



United States Department of Agriculture  
National Institute of Food and Agriculture

# The Veterinary Medicine Loan Repayment Program

## Loan Repayment Program Guidance

January 2016

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## **PRIVACY ACT NOTIFICATION STATEMENT**

### **General**

This information is provided pursuant to the Privacy Act of 1974 (Public Law 93-579), as amended, for individuals supplying information for inclusion in a system of records.

### **Statutory Authority Section**

National Veterinary Medical Services Act (7 U.S.C. 3151a) and as amended in Section 7105 of Food Conservation, and Energy Act of 2008.

### **Purposes and Uses**

The purpose of the Veterinary Medical Loan Repayment Program is to attract, via educational loan repayment, veterinarians to provide food supply veterinary medical services in areas designated as veterinarian shortage situations. The information that applicants supply will be used to evaluate their eligibility, qualifications and suitability for participating in the VMLRP. In addition, information from other sources will be considered (e.g., letters of recommendations and state licensing boards). An individual's contract, application, supporting documentation, related correspondence, and data are maintained in a system of records to be used within the U.S. Department of Agriculture to monitor VMLRP-related activities. The information may also be disclosed outside the Department, as permitted by the Privacy Act and Freedom of Information Act, to the Congress, National Archives, Government Accountability Office, and pursuant to court order and various routine uses described here: <http://www.gpo.gov/fdsys/pkg/FR-2010-12-13/pdf/2010-31205.pdf>.

### **Effects of Nondisclosure**

Disclosure of the information sought is voluntary; however, if not submitted, except for the replies to questions related to Demographics (Section 6 of the VMLRP Application Form NIFA 01-10), an application may be considered incomplete and therefore may not be considered for an award. Information not provided for award monitoring could result in delay or suspension of payments.

### **Paperwork Reduction Act Public Burden Statement**

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current OMB control number. The current OMB control number for information collected in association with the VMLRP application and award monitoring processes is 0524-0050.

### **Non-Discrimination Policy Statement**

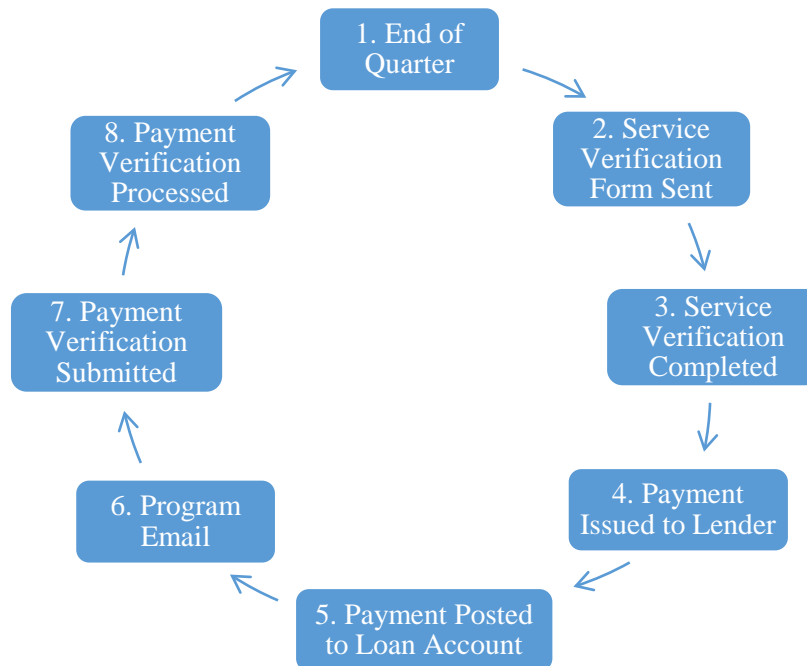
The U.S. Department of Agriculture does not discriminate on the basis of any non-merit factor, including race, color, national origin, religion, sex, sexual orientation, gender identity, disability (physical or mental), age, status as a parent, or genetic information.

