

S.F. No. 42 – Establishing a Loan Forgiveness Program for Mental Health Professionals

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S.F. No. 42 establishes the mental health professional loan forgiveness program for mental health professionals working in rural areas that are underserved.

Section 1 (136A.1786, subdivision 1) defines the terms “mental health professional,” “qualified education loan,” and “rural area that is underserved.”

Subdivision 2 establishes the mental health professional loan forgiveness account in the special revenue fund to provide mental health professionals with financial assistance to repay qualified education loans. The Commissioner of the Office of Higher Education shall establish and administer the program. Administrative costs are capped at three percent.

Subdivision 3, paragraph (a), lists the eligibility criteria. To be eligible, the individual must:

1. be a mental health professional;
2. have attended a Minnesota institution that prepared the individual to be a mental health professional;
3. agree to work in a rural area that is underserved;
4. be a Minnesota resident;
5. not be participating in the Minnesota Department of Health loan repayment program; and
6. submit an application.

Paragraph (b) requires an applicant selected to participate to sign a contract agreeing to serve a minimum five-year full-time service obligation in a rural area that is underserved. A participant must complete one year of service for each year the participant receives an award.

Subdivision 4 requires the participant to verify to the commissioner that the participant is employed in a position that fulfills the service obligation before receiving loan repayment disbursements.

Subdivision 5 imposes a penalty for nonfulfillment of the service obligation, This section requires the commissioner to collect the total amount paid under the program if the participant does not fulfill the service obligation.

Subdivision 6 authorizes the commissioner to select eligible applicants each year for participation. The commissioner shall make disbursements to the participant of \$7,000 or the balance of the participant's qualified education loans, whichever is less, for each year the participant meets the eligibility requirements, up to five years. The participant must provide verification that the full amount of the loan repayment disbursement received was applied toward the education loan.