

## **THE REPAYMENT OF YOUR HEALTH PROFESSION PRIMARY CARE LOAN**

This guide outlines your rights and responsibilities in repaying your loan. This is vital information to understand to prevent default on your loan.

The type of Health Profession Primary Care Loan you borrowed is dependent on the Health Profession Loan regulations in effect at the time you borrowed the funds.

### **EXIT COUNSELING**

Federal regulations require you to complete exit counseling on your loans prior to your departure from MU or if your enrollment as a medical student at MU drops to less than full-time. A hold is placed on transcript requests until your exit counseling is satisfactorily completed.

### **GRACE PERIOD**

The period of time between graduation (or ceasing to be enrolled full-time in an eligible Primary Care Health Professions program) and the beginning of loan repayment. Primary Care Health Profession Loans have a 12-month grace period. You are not required to make payments during the grace period. Any payments made during the grace period before interest accrues will be applied toward principal.

### **INTEREST RATE**

The interest rate on Primary Care Loans is 5% per year. Interest is computed monthly on the unpaid principal balance. Any extra payments you make toward principal will reduce the amount of interest you will pay over the life of the loan. Interest begins to accrue at the end of the grace period, but BEFORE the first payment is due.

### **LENGTH OF REPAYMENT**

Borrowers who separated (graduated, withdrew from the medical degree program, or dropped to less than full time enrollment) from MU must repay their loans at a minimum payment of \$40.00/month or at a payment amount which will repay the loan in 10 years, whichever is higher.

### **REPAYMENT**

The first payment due, your minimum payment amount, and term of the loan is on your truth-in-lending form provided to you during exit counseling.

The total amount of interest indicated on the truth-in-lending statement assumes payments are received on the 1st day of every month as outlined on the truth-in-lending form. The actual amount of interest paid will depend on the date payments are received.

Payments are applied to any interest and/or fees outstanding, then towards principal. You may prepay at anytime without penalty. If you want to pay ahead, you must include a note specifying this along with your payment.

## **THE BILLING PROCESS**

Once your loan enters repayment you will be sent a billing statement each month. Bills are computed around the 12th of the month and are due on the 1st, approximately 2 weeks later.

A payment is required each month. Payments received are first applied to the amount billed. Any extra payments will be applied to principal and not to future payments unless sent to 14 Jesse Hall with a note specifying how to apply.

Failure to submit your payments on time may result in late charges being assessed to each loan. Any payments returned to us as unpaid will be assessed a \$20.00 service charge. **YOU ARE RESPONSIBLE FOR MAKING YOUR LOAN PAYMENT EACH MONTH EVEN IF YOU DO NOT RECEIVE A BILL.**

### **CREDIT BUREAU REPORTING**

All student loans are reported to a national credit bureau monthly. If you are current on your loan payments you will establish a good credit history. If your loan becomes past due, the delinquency is reported to a credit bureau. Past due reportings will affect your ability to take out other loans, such as a mortgage or car loan. Some employers and landlords use credit ratings in their decisions to employ and rent.

### **DEFERMENT**

A deferment is an authorized period of time during which payments are not required and interest does not accrue. Any payments made during this period will be applied to principal.

A listing of deferments available on Primary Care Health Profession Loans is on the reverse of this brochure. To qualify for deferment your loan must be in current status. You must notify our office to request deferment. Forms and other documentation may be required. Once our office receives all the necessary information and documents, your loan is put in "pre-deferment." During pre-deferment, billing is delayed. Near the end of the pre-deferment period, you must submit a deferment form. The deferment form must be completed and certified by the appropriate official. The certified deferment form must be received in our office in a timely manner to finalize your deferment. Certified deferment forms for student status must be completed each semester.

If you discontinue the activity for which your loan was deferred, you must notify us immediately. Your loan will only qualify for deferment for the period that you engaged in the activity. All other periods of deferment will be removed from your loan. Late notification could result in your loan becoming delinquent.

Failure to submit deferment forms in a timely manner may result in negative credit bureau reporting. If the certified deferment form is not received in our office in a timely manner, the "pre-deferment" is removed from your account and you will be billed for all the previous months that had been "pre-deferred." Your account would immediately be considered past due. Because we report all loan accounts to the credit bureau monthly, your account would be reported to the credit bureau as extremely past due.

## **CERTIFICATION OF PRIMARY CARE**

Once you graduate or drop to less than full-time enrollment in the Medical Degree Program, you must certify annually that you are in an acceptable internship/residency program or practicing in Primary Care. If you received the Primary Care Loan prior to March 23, 2010, you must practice in only a Primary Care field until the loan is paid in full. If you received the Primary Care Loan after March 23, 2010, you must practice in only a Primary Care field for 10 years (includes the years spent in residency training). The Certification of Primary Care must be completed annually. During your internship/residency, generally your certification will be included with your request for internship/residency deferment. Beginning at the end of your internship/residency, our office will mail you the necessary forms. Failure to return the forms annually and in a timely manner may result in your loan becoming non-compliant.

