



Loan Repayment Process

- The Primary Care Practitioner Loan Redemption Program of New Jersey (NJLRP), provides loan repayment to program participants for outstanding qualifying educational loans incurred while in medical, dental or professional graduate school. Qualifying educational loans are government and commercial loans for actual costs paid for tuition and eligible expenses towards a graduate health profession program.
- Undergraduate education loans are not eligible for loan redemption.
- The loan redemption amounts are based on the participant's total outstanding balance at the time the participant enters the first NJLRP agreement (the "Loan").
- At the end of each full year of service, approved NJLRP participants are eligible for loan repayment as follows:
 - ✓ **18% of the Loan up to \$21,600 for the first full year of service;**
 - ✓ **26% of the Loan up to \$31,200 for the second full year of service;**
 - ✓ **Up to 28% of the Loan up to \$33,600 for the third full year of service;**
 - ✓ **Up to 28% of the Loan up to \$33,600 for the fourth full year of service.**

For a total of \$120,000, the maximum loan repayment over a four year period of service

- All loan repayments must be used to repay the approved qualifying educational loans while enrolled in the program.
- Loan repayments will not be made on a pro rata basis for completion of less than a full year of service.
- If the Loan is less than \$120,000, a pro-rated amount of interest cost for the Loan will be added to each annual payment.
- Other than the pro-rated interest costs, loan repayments cannot exceed the outstanding balance on qualifying educational loans at the time of payment.
- Participants are encouraged to consult a qualified tax advisor regarding the tax ramifications of loan repayments.