



## MARYLAND STATE LOAN REPAYMENT PROGRAM (SLRP/MLARP) PART VIII – Understanding Breach of Contract (Application Deadline: April 15)

### The applicant and employer should read this document carefully

The Maryland Department of Health wants to inform you and your employer of the consequences of breaching the Maryland State Loan Repayment Program (SLRP/MLARP) contract. Breaching a SLRP/MLARP contract is *extremely costly* to you. Please review this document carefully. If you receive and accept an award, you need to be aware of the following:

All individuals who accept an obligation must be fully aware of the consequences of failing to begin or complete service, that is, breaching the SLRP/MLARP contract, and the damages that will be owed to the State of Maryland. Cancellation, suspension, waiver, and transfer are other provisions detailed below.

Maryland must follow the U.S. Department of Health and Human Services' Health Resources and Services Administration Program Guidance for the National Health Service Corps (NHSC) loan repayment program breach provision and **will use this formula for breach of a SLRP/MLARP contract. Breach is defined as failure to begin or complete service.**

### Financial Consequences

A recipient who breaches a SLRP/MLARP service obligation must pay the following amount **within one year** of the breach

The total of the amount paid by the United States to or on behalf of the participant for loan repayment for any period of obligated service not served

**PLUS**

An amount equal to the number of months of obligated service not completed multiplied by **\$7,500**

**PLUS**

Interest on the above amounts at the maximum legal prevailing rate, as determined by the Treasurer of the United States, from the date of the breach.

**Exception:** the amount the State is entitled to recover **shall not be less than \$31,000.**

### Cancellation Policy

Maryland will cancel a SLRP/MLARP contract in the case of the participant's death, but will not cancel a contract in order to allow an individual to participate in the NHSC Loan Repayment Program or for any other reason.

### Suspension

Maryland may grant a suspension of the participant's SLRP/MLARP obligation for up to one year. In order to qualify for a suspension, the participant must request a suspension and send documentation of a medical condition or personal situation that makes compliance with the obligation temporarily "impossible" or an "extreme hardship" such that enforcement of the contract would be against equity and good conscience.

**Waiver**

Maryland will waive the contract if a participant can document a medical condition or a personal situation that makes compliance with the obligation permanently “impossible” or an “extreme hardship” such that enforcement would be against equity and good conscience. An example would be an illness so debilitating that the participant can no longer practice his/her profession.

**Transfer**

If you are considering transferring to another practice site, contact Workforce Coordinator at 410-767-6123 or e-mail at [mdh.providerworkforceprograms@maryland.gov](mailto:mdh.providerworkforceprograms@maryland.gov), as soon as possible. If you consider transferring to a different practice site, the new facility must be located in a Maryland HPSA, and have all eligibility requirements in place. The Maryland State Loan Repayment Program must be notified prior to the transfer. The Maryland SLRP will need a new site application, and the participating physician will need to sign a new Promissory Note and Service Obligation Agreement.

**Change of Contact Information**

If you have a change of resident address, phone number, or e-mail address, please contact the Maryland SLRP with the updated information.

**Acceptance of Additional Loan Repayment Award**

If you are awarded and accept SLRP/MLARP loan repayment, you may not be in receipt of any other award for loan repayment (such as the National Health Services Corp Scholar program or the Janet L. Hoffman Loan Assistance Repayment Program).