## INTRODUCTION

### General

The Veterinary Medicine Loan Repayment Program (VMLRP) is administered by the U.S. Department of Agriculture, National Institute of Food and Agriculture (NIFA). The program's goal is to improve access to food supply veterinary medical services by providing qualified veterinarians repayment of loans—up to \$25,000 per year—they incurred to finance their veterinary medical education. In exchange for loan repayment, participants enter into a contract with NIFA to provide veterinary services in a designated veterinarian shortage situation. Loan repayment schedules are based on the amount of eligible debt on the day the contract begins. All payments are made directly to the loan servicing agent.

### Loan Repayment Process



1. The loan repayment process begins at the end of each quarter of contractual service (March 31, June 30, September 30 and December 31).
2. VMLRP emails the participant's employer (participant if self-employed) the VMLRP Service Verification form (NIFA-09-01). By completing and signing this form the employer certifies the participant is still employed by them and that the services the participant provided for the quarter are consistent with those described in the Veterinarian Shortage Situation Nomination Form (NIFA 2009-0001).
3. The completed Service Verification Form is returned to VMLRP by email (preferred) at [vmlrp@nifa.usda.gov](mailto:vmlrp@nifa.usda.gov) or faxed to 202-720-6486.
4. VMLRP authorizes payment to lender. A delay in receipt of the Verification form may result in a delayed payment.

5. VMLRP payment posts to participant's account. This typically occurs by the end of the month.
6. Program emails participant confirming receipt of prior quarter's payment verification, current quarter service verification and authorization of payment. Upon receipt of the email payment should be posted in the participant's account.
7. Participant checks with loan servicer to ensure payment has posted correctly and provides written verification of the lender's crediting of all VMLRP payments and resulting account balance. A delay in payment verification receipt may delay future payments.
8. VMLRP processes the payment verification and the repayment cycle begins again.

## **PROGRAM REQUIREMENTS**

### **Service**

The VMLRP participant is expected to have all licenses and employment in place by the start of the contract. All new contracts require 3 years of service. Renewal contracts may be 1 to 3 years based on remaining eligible debt. The contract number includes the VMLRP Shortage ID for the veterinarian shortage situation awarded.

The services to be provided and the location of the veterinarian shortage situation are described on the Veterinarian Shortage Situation Nomination Form (NIFA 2009-0001). This form can be found on the VMLRP website and is provided by the program each quarter when requesting service verification reports. All services must be provided within the geographical location described and to the animal commodity or species listed as "MUST cover" or to veterinary discipline described on the form. Services can be provided to any animal commodity or species listed as "MAY cover" when a participant is unable to fulfill their time commitment with the "MUST cover" species.

The time required is based on a 40-hour work week (FTE), not the participant's work hours. At a minimum this is 32 hours/week for Type I shortage situations, 12 hours/week for Type II shortage situations and 19 hours/week for Type III shortage situations. If more hours are expected the percent FTE is listed in a separate box on the form. If needed, up to 25% of the FTE commitment for Type I and II shortages can be attributed to windshield time (the time it takes to travel to a client's home or farm to provide services).

### **Updating Contact & Lender Information**

Participants and participant's employers must provide VMLRP with notification of any changes to their contact information (e.g., name, email, mailing address, telephone number) prior to the change occurring, if possible, or immediately after the change occurs. VMLRP frequently corresponds with participants and their employers regarding service and payment verification. Failure to maintain updated contact information could result in a delayed payment.

Additionally, it is the participant's responsibility to notify VMLRP as soon as they are made aware of a change in their lender. It is common for lenders to sell loans and for participants to experience at least one change in their lender during the service period. VMLRP must be notified of this change as soon as possible to avoid distribution of payments to lenders no longer holding

the participants' accounts. All contact and lender information updates should be sent to [vmlrp@nifa.usda.gov](mailto:vmlrp@nifa.usda.gov).

**Changing Supervisors**

All changes in supervisors must be requested in writing by sending an email to [vmlrp@nifa.usda.gov](mailto:vmlrp@nifa.usda.gov). If the supervisory change includes a new in employer (e.g., practice) or employment type (i.e., becoming self-employed), the request must include the reason(s) for the change and explain how services provided will either remain the same or be improved (i.e., can offer more services or dedicate more time to the shortage situation) with the change.

