
BUDGET UNIT BRIEF – FY 2027

Fiscal Services Division

July 1, 2026



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Rural Veterinarian Loan Repayment Program

Purpose and History

The Rural Veterinarian Loan Repayment Program was created in [Senate File 2398](#) (Rural Veterinarian Loan Repayment Act) during the 2020 Legislative Session. The Program is administered by the Higher Education Division of the Department of Education and provides loan repayments for veterinarians who agree to practice in rural service commitment areas or veterinary shortage areas for at least four years.

The Rural Veterinarian Loan Repayment Program was transferred to the Department of Education during the 2023 Legislative Session in [Senate File 514](#) (State Government Alignment Act).

Eligibility

Applicants must meet one of the following criteria:

- Be enrolled in the final year of a veterinary degree program at a college of veterinary medicine accredited by the American Veterinary Medical Association Council on Education.
- Be a veterinarian licensed pursuant to Iowa Code chapter [169](#) who, within five years of applying for this Program, received a veterinary medicine degree from a college of veterinary medicine accredited by the American Veterinary Medical Association Council on Education.

An individual who received loan repayment through the Veterinary Medicine Loan Repayment Program administered by the U.S. Department of Agriculture, National Institute of Food and Agriculture, is ineligible to enter into this Program.

Recipients must engage in the practice of food supply veterinary medicine, mixed animal medicine located in a rural area, food safety, epidemiology, public health, animal health, or other public and private practices that contribute to the production of a safe and wholesome food supply.

Recipients must engage in full-time practice in a veterinary shortage area or service commitment area for four consecutive years after entering into the Program agreement, unless the Division grants a waiver to complete the practice years in another shortage area or service commitment area.

The Division is required to prioritize applicants who graduated from an Iowa high school or completed private instruction as established in Iowa Code chapter [299A](#).

Rural Service Commitment and Shortage Areas

A rural service commitment area is defined as a city in Iowa with a population of less than 26,000 that is located more than 20 miles from a city with a population of 50,000 or more and that provides matching funding equivalent to 12.5% of the veterinarian's total eligible loan amount upon graduation.

More Information

Department of Education:

educate.iowa.gov/higher-ed/financial-aid/loan-repayment/rural-iowa-veterinarian-loan-repayment-program

LSA Staff Contact: Michael Peters (515.281.6934) michael.peters@legis.iowa.gov

Veterinary shortage areas are identified and nominated by the State Veterinarian or recommended for designation in accordance with the federal [National Veterinary Medical Service Act](#) and published by the United States Department of Agriculture.

Loan Repayment

Loan repayment is available for the veterinarian's total federally guaranteed Stafford Loan under the federal Family Education Loan Program or the federal Direct Loan Program or the recipient's federal Grad Plus loans, including principal and interest.

Loan repayment for a recipient cannot exceed \$15,000 annually over a period of four consecutive years and cannot exceed a total of \$60,000 or the outstanding eligible loan balance, whichever is less.

The Division is required to enter into at least five program agreements annually, subject to available funding. New agreements are prioritized by type of practice as follows:

- Private practice food supply veterinary medicine in any shortage area.
- Private practice food supply veterinary medicine in a rural service commitment area, with priority given to remote or economically depressed rural areas.
- Animal veterinary medicine in a rural service commitment area.

Funding

The Program is funded annually by a General Fund appropriation that is deposited in the Rural Veterinary Care Trust Fund under the control of the Division. The Division is authorized to accept gifts, grants, bequests, and other private contributions, as well as State and federal moneys, for deposit in to the Fund. In 2025 Iowa Acts, [Senate File 647](#) (FY 2026 Education Appropriations Act), an appropriation of \$700,000 was made to the Department of Education for this Program. This maintains the current level of funding compared to estimated net FY 2025.

Related Statutes and Administrative Rules

Iowa Code section [256.226](#)

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