



DIVISION OF STUDENT LOANS AND SCHOLARSHIPS PROGRAMS

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Department of Health and Human Services
Health Resources and Services Administration
Bureau of Health Professions
Division of Student Loans and Scholarships
Campus-Based Branch



Division of Student Loans and Scholarships (DSL)

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Today's Presentation

- Overview of DSLS campus-based programs including recent changes
- Current Program Data
- Information about the transition to Electronic Handbooks

DIVISION OF STUDENT LOANS & SCHOLARSHIPS PROGRAM

(\$ to Students: Loans, Academic Year 2008-09; \$ to Institutions, Scholarships, Academic Year 2010-11)





Scholarships for Disadvantaged Students (SDS)

- Purpose is to provide funds to individuals from disadvantaged backgrounds to ensure their education and graduation and to improve healthcare access and to improve diversity representation in the health professions
- Schools are responsible for selecting scholarship recipients, making reasonable determinations of need, and providing scholarships that do not exceed the cost of attendance (tuition, reasonable educational and living expenses).

Eligible Scholarships for Disadvantaged Students Disciplines

- Allopathic Medicine
- Osteopathic Medicine
- Dentistry
- Optometry
- Podiatric Medicine
- Veterinary Medicine
- Chiropractic Medicine
- Pharmacy (Baccalaureate or Graduate)
- Public Health (Graduate)
- Dental Hygiene (Baccalaureate & Graduate)
- Medical Laboratory Technology (Baccalaureate)
- Speech Pathology (Baccalaureate & Graduate)
- Registered Dietician (Baccalaureate & Graduate)
- Radiologic Laboratory (Baccalaureate)
- Audiology (Baccalaureate & Graduate)





Eligible Scholarships for Disadvantaged Students Disciplines, cont.

- Occupational Therapy (Graduate)
- Physical Therapy (Graduate)
- Marriage and Family Counseling (Graduate)
- Clinical Psychology (Graduate)
- Clinical Social Work (Graduate)
- Rehabilitation Counseling (Graduate)
- Gerontology Counseling (Graduate)
- Mental Health Counseling (Graduate)
- Associate Nursing
- Baccalaureate Nursing
- Graduate Nursing
- Physician Assistant Training

Eligibility Requirements

Schools are eligible if they can demonstrate:

- 10% disadvantaged enrollment in Academic Year
AND
- 10% disadvantaged graduates in Academic Year.
- Economically disadvantaged students enrolled and graduated during the reporting year.

To receive consideration for larger amounts of funding, schools must have at least:

- 50 percent of their graduates practicing in Primary Care, 10 percent of their graduates serving in Medically Underserved Communities, or a percent of underrepresented minorities that is above the national average for the discipline for which the school is applying.



Disadvantaged Background Definition

Comes from an environment that has inhibited an individual from obtaining the knowledge, skill, and abilities required to enroll in and graduate from a health professions schools or from a program providing education or training in an allied health professions;

OR

Comes from a family with an annual income below a level based on low income thresholds according to family size published by the U.S. Bureau of Census, adjusted annually for changes in the Consumer Price Index, and adjusted by the Secretary of the U.S. Department of Health and Human Services for adaptation to the program.

Environmentally Disadvantaged

The Department expects that eligible students who meet the environmentally disadvantaged criteria will:

- Have the abilities needed to succeed in a health career.
- Come from backgrounds and education environments that have made it difficult for them to reach and fully demonstrate their academic potential.

Examples of Environmentally Disadvantaged

- The individual graduated from (or last attended) a high school with low SAT score based on most recent data available.
- The individual graduated from (or last attended) a high school from which, based on most recent data available had:
 - Low percentage of seniors receive a high school diploma.
 - Low percentage of graduates go to college during the first year after graduation.
 - The individual graduated from (or last attended) a high school with low per capita funding.



Examples of Environmentally Disadvantaged, cont.

