



United States Department of Agriculture  
National Institute of Food and Agriculture

# The Veterinary Medicine Loan Repayment Program

## Loan Repayment Program Guidance

September 2018

The contents of this document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

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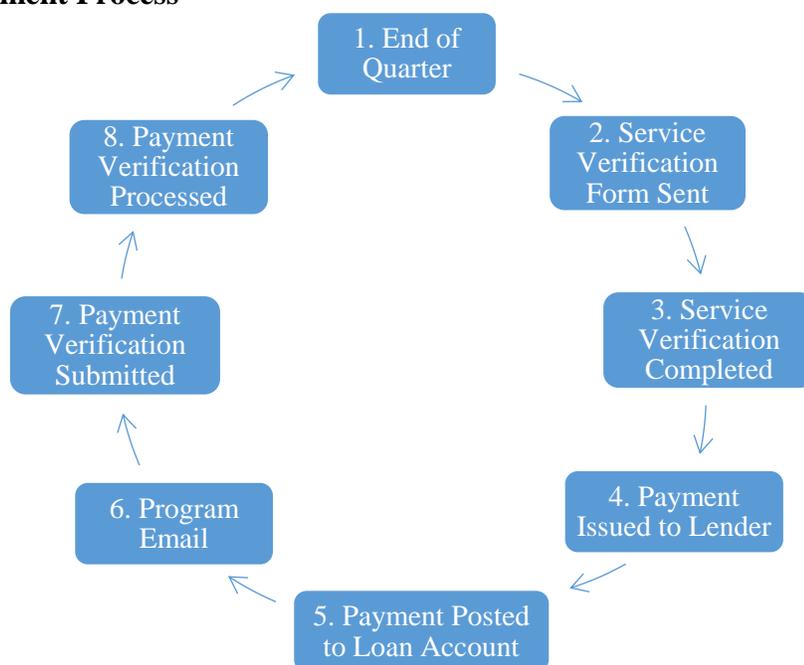
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## INTRODUCTION

### 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. **End of Quarter.** The loan repayment process begins at the end of each quarter of contractual service (March 31, June 30, September 30 and December 31).
2. **Service Verification Form Sent.** Approximately 5 business days before the end of the quarter, 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. **Service Verification Completed.** The completed Service Verification Form is returned to VMLRP by email (preferred) at [vmlrp@nifa.usda.gov](mailto:vmlrp@nifa.usda.gov) (Subject: Service Verification/Name) or faxed to 1-844-332-8008.
4. **Payment Issued to Lender.** VMLRP authorizes payment directly to lender. Timing of automatic payments are specific to the financial institution and may be impacted by

federal fiscal processes (e.g. federal shutdown, change in fiscal year, etc.), but in general, VMLRP will authorize payment directly to lender within the first two weeks of the first month of the quarter following the service. A delay in receipt of the Verification form may result in a delayed payment.

5. **Payment posted to Loan Account.** VMLRP payment posts to participant's account. Again, the timeline for this varies by institution, but this typically occurs by the end of the month.
6. **Program email.** VMLRP emails participant confirming receipt of prior quarter's payment verification, current quarter service verification and authorization of payment. This typically occurs in the third week of the first quarter following service. By the time the confirmation email is received from VMLRP, payment should be posted/cleared in the participant's account with the lender.
7. **Payment Verification Submitted.** Within one week of receiving confirmation email (in #6) from VMLRP, the 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. Written verification can be a screen shot or account statement with participant name, date statement generated, posting date of payment, payment amount, current balance or payoff amount, and loan type. A delay in payment verification receipt may delay future payments.
8. **Iterative process.** VMLRP processes the payment verification and the repayment cycle begins again.

## **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.

### **PROGRAM REQUIREMENTS**

#### **Service**

The VMLRP participant is expected to have all licenses and employment in place by the start of the contract. Copies of active licenses for the state of the shortage area should be emailed to [vmlrp@nifa.usda.gov](mailto:vmlrp@nifa.usda.gov) (Subject: Veterinary License/Name) or faxed to: 1-844-332-8008, on an annual basis. All new contracts require 3 years of service. Renewal contracts may be 1 to 3 years depending on remaining amount of 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 driving time/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) (Subject: Contact/Lender information change/Name).

### **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) (Subject: Supervisor Change/Name). 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) (Subject: Intent of Employment form/Name). This is to ensure the new supervisor is aware of the requirements of the program.

