

HEALTH, SCIENCE, AND MATHEMATICS STUDENT LOAN PROGRAM (HSM)

LOAN FORGIVENESS

The Health, Science, and Mathematics (HSM) loan forgiveness program was established by the North Carolina General Assembly to provide financial assistance in the form of a forgivable loan to qualified North Carolina residents who are committed to working full-time in medicine, allied health, nursing, or as science and mathematics educators in North Carolina.

A borrower who secures a full-time qualified position in nursing, healthcare, or teaching mathematics or science may apply to repay the HSM loan through loan forgiveness. A borrower must work full-time for one year in order to earn loan forgiveness of one academic year of funding.

A borrower who does not complete the degree for which he/she receives funding must repay the loan in cash, which includes 4.0% interest from the date of disbursement to ninety days after withdrawal from the program and 10.0% thereafter until paid in full.

How to apply for loan forgiveness.

To qualify for loan forgiveness, you must first graduate from the program on the degree level for which you received financial assistance, obtain licensure or certification, and secure full-time employment in a qualified position. 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 to the NCSEAA.
2. Notify the NCSEAA of your intent to repay through loan forgiveness within 90 days of graduation.
3. Obtain licensure in the field for which you were funded.
4. Secure a qualified position.
5. Complete an [Loan Forgiveness Application](#) and submit it to the NCSEAA for approval.

What is a qualified position? Am I required to work in a designated shortage area in North Carolina?

The purpose of the HSM loan program is to increase the number of qualified primary care physicians, allied health professionals, nurses, and science and mathematics educators in the State of North Carolina. A borrower may qualify for loan forgiveness if he or she works full-time in North Carolina in the profession for which he/she received funding. All positions must be approved by the NCSEAA.

What forms do I submit to the NCSEAA?

Once you obtain licensure in the field for which you were funded and secure employment in a qualifying position, 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 qualifying employment completed, the NCSEAA will forgive one year of funding, plus all accrued interest. Credit for loan forgiveness is processed annually at the end of each year of employment. You must complete your loan forgiveness obligation within ten (10) years of graduation from the HSM program.

What if I change my worksite?

If there is a work site 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 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 of payment request form](#) to the NCSEAA for approval. Eligible deferments include: personal illness, Family Medical Leave, full-time student enrollment, and unemployment.

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

Additional information is available in the [HSM Rules and Regulations](#) or 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.

[HSM Repayment Home](#)