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Loan Repayment Programs

More college graduates are able to pursue careers in public service than ever before because of loan repayment assistance programs. The programs help students manage educational debts, which can sometimes vault into the six-digit range—in exchange for commitment to work in certain fields or disciplines.

As one program administrator noted, loan repayment can give incentive to students carrying large amounts of debt to work in fields that greatly benefit the common good without the necessity of instant financial performance.

“The gist of the program is to help more people enter into the public interest realm. While each program varies, it will essentially forgive or pay off a portion, if not all, of your student loans,” said Joe Delamater, national representative of Equal Justice Works, an organization that organizes, trains, and supports students interested in public service.

“The idea being those who go into corporate law and are making many times the salary of, say, a public defender are unfairly advantaged. These fields, thus, tend to draw those who need all of that money to pay off the loans. By easing that burden, those who want to work in public interest positions can.”

The field of law is one such area. Student debt can frequently grow to amounts exceeding \$100,000; but there is a great need for attorneys who can work for economically disadvantaged clients, nonprofit organizations, and other entities that can't shell out a six-digit salary.

Another area that marries high amounts of student debt with high demand in low-paying positions is the medical field.

The State of Oregon's Rural Health Services Loan Repayment program offers to repay 20-25 percent of the loan principle for health professionals “who agree to work in a rural hospital, a Rural Health Clinic, or a pharmacy that is located in either a federally designated Health Professional Shortage Area or state designated Area of Unmet Health Care.”

The National Institute for Health is another organization that sponsors health professional work; however, they seek doctors and others for clinical research rather than practice in rural areas. In return for a commitment to work in medical research, the organization offers medical school graduates and other health professionals up to \$35,000 to repay student loans.

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The U.S. Department of Health and Human Services also offers student loan repayment for nurses. This program “repays 60 percent of the qualifying loan balance of registered nurses selected for funding in exchange for 2 years of service at a critical shortage facility.” In fact, every federal agency is authorized to offer federal student loan repayment as a recruitment incentive.

Not every state, agency, or school offers loan repayment programs. Melody Goldberg is president of the Student Chapter of Equal Justice Works at Indiana University School of Law-Indianapolis. The activities of the student group include fundraising the \$100,000 needed to establish the Loan Repayment Assistance Program Endowment to assist students who are considering careers in public interest law. After one year, IU School of Law-Indianapolis' LRAP will begin to repay loans with the interest earned on the endowment.

“This is not a program designed to allow public interest lawyers to live affluently. Rather, it is designed to allow law school graduates the ability to realistically consider a career in public interest law by lessening – even minimally – the extreme financial burden which eliminated this option in the past,” said Goldberg.

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