### **Service Log**

Participants should maintain a service log of services provided while under contract. This log should be kept for 120 days after the end date of the contract. If selected for audit the service log must be presented in electronic format for review.

- For Type I and II shortage situations the service log should contain the following information: date of service, duration of service/appointment, windshield/drive time (if being counted for service hours), animal commodity or species served, county and zip code of client/farm receiving services, and services provided.
- For Type III shortage situations the service log should contain the following information: date of service/activity, duration of service/activity, and description of service/activity conducted including role of the VMLRP participant. Appendix A contains a template along with examples.

### **Audits**

All service verification forms are subject to audit. Each quarter VMLRP will randomly select up to 4 participants from each award year for audit. If selected for audit the participant must provide an electronic copy of their service log for the quarter being audited. During any service audit the program reserves the right to request a full service log.

When audited VMLRP staff will compare the service log to the shortage situation description and contact the participant with any questions. Discrepancies between the shortage situation description and service log may indicate a breach in the service agreement and payments to lender(s) will be put on hold until the discrepancy can be resolved. If the discrepancy cannot be resolved the payments will remain on hold and a plan will be developed for meeting service needs during the following quarter. If the service needs are met according to the plan, payments will be released and VMLRP will reserve the right to conduct a follow-up audit. If the plan is not adhered to the participant may be found in breach.

### **Close-out Report**

At the end of the contract period, the participant will submit a close-out report. The format of the report will be provided to the participant at the beginning of their last service quarter. VMLRP will not release final payment until the completed close-out report is received and approved by the VMLRP office.

### **Program Feedback Surveys**

All participants and their supervisors are asked to complete a feedback survey. Completion of the survey is voluntary, but strongly encouraged as the information provided will enable VMLRP to improve its processes and provide useful information on shortage situations to animal health officials. Participants receive the survey at the end of their first year of service while supervisors receive a survey at the end of the participant's service obligation to allow for comments on the participant's impact while participating in 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. Participants should consult professional tax practitioners with questions about their individual tax liability. An example of how this tax liability is calculated is shown in the table below.

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 February 15. Participants will receive a total of four 1099-G forms over the course of a 3-year contract.

When you receive our tax liability payment, you must make a payment via the IRS Electronic Federal Tax Payment System (EFTPS) for the exact amount issued. The EFTPS website can be found at <https://www.eftps.gov/eftps>. Please be sure to use the SAME bank account (in which you received/deposited the funds from us) to make the payment to EFTPS. After you make the payment via EFTPS, you must forward documentation to our office via email at [vmlrp@nifa.usda.gov](mailto:vmlrp@nifa.usda.gov) (Subject: EFTPS documentation/Name). The documentation (this can be either a screenshot or an email confirmation from EFTPS) must clearly show your name and that you made the payment for the same amount issued by us for your VMLRP tax liability.

In most cases, the following options should be used when making the payment via EFTPS.

Tax Form: 1040 US Individual Income Tax Return  
 Tax Type: Estimated 1040 ES  
 Tax Period: 20XX

If you have any questions or concerns, please feel free to contact us by email at [vmlrp@nifa.usda.gov](mailto:vmlrp@nifa.usda.gov) (Subject: VMLRP Tax Liability Question).

**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 (FMLA) (up to 12 weeks)<sup>1</sup>, without impact to the duration of their service agreement, if proper notification is received. Participants

<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.

are required to notify the VMLRP of their 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 absence longer than 12 weeks are required to request a suspension. Requests are reviewed on a case-by-case basis 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) (**Subject: Leave request/Name**).

### **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) (**Subject: LWOP/Name**). 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. If in a paid status, participants are allowed up to 12 weeks of extended leave per service year for family or medical reasons without impact to the duration of their service agreement; 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"), waive, or cancel the VMLRP service obligation.

### **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 for 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) (**Subject: Suspension Request/Name**).

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 of paid leave, or unpaid leave of

any duration, 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 via email to [vmlrp@nifa.usda.gov](mailto:vmlrp@nifa.usda.gov).

**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 their 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) (Subject: Waiver Request/Name) 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 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) (Subject: [Transfer Request/Name](#)).

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 [vmllrp@nifa.usda.gov](mailto:vmllrp@nifa.usda.gov) (Subject: Contract Termination Request/Name).

## **ACKNOWLEDGEMENTS**

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