

Get Rid of Student Loan Debt Without Paying for It



By Kelsey Sheehy / U.S. News & World Report LP – October 30, 2013

Sixty percent of 2012 college graduates went into debt to finance their bachelor's degrees, borrowing an average of \$26,500, according to an annual report released last week by the College Board. Students who pursue a master's or professional degree often add tens of thousands of dollars to that tab.

Graduates may be able to legally bypass some student loan payments, thanks to loan forgiveness programs. "I was able to use AmeriCorps to repay some of my loans and had all of my Perkins loans forgiven," Tori Whaley told U.S. News via Facebook, referring to the national volunteer program.

Doctors, nurses, teachers and even librarians can benefit from state and federal initiatives, which typically help graduates pay a portion of their loans if they agree to work in high-need areas for a set number of years. These areas often include rural communities, as well as schools and medical clinics serving low-income families and underserved minority groups such as Native Americans.

"60+ Ways To Get Rid of Your Student Loans (Without Paying Them)," an e-book from American Student Assistance, a nonprofit that helps students manage college loan debt, catalogs many of the programs available.

Certain loan forgiveness programs may only be available to graduates who borrowed loans after a certain date, says Whaley, who earned a master's in special education from the Peabody College of Education and Human Development at Vanderbilt University in 2009.

"I started school and took out my first loan in 1996. So, despite working for 7 years as a special education teacher in low income communities, I was not able to receive that benefit," she wrote.

Health care professionals may be well versed on forgiveness programs such as the National Health Service Corps and the NURSE Corps, for example, but other niche programs exist to help medical professionals ease their loan burden.

Licensed dentists, psychiatrists and doctors specializing in general medicine, geriatrics or family medicine can qualify for up to \$40,000 in loan forgiveness through the Indian Health Service Loan Repayment Program.

Graduates must commit to work for a minimum of two years at a practice serving American Indian and Native Alaskan communities in order to receive the funds, according to the U.S. Department of Health and Human Services.

States such as Alaska, California, Georgia and Kansas also offer loan forgiveness options for medical professionals. Most of these programs require graduates work in underserved areas, such as rural communities.

Doctors committed to healing four-legged patients can get help with their student loans, too.

Nathan Glaza, a veterinarian in northern Kentucky, receives \$3,000 every six months to put towards his nearly \$135,000 in student debt, thanks to the Kentucky Large/Food Animal Veterinary Incentive Program.

Slim job prospects for large animal vets at existing clinics prompted the Kentucky native to move home and start his own practice after graduating from the Auburn College of Veterinary Medicine. With student loan payments of \$1,300 a month, every little bit helps, he says.

"It helps that I know there's a little bit of leeway there that I can pay off the loan debt, or knock them down a little bit, then focus on something else," he says. "Either getting a house over my head, or buying some equipment that will help out in whatever cases I'm seeing and help provide better medicine around here."

Kentucky's program pays up to \$18,000 towards outstanding student loans for veterinarians who work with large animals or those bred for food, such as cattle, pigs and sheep. Veterinary technicians who graduate from a two-year program may also apply for the incentive. Preference is given to state residents, according to the program's website, but new graduates who want to work in the state can also apply.

Minnesota has a similar program for graduates of the College of Veterinary Medicine at the University of Minnesota. Graduates must work for five years in a rural areas designated by the state. As with many programs, limited funds are available, so graduates must apply for the loan forgiveness.

In addition to state-based programs, the U.S. Department of Agriculture's Veterinary Medicine Loan Repayment Program will pay qualified vets up to \$25,000 per year. Graduates must work for at least three years in a designated vet shortage area, such as northeastern Montana, Sioux County in Nebraska or Steuben County in New York.

Seventy-five veterinarians, with an average debt load of nearly \$110,000, received funding through this program for fiscal year 2011, according to the U.S. Department of Agriculture. The program awarded \$7.25 million in loan repayment assistance during that time frame.

More interested in politics than poultry? Not a problem.

Maryland residents can also get help through the Janet L. Hoffman Loan Assistance Program if they work for the state government, a local municipality or a nonprofit agency in the state. To be eligible, applicants must work with low-income and underserved residents. The program also has an income restriction.

Borrowers in any state who took out a Perkins loan can have some or all of the debt cancelled if they work in a qualified area for up to five years. Firefighters, speech pathologists, librarians and special education teachers are just a few of the professions eligible for the Perkins program, which typically designates graduates work in low-income or underserved areas to qualify.

Loan forgiveness is never a guarantee, so students shouldn't rack up debt in the hopes the slate will eventually be wiped clean, advise the authors of the American Student Assistance e-book. "Always borrow the bare minimum you need, and think of any potential forgiveness benefits as a (very) happy bonus."