- The individual graduated from (or last attended) a high school at which, based on most recent data available, many of the enrolled students are eligible for free or reduced price lunches.
- The individual comes from a family that receives public assistance (e. g, Aid to Families with Dependent Children, food stamps, Medicaid, public housing).
- The individual comes from a family that lives in an area that is designated under section 332 of the Act as a health professional shortage area.

Note that schools are not limited to the examples.



Scholarships for Disadvantaged Students Applications

- One Application per institution (campus)
- Multiple Disciplines in one application
- Separate subsection for each discipline
- Application cannot be submitted until all disciplines are completed
- Authorizing Official approves and submit all applications at one time



Scholarships for Disadvantaged Students Applications, cont.

- Narrative – instead of providing your answers in narrative format, questions must be answered electronically on the program specific form under “Certification and Eligibility Questions.”
- Only eligible programs can submit an application. The system will not allow ineligible school to submit.



New Application Information

- Parental income is used to determine a students' eligibility for economically disadvantaged—except where the student is at least 24 years old and has not been listed on his or her parents' or anyone else's income tax for 3 or more years.
- In those cases above, the students' family income will be used instead of parents' family income.



Application Information (cont.)

- Documentation must be provided to the school for age and independent status.
- If a student is at least 24 years old and cannot prove independent status, the student must be considered dependent and parental income used for economically disadvantaged eligibility.

Scholarships for Disadvantaged Students: American Recovery and Reinvestment Act (ARRA) of 2009

- ARRA was signed into law Feb. 17, 2009
- ARRA provided \$500 million to address health professions workforce shortages
- SDS was awarded approximately \$20 million each year in FY 2009 and FY 2010.



Scholarships for Disadvantaged Students: American Recovery and Reinvestment Act Reporting

ARRA grantees are required to comply with specific Recovery Act reporting:

- Provide quarterly reports on programmatic progress on these grants.
- Report requests: (1) total amount of ARRA funds received and obligated, (2) detailed list and description of how funds were obligated and expended, and (3) an estimate of the number of jobs created and the number of jobs retained by the project or activity.



Scholarships for Disadvantaged Students Awards

- The range of awards to schools is approximately \$1,000 to \$650,000



FY 2010 Scholarships for Disadvantaged Students

<u>Disciplines</u>	<u>Awards</u>	<u># of Programs</u>
Totals	\$45.7M	605
Health Professions	\$17.7M	
Nursing	\$14.6M	
Allied Health	\$13.4M	



FY 2010 Scholarships for Disadvantaged Students: American Recovery and Reinvestment Act

<u>Disciplines</u>	<u>Awards</u>	<u># of Programs</u>
Totals	\$20.4M	513
Health Professions	\$ 8.1M	
Nursing	\$ 6.8M	
Allied Health	\$ 5.5 M	



Division of Student Loans and Scholarships: Loan Programs Institution Responsibilities Overview

Day-to-day administration of the programs:

- Student selection
- Loan distribution to and Collection from students
- Repayment schedules
- Deferment and Forbearance Review
- Preparation of Disability and Write-off Claims*
- Biennial Audits
- Annual Operating Reports
- Other items identified in the Student Financial Aid Guidelines

*Schools must document each Write-off and Disability case and submit package to HRSA for review



Eligibility Requirements for Loan Programs

Schools:

- Located in the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, or the Trust Territories of the Pacific.
- Accredited body recognized by the Secretary of Education.
- Written Agreement with the Secretary of HHS to establish a loan fund.



Institution Requirements, continued

- Schools are responsible for selecting scholarship recipients, making reasonable determinations of need, and providing scholarships that do not exceed the cost of attendance including tuition and reasonable educational and living expenses.
- School is required to match one-ninth (1/9) of the Federal Award.

Loans for Disadvantaged Students (LDS)

- Provides financial assistance for health professions students from disadvantaged backgrounds with financial need.
- Funds are awarded to accredited schools of allopathic medicine, osteopathic medicine, dentistry, optometry, pharmacy, podiatric medicine, and veterinary medicine.



