July 2005, I attended the annual orientation meeting for the NHSC in Washington, D.C. At the conference, I learned that there has been a recent increase in funding for NHSC due to President Bush's initiative of providing additional services for underserved populations. They stated that due to the funding upsurge, within this next round of applications for NHSC, most all eligible applications may be funded. In fact, there was someone at the conference who worked in an urban area with a very low HPSA score who was funded for this year (actually, inner city urban areas account for about 40% of the current field force). There has been an increased interest in mental health providers being part of the NHSC. Currently, 71% of the providers in NHSC are primary care physicians and nurses, 12% are dentists and 17% are behavioral/mental health. One impressive figure is the 58% retention rate of those members who have remained in the communities they were serving 15 years post repayment contract.

Now at this point, you are probably wondering, "okay, so how much would I get"? If you have \$50,000 or more in qualifying student loans, then during the initial two year contract period, you will receive \$25,000 a year for a total of \$50,000 (this would be on top of your regular salary paid by your agency). If you decide to extend your contract (i.e., create an amendment each year you plan to extend), then you can access up to \$35,000 each year for the third and fourth years, \$25,000 in the fifth year, \$20,000 in the sixth year and \$15,000 for years seven and beyond. You would receive the full amount of each contract amendment provided that

you have \$50,000 or more still left on your loans to pay, otherwise you will receive 50% of the maximum contract amendment amount. As an added bonus, as of October 22, 2004, these amounts which are paid directly to you are exempt from gross income and employment taxes.

I was most impressed at the conference with the focus on us as being "America's Healthcare Heroes" and the NHSC staff and presenters voiced their appreciation and admiration of the work that we are doing with the underserved populations. Although as psychologists, we are required to maintain 32 scheduled contact hours a week, no shows and cancellations will not count against you. There were several of us who discussed at the conference feeling a sense that the NHSC staff cared about us as professionals and validated our work. There also ways that the NHSC would also provide assistance to maintain your initial contract if there is a sudden change in your work situation. Loan repayors are also granted up to 35 days off a year (this includes holidays, vacation, sick and professional days).

I was initially pleased with the financial relief, but after attending the orientation conference, it renewed my belief in the work that I do every day and the personal importance it has for me. I'm proud to be a member of the NHSC. For more information on the NHSC, go to their website at <http://nhsc.bhpr.hrsa.gov/> or you may call for an application packet by dialing 1-800-221-9393.

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*For more information regarding this article,  
contact Gary Hawley at: South Central Mental  
Health Counseling Center, 217 Ira Court,  
Andover, KS 67002; phone: (316) 733-5047;  
EMAIL: [garyhawley@scmhcc.kscoxmail.com](mailto:garyhawley@scmhcc.kscoxmail.com).*