

# North Dakota Health Service Corps

## Qualifying Educational Loans

### *Frequently Asked Questions*

#### **What is a qualifying educational loan?**

The North Dakota Health Service Corps qualifying educational loan debt means one or more outstanding government (federal, state, or local) or commercial (i.e., private) student loans received during a healthcare professional's undergraduate or graduate degree obtained by the applicant for school tuition, other reasonable educational expenses, and reasonable living expenses. The educational loans must be obtained prior to the date the participant submits an application.

#### **Does the North Dakota Health Service Corps consider accrued interest to be qualifying debt?**

Loan repayment funding may be applied to the principal, interest, and related expenses of outstanding government (federal, state, or local) and commercial (i.e., private) student loans.

#### **What if my educational loans have been consolidated?**

Consolidated loans are allowable, but the applicant must provide detailed documentation on the consolidation. Documentation must include the original disbursement dates, to which institutions the original loans were disbursed, and details on what was included in the consolidation. Most applicants report they can easily find this on information on the lender's website.

#### **What if my loans have been refinanced?**

Refinanced educational loans may be eligible, but the applicant must provide details of the refinancing including disbursement dates, to which institution (s) the original loans were disbursed, and details on what was included. Loans that are refinanced with a private bank may not be eligible.

#### **The CARES act placed my federal student loans into Forbearance. Will these loans still be eligible for repayment programs?**

In March of 2020, the CARES act automatically placed federal student loans in forbearance. Federal student loans in CARES act forbearance that meet all other program requirements are eligible for submission. Federal Loans placed in Forbearance due to COVID-19 must be marked as such by the loan provider, and the loan documentation that you submit reflects the CARES act status. In addition, loans must have been in good standing/current at the time when the CARES act took effect. Regardless of their CARES act status, loans that are not in good standing will not be program eligible.

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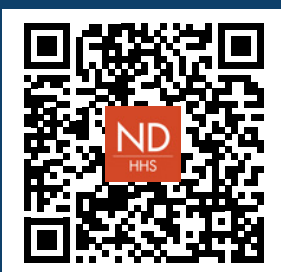
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#### **I have been awarded a North Dakota Health Service Corps award and would like to make changes to my educational loan debt, could this affect my award?**

Yes. Changes to your loans that were determined as “qualifying” might affect the status of your award. In the most severe cases, this could place your contract in breach. Any changes made to your loans must be approved by the North Dakota Primary Care Office. Such changes include consolidation, refinancing, transferring to a new loan servicer, paying your loans off in full before the end of your obligation.

#### **What types of loans are NOT eligible for the ND Health Service Corps?**

- Loans already paid in full
- Loans not obtained from a government entity or private student loan lending institution
- Loans for which the applicant incurred a service obligation, which will not be fulfilled before the deadline for submission of the providers application
- Loans for which the associated documentation cannot identify that the loan was solely applicable to the health profession education of the applicant
- Primary Care Loans
- Parent PLUS Loans (made to parents)
- Personal lines of credit
- Loans subject to cancellation
- Residency loans
- Credit Card debt
- Private Loans
- Loans currently inactive student status, in forbearance, or deferment not related to COVID-19



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