Health Professions Student Loans (HPSL)



- Established to alleviate the shortage of health professionals and to assure that qualified students were not denied a health professions career due to lack of financial resources.
- HPSL provides long-term, low interest loans to full time students with financial need pursuing a degree in health professions.
- Eligible disciplines are dentistry, optometry, pharmacy, podiatric medicine and veterinary medicine.

Primary Care Loans (PCL)

- Goal is to increase the number of primary care physicians by providing long-term, low interest rate loans to full-time students with financial need pursuing a degree in allopathic or osteopathic medicine.





Primary Care Loan Amounts

- Loans may be made in amounts that do not exceed the cost of attendance (including tuition, other reasonable educational expenses, and reasonable living expenses).
- In addition, allopathic and osteopathic medical schools have the authority to increase PCL awards to third- and fourth-year medical students beyond the cost of attendance to help these students reduce the level of their indebtedness from loans with less favorable terms.



Self-Certification of Compliance

- PCL program requires recipients to do residencies and practices in primary health care.
- PCL recipients are required to submit a written self-certification of compliance with the service obligation on an annual basis.

Institution's Requirements for Primary Care Loans



- Not less than 50 percent of the school's designated graduates meet the criterion of either being in a primary health care residency training program or being engaged in the practice of primary health care; or
- Not less than 25 percent of the school's designated graduates meet the above criterion, and this percentage is not less than 5 percentage points above the percentage of such criterion for the preceding one-year period; or
- The school is in the top 25th percentile of participating PCL schools relative to the proportion of designated graduates who meet the above criterion.



Changes to Primary Care Loans

- For any new PCLs made on or after March 23, 2010, the PCL borrowers are to enter and complete residency training in primary health care and to practice in primary health care for 10 years (including the years spent in residency training) or through the date on which the loan is repaid in full, whichever occurs first.
- Borrowers who receive a PCL on or after March 23, 2010, and fail to comply with the service requirements of the program will have their loans begin to accrue at an annual rate of 2 percent greater than the rate at which the student would pay if compliant.



Changes to Primary Care Loans (cont.)

The requirement for independent students to provide parental financial information to determine financial need has been eliminated.

- The determination of need for such information will be at the discretion of the school's financial aid office.
- An independent student is a student who is at least 24 years of age and has been independent for a minimum of three years. Dependent students are still required to submit parental financial information.

Nursing Student Loans (NSL)

- Established to alleviate the shortage of nursing personnel and to assure that no qualified student was denied the pursuit of a nursing career due to lack of financial resources.
- Provides long-term, low-interest loans to full-time and part-time students pursuing a course of study leading to a diploma, associate degree, bachelor's degree, or graduate degree in nursing
- Provides partial loan cancellation for service.



Nursing Student Loans Continued

- Maximum annual cancellation rates are based upon the total amount of the loans plus accrued interest on the loan which is unpaid for each year of service.
 - 15% for each of the 1st, 2nd, and 3rd year of service
 - 20% for each of the 4th and 5th year of service thereafter
- Maximum overall cancellation rate of 85% of the total of the loans, plus accrued interest.



Changes to Nursing Student Loans

- The maximum amount of NSL funds any student may receive for any academic year (with the exception of the last two academic years) is now **\$3,300**.
- The maximum amount of NSL funds any student may receive for each of the final two academic years of the program involved may not exceed **\$5,200**.



Changes to Nursing Student Loans (cont.)

- In fiscal years 2010 and 2011, the aggregate of the NSL loans for all years for any one student may not exceed **\$17,000**.
- After fiscal year 2011, the amounts shall be adjusted to provide for a cost-of-attendance increase for the yearly loan rate and the aggregate of the loans.



Changes to Nursing Student Loans (cont.)

