



Fact Sheet

Student Loan Repayment

The Federal student loan repayment program permits the National Capital Region Medical Directorate (NCR-MD) MTFs and Centers to repay Federally insured student loans as a recruitment incentive for candidates or as a retention incentive for current employees of the NCR-MD MTFs/ Centers. In order to qualify, the loan must be insured or guaranteed under the Higher Education Act of 1965 or the Public Health Service Act. The candidate/employee must provide a letter from the loan holder verifying the existence of a Federally insured loan and showing the remaining balance of the loan.

Effective dates for Student Loan Repayments may NOT be retroactive.

Payment

NCR-MD MTFs and Centers may make payments of up to \$10,000.00 per year directly to the loan holder of a qualifying outstanding student loan. The lifetime maximum repayment per employee is \$60,000.00.

The loan repayment amount is considered a taxable wage and is subject to tax withholding.

Service Agreement

A written Service Agreement for not fewer than 3 years of continuous employment required without regard to the term of payments or total amount repaid. The application must be recertified at least annually; however, the term of the original Service Agreement remains in effect without regard to continuation of payments beyond the first year.

The service period begins on the date specified in the service agreement. The beginning date may not be:

- Earlier than the date the service agreement is signed; or
- Earlier than the date the individual begins serving in the position for which he or she was recruited (when student loan repayment benefits are approved to recruit a job candidate to fill a vacancy).

References

5 U.S.C. 5379

5 CFR Part 537

5 U.S.C. 2105

NCR-MD Administrative Instruction 1432.01