

OUHSC – Primary Care Loan Information Sheet

GENERAL INFORMATION

What is the Primary Care Loan Program?

The Primary Care Loan (PCL) program is a low cost federal loan program for medical students committed to primary health care practice. The interest rate is 5 percent and begins to accrue following a one year grace period after you cease to be a full-time student. When compared to other federal student loans and private loans, the PCL provides significant savings. The loan also offers deferment of principal and interest not found in other loan programs.

How much can I borrow?

Your financial aid office will determine how much you can borrow based on your eligibility, the amount of PCL funds available at your institution and other criteria. The maximum award for first- and second- year students is cost of attendance (including tuition, educational expenses, and reasonable living expenses). Amounts beyond this may be awarded to third- and fourth-year students.

How Do I Qualify for a PCL?

- You must be enrolled as a full-time student in a degree program leading to a doctor of medicine or doctor of osteopathy.
- You must be a United States citizen or eligible non-citizen.
- You must provide financial information about your parents.
- You must demonstrate financial need.
- You must not owe a federal grant refund or be in default on any federal loan.
- You must maintain good academic standing.
- You must register with Selective Service if required by law.

Why must I provide financial information about my parents to obtain a PCL?

To assist schools in allocating limited PCL funds, Health and Human Services requires parental financial information from all students to determine financial need without regard to age, tax, marital or independent status.

SERVICE OBLIGATION

Is there a service requirement for PCL?

YES.

- You must enter a residency training program in family medicine, internal medicine, pediatrics, combined medicine/pediatrics, preventive medicine, or osteopathic general practice.
- You must complete your residency program within four years of graduation.
- You must practice in primary health care until the loan is paid in full.

What are some examples of primary health care and non-primary care residency and practice activities for the PCL Program?

PRIMARY HEALTH CARE: ACCEPTABLE	NON-PRIMARY HEALTH CARE NON-ACCEPTABLE
<ul style="list-style-type: none">• Clinical Preventive Medicine• Occupational Medicine• Public Health• Public Policy Fellowship• Senior Residencies in one of the above• Faculty administrators / policy makers certified in one of the primary health care disciplines• Geriatrics• Adolescent Medicine• Adolescent Pediatrics• Sports Medicine	<ul style="list-style-type: none">• Cardiology• Gastroenterology• Obstetrics/ Gynecology• Surgery• Dermatology• Radiology• Rehabilitation/Medicine• Psychiatry• Emergency Medicine

Are there exceptions to the primary health care service obligation?

YES, however, your loan repayment obligation remains.

- Your primary health care service obligation may be waived if you terminate studies before graduating and do not later resume studies.
- Your primary health care service obligation may be suspended for the period you are not enrolled because you have terminated studies before graduating; your obligation is resumed when you return to medical school to complete your studies.

What if I do not fulfill the primary care service obligation?

At the point you fail to fulfill your service obligation, the outstanding loan balance will be computed at an interest rate of 18 percent from the date of noncompliance, compounded annually.

What if I accept PCL and change my mind about primary health care?

If you are not firmly committed to the practice of primary health care, you should not accept a PCL.

What if I want additional certification?

You may obtain additional certification in primary health care while fulfilling your service obligation, as long as you complete your primary health care residency program within four years after graduation. For example, if your primary care residency is completed in three years after graduation, you may obtain certification in an area of training to enhance your primary health care practice (i.e., geriatrics) at anytime, and it will be considered an acceptable activity for fulfillment of your service obligation. However, you may not do additional training or obtain certification in any non-primary health care sub-specialty.

LOAN REPAYMENT

When does repayment begin and end?

- Repayment begins following a twelve-month grace period after you cease to be a full time student.
- Interest at 5 percent is computed on the unpaid principal balance and begins to accrue upon expiration of your grace period unless you are eligible to defer payment.
- Loans are repayable over a period of not less than ten years nor more than twenty-five years, at the discretion of the institution.

May payment of my PCL be deferred?

YES.

- Up to four years in an eligible primary health care residency program.
- Up to three years as a volunteer under the Peace Corps Act practicing in an eligible primary health care activity.
- Up to three years as a member of a uniformed service. To be eligible for deferment, you must be on sustained full-time active duty practicing in an eligible primary health care activity in the Army, Navy, Air Force, Marine Corps, Coast Guard, National Oceanic and Atmospheric Administration Corps or the U.S. Public Health Service Commissioned Corps.
- For periods of advanced professional training in primary health care.

Is a PCL eligible for consolidation?

PCL is not eligible for consolidation because of the service obligation.

What happens to my PCL in the event of death or disability?

Your obligation to repay the loan will be canceled upon receipt of the required documentation in the event of your death or permanent and total disability.