Terms and Conditions	Old Date	New Date
An NSL loan can be made to a student of financial need who was enrolled in the school after:	June 30, 1986	June 30, 2000
The date for partial loan cancellation is applicable to a loan a student received before:	September 29, 1979	September 29, 1995



Changes that Apply to the Loan Programs

The Higher Education Opportunity Act adds a number of new disclosures for private education loans, which must be given at different times in the loan origination process:

- Disclosures with applications (or solicitations that require no application)
- Disclosures when the loan is approved
- Disclosures at consummation

Additional information about HEOA is available at www.federalreserve.gov
Federal Reserve System 12 CFR Part 226, Regulation Z: Docket No. R-1353



At a Glance: Campus-Based Programs

	Type	Matching Requirement	Interest Rate	Service Requirement	Student Eligibility
LDS	Loan	1/9	5%	None	Full-time student from disadvantaged background
PCL	Loan	1/9	5%	Practice in primary care for 10 years or until loan is repaid in full	Full-time student
HPSL	Loan	1/9	5%	None	Full-time student
NSL	Loan	1/9	5%	Loans received before 9/25/95 are eligible for partial loan cancellation for full-time employment as a professional nurse	Full-time or half-time student
SDS	Scholarship	0	0	None	Full-time student from disadvantaged background

At a Glance: Student Eligibility For Division of Student Loans and Scholarships Programs

HPSL	PCL	LDS	NSL	SDS
Financial Need	Financial Need	Economically or Environmentally Disadvantaged	Financial Need	Economically Disadvantaged
Full-time Students	Full-time Students	Full-time Students	Full-time and Half-time Students	Full-time Students

At a Glance: Eligible Disciplines

HPSL	PCL	LDS	NSL	SDS
	Allopathic Medicine	Allopathic Medicine		Allopathic Medicine
	Osteopathic Medicine	Osteopathic Medicine		Osteopathic Medicine
Dentistry		Dentistry		Dentistry
Optometry		Optometry		Optometry
Pharmacy		Pharmacy		Pharmacy
Podiatric Medicine		Podiatric Medicine		Podiatric Medicine
Veterinary Medicine		Veterinary Medicine		Veterinary Medicine
			Nursing - Assoc	Nursing-Assoc
			Nursing - Bacc	Nursing—Bacc
			Nursing - Grad	Nursing-Grad
			Nursing - Dipl	Nursing-Dipl
				Public health, chiropractic, allied health, physician's assistant, behavioral and mental health

