

**MARYLAND STATE LOAN REPAYMENT PROGRAM (SLRP/MLARP) PART VIII:  
UNDERSTANDING BREACHING OF CONTRACT**

**APPLICATION TIMELINE:**

**SPRING (MARCH 1 TO APRIL 15): FALL (SEPTEMBER 1 TO OCTOBER 15)**

**THE APPLICANT AND THE EMPLOYER SHOULD READ THIS DOCUMENT CAREFULLY.**

The Maryland Department of Health and Mental Hygiene and the Maryland Higher Education Commission want to inform you and your employer of the consequences of breaching the State Loan Repayment Contract. Breaching a SLRP contract is *extremely costly* to you. Please review this document carefully. If you receive an award and you accept your award you need to be aware of the following:

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

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

**Breaching the SLRP Contract - Financial Consequences**

A recipient who breaches a SLRP service obligation must pay the following amount, due to be paid **within one year** of the breach:

- a. the total of the amounts paid by the United States to, or on behalf of, the participant for loan repayments for any period of obligated service not served;

PLUS

- b. an amount equal to the number of months of obligated service not completed multiplied by **\$7,500**;

PLUS

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

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

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### **Cancellation Policy**

Maryland will cancel a SLRP 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 except the participant's death.

### **Suspension**

Maryland may grant a suspension of the participant's SLRP 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 Temi Oshiyoye at 410-767-4467 or e-mail at [temi.oshiyoye@maryland.gov](mailto:temi.oshiyoye@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 DHMH and the Maryland Higher Education Commission **must** be notified **prior** to the transfer. The DHMH will need a new site application, and the participating physician will need to sign a new Promissory Note and Service Obligation Agreement.

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**Change of Contact Information**

If you have a change of resident address, phone number, or e-mail address, please contact Temi Oshiyoye with the updated information. The DHMH will forward your information to the Maryland Higher Education Commission, as that Administration disburses the checks and has the signed Promissory Note and Service Obligation Agreement.

**Acceptance of Additional Loan Repayment Award**

If you are awarded SLRP loan repayment and you accept, 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. Hoffmann).