

NATIONAL CAPITAL REGION MEDICAL DIRECTORATE
STUDENT LOAN REPAYMENT
SERVICE AGREEMENT



Title 5 USC 5379 allows repayment of outstanding federally insured student loans made by educational institutions or banks and other private lenders as authorized by the Higher Education Act of 1965 and the Public Health Service Act. Student loan repayments are made directly to the lender subject to the conditions stated in this agreement. Use of this authority in no way constitutes a right, promise, or entitlement for continued employment or noncompetitive conversion to the competitive service.

CONDITIONS OF EMPLOYMENT

_____ agrees to
provide a student loan repayment benefit to:

Selectee Name:

SSN (Last Four):

Position Title:


Pay Plan:

Series:

Grade:

Step:


subject to the conditions of employment stated in this document.

(STATE CONDITIONS OF EMPLOYMENT SPECIFIC TO EACH AGREEMENT AS DESCRIBED IN 5 CFR 537.107(a) HERE OR ATTACH AS SEPARATE PAGE, IF APPLICABLE). 

_____ Employee Initials

NCR-MD STUDENT LOAN REPAYMENT SERVICE AGREEMENT

LOAN REPAYMENT

- I agree to complete _____ years of service. 
- My period of service begins on _____.
- My period of service ends on _____.
 - I further understand that if I enter a nonpay/nonduty status, my service period will be adjusted accordingly.
- In return, _____ will make payments on my outstanding federally insured loan(s) to: (If more than one lender, attach additional documentation as necessary.)
 - Lender Name:
 - Address:
 - Loan Account Number(s):

Annual Repayment Amount	Number of Years	Total

- I agree to notify my HR Representative immediately of any changes to the lender identified above in the servicing of my loan i.e., loan consolidation, assumption of loan by another lender, etc.

Increases or renewals made under this part not to exceed \$10,000 each calendar year up to a lifetime total of \$60,000 (may/may not) be made without requiring a new period of service. If increases or renewals are made, however, the _____ shall document the changes on a revised service agreement. The _____ shall provide the Defense Finance and Accounting Service (DFAS) with a copy of the amended service agreement to ensure the size and duration of payments to the loan holder are adjusted accordingly.

LOAN REPAYMENT PROCEDURES

DFAS will make payments to the lender on a biweekly basis. It will determine the amount to be paid by dividing the annual repayment amount by the number of pay periods in the year for which payments are made. This usually will be 26 payments per year, except for years having 27 pay periods. In those cases, 27 biweekly payments will be made. The loan repayment amount will be considered as taxable wages and tax withholding will be made on a biweekly basis as appropriate. The NCR-MD is not responsible for any late fees or penalties assessed by the loan holder(s) prior to, during, or subsequent to this agreement.

_____ Employee Initials

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ELIGIBILITY FOR LOAN REPAYMENT BENEFIT

- I understand I will no longer be eligible for the loan repayment incentive if I voluntarily end my employment with _____, am demoted or separated for cause, reasons of misconduct or performance, receive a rating of record less than “Fully Successful” or equivalent, or in any way violate the terms of this agreement.
- I understand that the loan payments may not continue for periods of leave without pay (LWOP). If LWOP occurs, this can result in loss in loan payment benefits for these periods unless exceptions (i.e. returning from uniform service, full recovery from compensable injury, etc) are granted by the authorizing official.
- I understand that management may terminate this agreement at any time for reasonable cause, such as: in order to avoid a reduction in force, my reassignment to a different position, or in the case of insufficient funds.
- I understand that if I cannot complete the period of service because the authorizing official unilaterally terminated a service agreement based solely on a management need, I am entitled to all payments already received.
- Furthermore, I understand that a management decision to terminate this agreement may not be grieved or appealed.

REIMBURSEMENT OF LOAN REPAYMENT BENEFIT

- If I leave NCR-MD before I complete the period of service specified in this agreement, I will reimburse NCR-MD for the entire amount of all loan repayments considered as taxable wages that NCR-MD has made on my behalf.
- I also understand that under such circumstances these monies are recoverable from me as a debt due to the United States Government.

EMPLOYEE SIGNATURE

Date

I certify that I have discussed the conditions of the NCR-MD Student Loan Repayment program with this employee.

APPROVING OFFICIAL SIGNATURE

Date

<p>Distribution of Copies: Original - Official Personnel Folder; 1 Copy -Employee; 1 Copy -Recruitment Case File; 1 Copy -Employing Office; 1 Copy with attached letter verifying Student Loan - Comptroller/Budget Office (for Student Loan Repayment only)</p>
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