Requests involving a new employer or employment type will be reviewed by VMLRP staff to ensure that the proposed change will not negatively affect the services provided for the shortage situation. A participant should not change employers until approved as this could result in a breach of service. Upon approval of a supervisory change, the Intent of Employment form (NIFA-07-10) must be filled out and submitted to [vmlrp@nifa.usda.gov](mailto:vmlrp@nifa.usda.gov). This is to ensure the new supervisor is aware of the requirements of the program.

**TAXES**

The money provided through VMLRP for loan repayment is considered taxable income. NIFA pays participants 39% of the amount of loan repayments to help compensate for the additional tax liability associated with participation in the program. An example of how this tax liability is calculated is shown in the table below.

Payments are made at the end of each service quarter. Contracts start on January 1 and the first payment is in April, resulting in only 3 payments in the first calendar year. The next 2 years 4 payments are made. The final payment for service conducted during the last year of the contract is made in January after the last contract service year. Each calendar year a Form 1099-G showing the total amount of loan repayment is mailed by the National Finance Center (NFC) to participants no later than January 31. Participants will receive a total of four 1099-G forms over the course of a 3-year contract.

**Example Tax Liability**

<b>Total Loan Repayment Amount (3 year contract)</b>	<b>Loan Repayment Amount Per Year</b>	<b>Tax Liability NIFA Pays Per Year (\$15,000*0.39)<sup>#</sup></b>	<b>Total Tax liability per year plus award amount (\$15,000 + \$5,850)<sup>#</sup></b>	<b>Total Tax Liability NIFA pays (3 year contract)</b>	<b>Total Award Amount plus Tax Liability (3 year contract)</b>
\$45,000	\$15,000	\$5,850	\$20,850	\$17,550	\$62,550

<sup>#</sup> Assumes a payment for all 4 quarters, except for the first year during which only 3 payments are made and one additional payment made the year after the contract ends.

## **ELECTRONIC FUNDS TRANSFER**

In accordance with 31 CFR Part 208, all federal payments must be made through electronic funds transfers (EFT). NIFA works with participant's lenders to establish this transfer mechanism. In addition, participants must fill out the Automated Clearing House (ACH) form with their personal bank account information in order for NIFA to transfer the tax payment funds. All EFT forms must be completed prior to the start of the contract.

## **EXTENDED LEAVE OR ABSENCE POLICY**

### **Family Leave**

The VMLRP will allow participants to be away from their site for family leave within the timeframes established by the Family Medical Leave Act (up to 12 weeks)<sup>1</sup>, if proper notification is received. Participants are required to notify the VMLRP of his or her intent to take family leave not less than 30 days before the leave is to begin or, in emergencies, as soon as is practicable. The VMLRP may request medical certification or other relevant documentation for any family leave taken.

Participants who plan to take additional leave or have a medical or personal emergency that will result in an extended period of absence are required to request a suspension, which may or may not be approved by VMLRP. If a suspension is approved, the participant's service commitment end date will be extended accordingly. See "Suspension" below.

All requests for leave should be emailed to [vmlrp@nifa.usda.gov](mailto:vmlrp@nifa.usda.gov).

### **Leave Without Pay**

The VMLRP will not make loan repayments for periods of Leave Without Pay (LWOP). LWOP is defined as a temporary nonpay status and absence from duty that, in most cases, is granted at the employee's request. If a participant is placed in LWOP status, they must notify the VMLRP as soon as possible by emailing [vmlrp@nifa.usda.gov](mailto:vmlrp@nifa.usda.gov). Participants must make payments to lenders on their own behalf for periods of LWOP. Any unpaid leave, even if covered under the FMLA, may result in a reduced quarterly payment.

## **SUSPENSION, WAIVER, AND CANCELLATION**

The VMLRP requires participants to fulfill their contract without excessive absences or significant interruptions in service. Participants are allowed 12 weeks of extended leave per service year for family or medical reasons; however, there are some circumstances which will prevent a participant from adhering to this requirement. In these cases, VMLRP may suspend (i.e., put "on hold") the VMLRP service obligation.

