

Educational Loan FAQs for Montana's State Loan Repayment Program

What is a "qualifying educational loan"?

Qualifying educational loan means one or more government or commercial loans received solely to cover the cost of post-baccalaureate health professional training or, in the case of a registered dental hygienist and registered nurse, undergraduate educational training. This does **not** include credit card loans, lines of credit, private loans, and personal loans.

Is accrued interest considered to be qualifying debt?

No. The SLRP calculates award amounts based off the applicant's qualifying educational loan's principal balance only. Interest on qualified educational loans will be deducted from the loan balance when calculating a loan repayment award.

What type of loan documentation is required when submitting my application?

Loan documentation must:

Be in the form of lender statements dated within **30 days** of application submission and/or review; **AND**

Clearly show:

- Your name; **AND**
- The account number; **AND**
- The current principal balance; **AND**
- Each loan's date of origination and/or school name; **AND**
- The loan's original disbursement amount/s

Online printouts are acceptable as long as they include **all** of the required information. Loan documentation must be unaltered and free of any notes and/or calculations. Any documentation that includes any handwritten or typed notes, calculations, highlights, redactions or any other form of alteration will be deemed ineligible.

Most applicants report they are able to download detailed statements from their loan provider's website.

Can I submit the monthly statement I receive from my loan provider as proof of my debt?

Monthly statements that you receive from your loan provider often lack the required level of detail needed to prove debt origination information. Documents must contain all listed required identifiers to be considered eligible.

What if my educational loans have been consolidated?

Consolidated educational loans may be allowed, however, detailed documentation on your consolidation will be required. Documentation must include the original disbursement dates, to which institution(s) the original loans were disbursed, and details on what was included in the consolidation. Most applicants report they are able to easily find this information on their lender's website or their Federal Student Aid Portal.

What if my educational loans have been refinanced?

Refinanced educational loans may be allowed, however, detailed documentation on what was included in the refinancing will be required. Documentation must include the original disbursement dates, to which institution(s) the original loans were disbursed, and details on what was included in the. Most applicants report they are able to easily find this information on their lender's website or their Federal Student Aid Portal.

Loans that are refinanced with a private/personal institution may not be eligible.

Do I need to submit my loan documentation in the form of PDFs?

Yes. Unaltered PDFs are the recommended file type when submitting all documentation related to your application. We are able to accept .JPEG, .TIFF, or .PNG, files but are unable to accept imbedded images or links. Additionally, we are unable to accept files that can be altered (e.g. .doc & .TXT files), even if they are converted to a different file type before they are submitted.

What if I am unable to provide adequate documentation on my educational loans?

Applications that do not contain adequate supporting documentation will not be reviewed.

I have been impacted by COVID-19 and have placed my nonfederal student loans in forbearance. Are these loans eligible for repayment programs?

If you have been impacted by COVID-19 the Montana State Loan Repayment Program will allow you to apply to the program with nonfederal student loans that are in forbearance as long as the CARES act forbearance clause remains in effect. Loans that are not in good standing, regardless of the CARES act status, will not be eligible.

I have been awarded through a Loan Repayment program and I would like to make changes to the educational loans I submitted when I applied to my program. Could this affect my Loan Repayment award?

Yes. Any changes made to your loans that are deemed as "qualifying educational debt" when you entered into your Loan Repayment program contract may seriously affect your Loan Repayment award. In the most serious cases it could even put you in breach of your Loan Repayment program contract. If you would like to make changes to your loans you must first contact The Montana PCO office to see how your proposed changes may affect your Loan Repayment award. Changes to your loans include, but are not limited to: consolidations, refinancing, transferring to a new loan servicer, paying off your loans in full while still under your Loan Repayment obligation, etc.

What if my educational loan servicer transfers my loans to another loan servicer?

If your loan servicer informs you that they will be making changes to your loans you must notify The Montana PCO Office as soon as possible. Documentation from your loan servicer must be submitted to the PCO showing that your loans will be transferred, along with the current debt amount and the new account information. Loans transferred from your Federal account servicer to a private loan servicer will disqualify those loans, as Private Loans do not qualify for Loan Repayment programs.

What types of loans are NOT eligible for Loan Repayment?

The following loans **do not** qualify for Loan Repayment:

- Loans for which the applicant incurred a service obligation, which will not be fulfilled before the deadline for submission of the provider's application;
- Loans for which the associated documentation cannot identify that the loan was solely applicable to the health profession education of the applicant;
- Loans not obtained from a Government entity or private student loan lending institution;
- Loans already repaid in full;
- 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 in active student status, in forbearance, or deferment
**excluding loans that are in CARES Act forbearance*

Interest accrued on an eligible debt is not calculated into the final total qualified debt amount. Documentation of loans is required. Qualifying educational loans must have documentation to establish that they were contemporaneous with the education received.

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 your loan documentation that you submit reflect the CARES act status. Loans must have been in good standing/current at the time the CARES act took effect. Loans that are not in good standing, regardless of their CARES act status, will not be program eligible.