### **NON-COMPLIANCE ON PRIMARY CARE LOANS**

A Primary Care Loan may be deemed "non-compliant" if:

- The borrower does not complete an internship/residency training program in an acceptable Primary Care field within 4 years after the date the borrower graduated from MU. Deferments do NOT extend the 4-year time limit;
- The borrower does not return annual Certification of Primary Care in a timely manner;
- The borrower receives a certificate/degree in a medical specialty field; or
- The borrower practices in a specialty field in any manner. (To remain compliant, the borrower must practice ONLY in an acceptable Primary Care field).

Consequences of non-compliance depends on the regulations in effect when you borrowed the loan.

**Consequences of non-compliance on the P1001** - The balance due on the loan is re-computed from the date the loan was issued, using the original principal borrowed and applying a 12% annual interest rate. Total loan must be repaid within 3 years of the date the borrower was in non-compliance. Interest shall accrue, including any periods of deferment, from the date of disbursement. Borrower is no longer eligible for deferments.

**Consequences of non-compliance on the P1002** - The loan will accrue interest at a rate of 18% per year beginning on the date of non-compliance and ending when the loan is paid-in-full. Loan must be repaid within 10 years. Borrower is not eligible for deferments.

**Consequences of non-compliance for loans received on or after March 23, 2010** – The loan will accrue interest at a rate of 7% per year beginning with the date of non-compliance and ending when the loan is paid in full. Loan must still be repaid within 10 years. Borrower is not eligible for deferments.

*If you have a disability and need this publication in an alternate format, please contact us. Reasonable efforts will be made to accommodate your needs.*

## GUIDE TO PREVENTING DEFAULT

*The key to preventing default is COMMUNICATION!!*

**Payments** - It is your responsibility to repay your loan in accordance with the truth-in-lending statement. Payments are due on the 1<sup>st</sup> day of each month.

**Credit Reporting** - All loans, whether current or past due, are **reported** to a national credit bureau each month beginning with the date of disbursement.

**Your Contact Information** - It is your responsibility to immediately inform the MU Student Loan Repayment Center of any change in name, address, telephone number, or social security number. This may be done online at [www.ecsi.net](http://www.ecsi.net) or by noting changes on your billing statement, calling our office, or sending notification in writing to our office (name & SSN changes require written documentation). **Changing your address with one office of the University does not assure that all offices will receive this information.**

**Payment Difficulties** - Contact us if you cannot make a payment. Our trained loan advisors will work with you to make payment arrangements.

**Default** - Should you miss two payments, your loan will be considered in default. Your loan can be "accelerated" and sent to a collection agency. "Accelerated" means your loan becomes due in full. When a loan is accelerated, deferment and cancellation privileges are lost. You will have to pay the collection agency's commission on your loan, which can be very high. You can be taken to court and may have to pay all attorney fees and court costs.

**Transcripts** - MU will not release a transcript for any borrower who is past due on loan payments, has incomplete exit counseling paperwork and/or is in default on an account with MU.

**Deferment/Cancellation** - Failure to follow procedures explained in your promissory note and this brochure may result in denial of deferment and/or cancellation privileges

Revised 04/07/2011 DEFERMENTS* (for HPLC34 & HPLC40 loans)
No Limit - Full time course of study in a primary care program at a Health Profession School with a Health Professions Program.
4 Yr. Limit -- Internship and Residency in Primary Health Care (PHC)
No Limit -- Advanced Profession Training in PHC
2 Yr. Limit -- Fellowship directly related to PHC engaged in by the borrower within 12 months after completion of borrower's participation in advanced professional training
2 Yr. Limit -- Leave of absence with intent to return to full time course of study in a primary care program at a Health Profession School with a Health Professions Program.
3 Yr. Limit - Peace Corps Volunteer; Active duty in uniformed service of the United States
CANCELLATIONS for all HPL loans
Death of the borrower - certified copy of the death certificate is required for cancellation. 100% cancellation.
Total and permanent disability - borrower is unable to work and earn money because of an impairment that is expected to continue indefinitely or result in death. Physician certification and documentation is required. 100% cancellation.

\* The above descriptions are a brief summary of deferments and cancellations available on the more common HP loans. More restrictions may apply.

The University of Missouri has contracted with ECSI to service its student loans. If you have questions about your loan, please contact the below:

University of Missouri-Columbia/ECSI  
181 Montour Run Road  
Coraopolis, PA 15108  
Phone: 1-888-549-3274

Access your account online at: [www.ecsi.net](http://www.ecsi.net)

If you have problems contacting ECSI, you may also contact us directly at:

MU Student Loan Repayment Center  
14 Jesse Hall  
Columbia, MO 65211-1020  
Phone: 573-882-6654  
Email: [muloans@missouri.edu](mailto:muloans@missouri.edu)



# PRIMARY CARE LOAN

# RIGHTS AND RESPONSIBILITIES