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<sup>1</sup> See <https://www.opm.gov/policy-data-oversight/pay-leave/leave-administration/fact-sheets/family-and-medical-leave/> or <http://www.dol.gov/whd/fmla/> for what is covered under FMLA.

## Suspension

A suspension of the VMLRP commitment may be granted if compliance with the commitment: (i) is temporarily impossible, or (ii) would involve an extreme hardship such that enforcement of the commitment would be unconscionable. Periods of approved suspension of service will extend the participant's service commitment end date by one month of each month or fraction of month the contract is suspended. The major categories of suspension are set forth below. Suspension requests must be submitted by email to [vmlrp@nifa.usda.gov](mailto:vmlrp@nifa.usda.gov).

a. **Leave of Absence for Medical or Personal Reasons.** A suspension may be granted for up to one year if the participant provides independent medical documentation of a physical or mental health disability, or for personal circumstances, including a terminal illness of an immediate family member (e.g., child or spouse, including same-sex spouse regardless of where the couple lives), which result in the participant's temporary inability to meet the VMLRP service obligation.

b. **Maternity/Paternity/Adoption Leave.** If the participant's maternity/paternity/adoption leave will exceed 12 weeks during any year of obligated service, a suspension may be granted by the VMLRP based on documented medical need.

c. **Call to Active Duty in the Armed Forces.** Participants who are military reservists and are called to active duty must submit a request for a VMLRP service suspension. The period of active military duty will not be credited towards the VMLRP service obligation. Suspensions for active duty military assignment are granted for up to one year, beginning on the activation date described in the reservist's call to active duty order. A copy of the order must be provided to the VMLRP with the request for a suspension. In the event that the VMLRP participant's period of active duty with the Armed Forces is extended beyond the approved suspension period, the participant must contact the VMLRP for guidance on how to request an extension of the suspension period.

**Waiver.** A waiver permanently relieves the participant of all or part of the VMLRP service commitment. A waiver may be granted only if the participant demonstrates that compliance with his/her service commitment is permanently impossible or would involve extreme hardship such that enforcement of the commitment would be unconscionable. A waiver request must be submitted via email to [vmlrp@nifa.usda.gov](mailto:vmlrp@nifa.usda.gov) and include the reason(s) the waiver is being sought. VMLRP Program staff will review the request and contact the participant if any additional documentation is needed to complete the waiver e.g., medical documents. Waivers are not routinely granted, and require clear demonstration of compelling circumstances.

**Cancellation.** Any service or payment obligation incurred by the participant under this contract will be canceled upon the participant's death. No liability will be transferred to the participant's heirs or employers.

## TRANSFERS

Transfers from one VMLRP designated shortage situation to another are generally not authorized. Transfers may be granted if the reason for the request is (i) due to a spouse's military



deployment, (ii) if compliance with the commitment by the participant is temporarily impossible, or (iii) would involve extreme hardship such that enforcement of the commitment would be unconscionable. In addition, the VMLRP shortage situation to which the participant wishes to transfer must meet the following conditions: (i) the veterinarian shortage situation is unfilled; (ii) the services of the veterinarian shortage situation transferring do not differ significantly from the situation currently being filled; and (iii) the timing is such that a non-competitive transfer would not negatively affect other applicants or s workforce planning by state animal health officials (charged with identifying and nominating shortage situations). Transfers will only be considered if proper documentation and a compelling justification are received by VMLRP. Transfer requests must be submitted by email to [vmlrp@nifa.usda.gov](mailto:vmlrp@nifa.usda.gov).

Transfers from one VMLRP designated shortage situation to another will not be authorized to obtain a better job opportunity.

### **CONTRACT TERMINATION**

Once the contract period begins, the VMLRP participant is expected to begin providing services to the shortage situation awarded. The Secretary may terminate a VMLRP contract if the participant submits a written request to terminate the contract no more than one hundred twenty (120) days after initial execution. The participant's written request should be submitted to [vmlrp@nifa.usda.gov](mailto:vmlrp@nifa.usda.gov).

### **ACKNOWLEDGEMENTS**

The development of this document was adapted from other similar documents and polices associated with Loan Repayment Programs administered by the National Institute of Health (NIH) and Health Resources and Services Administration (HRSA).