Announcing the Mental Health Loan Assumption Program

Through a partnership between the California Department of Mental Health and the Health Professions Education Foundation/Office of Statewide Health Planning and Development, we are pleased to announce that a new loan assumption program for mental health professionals is now available. The new Mental Health Loan Assumption Program will offer up to $2.5 million in loan repayment funds via the Mental Health Services Act. This program is in addition to the Licensed Mental Health Service Provider Education Program (LMHSPEP) and is designed specifically for the following registered, licensed or assistant/trainee employees of the county Public Mental Health System:

- Psychologists
- Marriage and Family Therapists
- Social Workers
- Psychiatrists
- Psychiatric Mental Health Nurse Practitioners

Please note that there are some differences between the LMHSPEP and the Mental Health Loan Assumption Program:

- To be eligible the applicant must be employed in the county Public Mental Health System, in a hard-to-fill or hard-to-retain position (employment will be verified)
- Up to $10,000 per year is offered to repay educational loans over a maximum of six years, for a total of $60,000. Annual payments will be made to the participant’s lending institution after the verification of 12 consecutive months of employment in a qualifying position in the Public Mental Health System
- Only educational loans are eligible for repayment
- The applicant may be eligible to apply whether currently employed full- or part-time
  - Full-time employment is defined as 40 hours per week or more
  - Part-time employment is defined as 20 hours per week or more
- Loan payments will be sent directly to the lender
- Community involvement as an intern may count toward the community service criteria
- Other pertinent information may be included in the personal statement, such as experience in advocating for children or adults with serious emotional disturbance or serious mental illness

To apply for the Mental Health Loan Assumption Program in Spring 2009, eligible applicants should complete the LMHSPEP application and indicate that they are currently employed in the Public Mental Health System by checking the appropriate box on Page 3 of the application form. This application is available to download from the internet at: http://www.oshpd.ca.gov/HPEF/LMHSSLRP.html. If you have any questions about the LMHSPEP and/or Mental Health Loan Assumption Program, please call 1(800) 773-1669 or (916) 326-3640.

1 “Public Mental Health System” means publicly-funded mental health programs/services and entities that are administered, in whole or in part, by the DMH or County. It does not include programs and/or services administered, in whole or in part, by federal, state, county or private correctional entities or programs or services provided in correctional facilities.