BOARD OF GOVERNORS’ MEDICAL SCHOLARSHIP LOAN PROGRAM (BGMSL)

LOAN FORGIVENESS

The Board of Governors’ Medical Scholarship Loan Program was established by the Board of Governors of the University of North Carolina in 2007 to provide up to four years of financial assistance in the form of a forgivable loan to qualified medical school students in North Carolina who are committed to practice medicine in North Carolina.

A recipient who graduates or completes his/her medical school program and secures a qualifying position may apply to repay the loan obligation through loan forgiveness. The NCSEAA shall forgive one academic year of funding for each year of full-time qualified employment. A recipient must complete loan forgiveness within seven (7) years of graduation, excluding periods of approved deferments. All worksites must be approved by the NCSEAA.

A recipient who does not graduate from a medical school program will be required to repay the loan in cash, which includes a 10% interest rate beginning September 1st after graduation from medical school. For additional instructions on cash repayment click on the Cash Repayment link.

How to apply for loan forgiveness.

To qualify for loan forgiveness, you must first graduate from medical school, obtain licensure from the North Carolina Medical Board, and secure a full-time position as a physician in North Carolina. To apply for loan forgiveness you must follow the steps outlined below. You are responsible for submitting the appropriate forms to the NCSEAA on time.

1. Submit verification of graduation from medical school to the NCSEAA.

2. Notify the NCSEAA of your intent to repay the loan through loan forgiveness within 90 days of graduation.

3. Obtain license to practice medicine from the North Carolina Medical Board.

4. Secure a full-time position as a physician in North Carolina.

5. Complete a Loan Forgiveness Application form and return it to the NCSEAA for approval.

What is a qualified position?
A qualified position is a full-time position practicing medicine in the State of North Carolina. The worksite must be approved by the NCSEAA.

**What forms do I submit to the NCSEAA?**

Once you obtain licensure from the North Carolina Medical Board and secure full-time employment as a physician in North Carolina, you must submit a Loan Forgiveness Application form to the NCSEAA for approval.

**How long must I work to fulfill my loan obligation?**

For each year of full-time employment as a licensed physician in North Carolina, the NCSEAA will forgive one year of funding, plus any accrued interest. Credit for loan forgiveness is approved annually by the NCSEAA at the end of each year of employment. You must complete your loan forgiveness obligation within seven (7) years of graduation from the BGMSL program.

**What if I change my worksite?**

If there is a worksite change before you complete your loan obligation, you must seek approval from the NCSEAA prior to the change to ensure the new site qualifies for loan forgiveness. Should you have a break in employment prior to completing your loan obligation, you should notify the NCSEAA immediately of the status change.

**What if I have a break in employment?**

If you have a break in employment prior to the completion of your obligation to the State of North Carolina, you may be eligible to postpone or defer payments. To apply for deferment, you must submit a Postponement Request Form to the NCSEAA for approval. Eligible deferments include: personal illness, Family Medical Leave, full-time student enrollment, a member of the National Guard or a reserve component ordered to report to active duty, federal disaster area, and unemployment.

**What happens if I cannot fulfill my loan forgiveness obligation?**

You made a commitment to repay this loan when you signed the promissory note accepting education funding from the NCSEAA. If you cannot repay the loan through loan forgiveness, then you must repay it in cash within twenty (20) years of graduation or withdrawal from the BGMSL program. For additional instructions on cash repayment, click on the Cash Repayment link.

**Whom should I contact if I have additional questions concerning loan forgiveness?**

You may contact Repayment Services staff at Contact Us between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, should you have any questions concerning your loan.