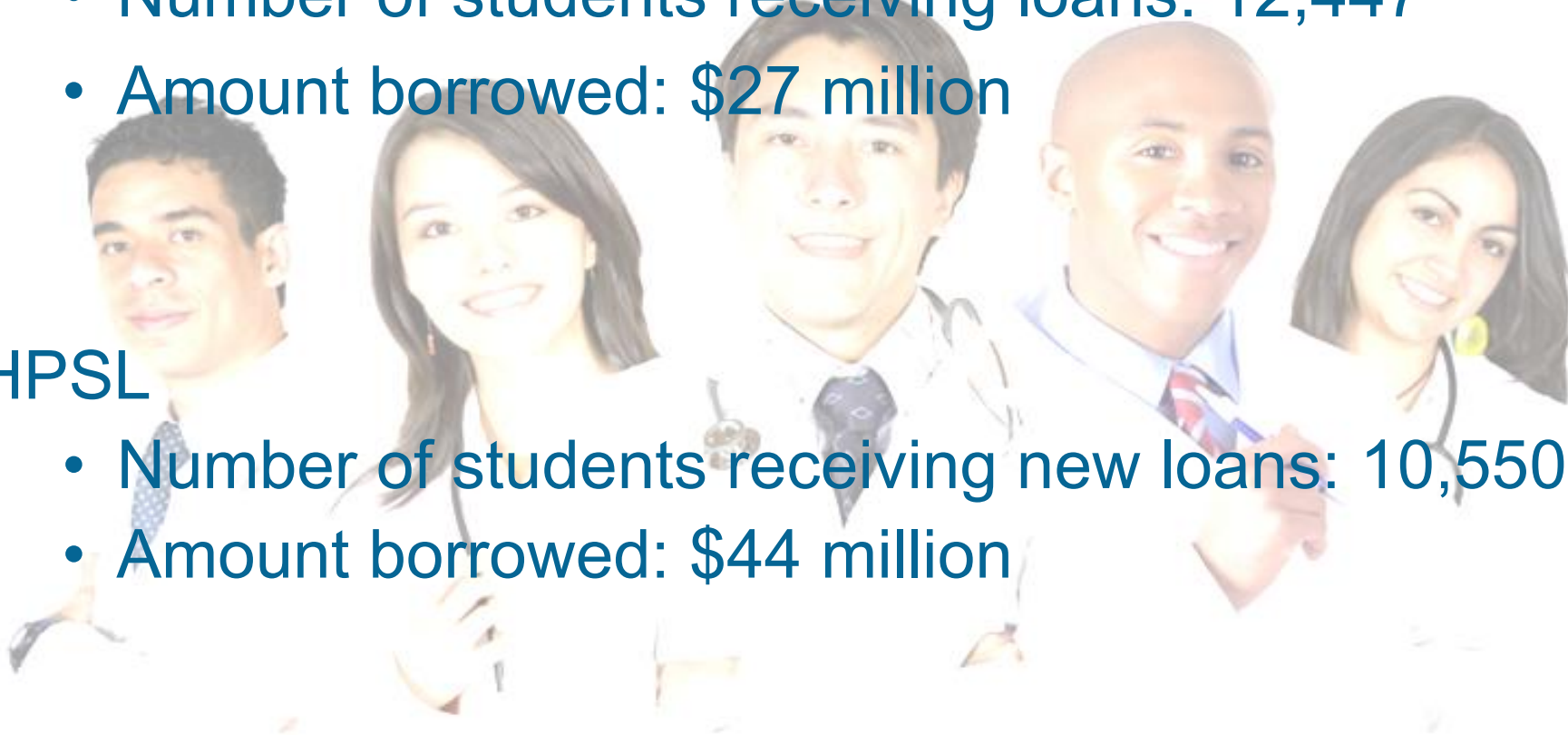
Campus-Based Loan Program Data for Academic Year 2008-2009

NSL

- Number of students receiving loans: 12,447
- Amount borrowed: \$27 million

HPSL

- Number of students receiving new loans: 10,550
- Amount borrowed: \$44 million





Campus-Based Loan Program Data for Academic Year 2008-2009

- PCL
 - Number of students receiving new loans: 420
 - Amount borrowed: \$30 million
- LDS
 - Number of students receiving new loans: 1,832
 - Amount borrowed: \$15 million



Annual Operating Report (AOR)

- Demonstrates how schools allocate and distribute loan funds to students during a particular academic year.
- Provides accountability to the Department of Health and Human Services (HHS) for schools managing HHS student loan programs.
- The AOR covers the period from July 1st through June 30th and must be submitted annually by August 15th.

HRSA's Electronic Handbooks (EHBs)

- What are Electronic Handbooks?
 - End-to-end grants and program management system.
 - Broken down into role-based handbooks.
 - Contain electronic forms and menus to execute the business processes in real-time.
 - Reduce turnaround time and increase work efficiency.





Transition into the Electronic Handbooks

- WRS was phased out in 2010.
- AORs must be submitted through the EHBs beginning July 2010.
- Technical assistance teleconferences were held and will continue as needed.
- Users guide will be published in EHBs



HRSA's Electronic Handbook s,cont.

- EHBs are used to apply for SDS and ARRA-SDS funds.
- EHBs are used to submit SDS Performance Reports.
- EHBs are being used to submit AORs.
 - Continued funding for loans is through the AOR.

Note: New schools apply for loan programs through a paper based application available by calling 301-443-4776.



HRSA's Electronic Handbooks, cont.

EHBs website: <http://www.hrsa.gov/grants/default.htm>

EHBs system help:

- Phone - 877-Go4-HRSA (877-464-4772)
This number is available 9:00 a.m. - 5:30 p.m. ET (M-F)
- Email - CallCenter@hrsa.gov



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Questions?