

**PRIMARY CARE LOAN TERMS, CONDITIONS AND REQUIREMENTS
AND STUDENT ACKNOWLEDGEMENT FORM**
For loans borrowed on or after March 23, 2010

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% and begins to accrue following a 12-month grace period after you cease to be a full-time student. The PCL uses Federal Title VII-HRSA funds. 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?

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

How do I qualify for a PCL?

- Enrollment full-time in a degree program leading to a doctor of medicine or doctor of osteopathy.
- United States citizen or eligible noncitizen.
- Provide financial information about your parents.
- Demonstrate financial need.
- Owe no federal grant refund and not be in default on any federal loan.
- Maintain good academic standing.
- 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, the Department of Health and Human Services requires parent information from all students to determine financial need without regard to age, tax, marital or dependency status.

SERVICE OBLIGATION**Is there a service requirement for PCL?**

YES

- You must enter a residency training program in family medicine, general internal medicine, general pediatrics, combined medicine/pediatrics, preventive medicine or osteopathic general practice.
- You must complete your residency program within four years of graduation.
- PCL loan borrowers are to enter and complete residency training in primary health care and 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. Annual certification that he/she is practicing primary health care is required.

What are some examples of primary health care and non-primary health care residency and practice activities for the PCL Program?**ACCEPTABLE RESIDENCY/PRACTICE ACTIVITIES**

Approved 3-year residencies:

- Family Medicine
- General Internal Medicine
- General Pediatrics
- Combined Medicine/Pediatrics
- Preventive Medicine
- Osteopathic General Practice

Approved Practice Activities:

- Primary Care Clinical Practice
- Clinical Preventive Medicine
- Occupational Medicine
- Public Health
- Senior/Chief Resident in Primary Care Residency Program
- Faculty, Administrator or Policymaker certified in one of the Primary Health Care disciplines
- Geriatrics
- Adolescent Medicine
- Adolescent Pediatrics
- Urgent Care
- Sports Medicine
- Training for Primary Care Faculty Career
- Training for Public Policy career
- Masters in Public Health
- Public Policy Fellowship
- Faculty Development Training
- Primary Care Fellowship
- Hospitalist

UNACCEPTABLE RESIDENCY/PRACTICE ACTIVITIES

- Cardiology
- Dermatology
- Emergency Medicine
- Gastroenterology
- Obstetrics/Gynecology
- Other subspecialty training or certification
- Physical Medicine
- Psychiatry
- Radiology
- Rehabilitation Medicine
- Surgery

Are there exceptions to the primary health care service obligation?

YES

- Your loan repayment obligation remains.
(See page 2 for additional information)

Are there exceptions to the primary health care service obligation? (Continued from page 1)

- 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 health 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 7% from the date of noncompliance, compounded annually.

What if I accept the 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 health 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 (e.g., geriatrics) at any time, 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 subspecialty.

LOAN REPAYMENT

- Repayment begins following a 12-month grace period after you cease to be a full-time student.
- Interest at 5% 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 10 years and no more than 25 years, at the discretion of the institution.
- PCL borrowers are not eligible for federal repayment options (e.g., Income-Based Repayment (IBR), or Pay As You Earn (PAYE).
- PCL borrowers are not eligible for federal Public Service Loan Forgiveness, National Health Service Corps Loan Repayment, or Indian Health Service Loan Repayment.
- Opportunities for loan forgiveness may be available under other shortage-area loan repayment programs (e.g., the California Steven M. Thompson Physician Corps Loan Repayment Program).

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 active duty in the uniformed military services. 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 federal loan consolidation because of the distinct service obligation.

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

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

FINAL THOUGHT

How should I explore whether PCL is right for me?

1. Talk with primary health care faculty.
2. Attend primary health care society meetings.
3. Meet with the financial aid office staff about eligibility and terms and conditions.

STUDENT ACKNOWLEDGEMENT

I acknowledge and certify my understanding of the terms, conditions and requirements associated with the Primary Care Loan as outlined in this informational document.

Signature

Print Name

UC Davis Student ID#

Date

**RETURN TO: UC DAVIS FINANCIAL AID OFFICE, 4610 X STREET, SACRAMENTO CA 95817 OR FAX TO (916) 734-4116.
INCOMPLETE FORMS MAY DELAY THE RELEASE OF THE STUDENT'S FINANCIAL AID.**