

**WEST VIRGINIA
SECRETARY OF STATE
JOE MANCHIN, III
ADMINISTRATIVE LAW DIVISION**

Form #2

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2004 OCT 15 P 3:43

OFFICE WEST VIRGINIA
SECRETARY OF STATE

NOTICE OF A COMMENT PERIOD ON A PROPOSED RULE

AGENCY: Higher Education Policy Commission TITLE NUMBER: 133

RULE TYPE: Legislative CITE AUTHORITY: WV Code § 18B-1-6 and 18B-1B-4

AMENDMENT TO AN EXISTING RULE: YES NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: Series 34

TITLE OF RULE BEING AMENDED: Medical Education Fee and Medical Student Loan Program

IF NO, SERIES NUMBER OF RULE BEING PROPOSED: _____

TITLE OF RULE BEING PROPOSED: _____

IN LIEU OF A PUBLIC HEARING, A COMMENT PERIOD HAS BEEN ESTABLISHED DURING WHICH ANY INTERESTED PERSON MAY SEND COMMENTS CONCERNING THESE PROPOSED RULES. THIS COMMENT PERIOD WILL END ON November 15, 2004 AT 3:00 PM ONLY WRITTEN COMMENTS WILL BE ACCEPTED AND ARE TO BE MAILED TO THE FOLLOWING ADDRESS:


Office of the Chancellor

Higher Education Policy Commission

1018 Kanawha Blvd. East

Charleston, WV 25301

THE ISSUES TO BE HEARD SHALL BE LIMITED TO THIS PROPOSED RULE.


Authorized Signature

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL

SUMMARY

**TITLE 133
LEGISLATIVE RULE**

WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION

**SERIES 34
MEDICAL STUDENT LOAN PROGRAM**

This rule promulgates policy and procedure regarding the establishment of a medical student loan program. The rule addresses the rising cost of medical education, continued access to medical education by West Virginians who demonstrate financial need and the geographic and specialty maldistribution of physicians.

APPENDIX B

FISCAL NOTE FOR PROPOSED RULES

Rule Title: 133-34: Medical Student Loan Program

Type of Rule: Legislative Interpretive Procedural

Agency: West Virginia Higher Education Policy Commission

Address: 1018 Kanawha Boulevard East
Charleston, WV 25301

1. Effect of Proposed rule:

	ANNUAL FISCAL YEAR				
	INCREASE	DECREASE	CURRENT	NEXT	THEREAFTER
ESTIMATED TOTAL COST	-0-	-0-	-0-	-0-	-0-
PERSONAL SERVICES					
CURRENT EXPENSE					
REPAIRS & ALTERATIONS					
EQUIPMENT					
OTHER					

2. Explanation of Above Estimates:

The Medical Student Loan Program is an existing program. The State's three medical schools provide funding for the Program through education and general fees paid by medical students.

3. Objectives of These Rules:

This rule establishes policies and procedures for the operation of the Medical Student Loan Program.

Rule Title: 133-34: Medical Student Loan Program

4. Explanation of Overall Economic Impact of Proposed Rule:

A. Economic Impact on State Government:

None

B. Economic Impact on Political Subdivisions; Specific Industries; Specific Groups of Citizens:

None

C. Economic Impact on Citizens/Public at Large.

None

Date: October 15, 2004

Signature of Agency Head or Authorized Representative:

Dennis C. Taylor

TITLE 133
PROCEDURAL LEGISLATIVE RULE

FILED

WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION

2004 OCT 15 P 3:43

SERIES 34
~~MEDICAL EDUCATION FEE AND MEDICAL STUDENT LOAN PROGRAM~~

OFFICE WEST VIRGINIA
SECRETARY OF STATE

Section 1. General.

- 1.1. Scope. ~~These~~ This rules promulgates policy and procedure regarding the establishment of a medical education fee and a medical student loan program.
- 1.2. Authority. -- W. Va. Code §18B-1-6 and §18C-3-1
- 1.3. Filing Date. -- August 7, 2002
- 1.4. Effective Date. -- September 6, 2002
- 1.5. Modification of Existing Rule: Title 133, Series 34, Procedural Rule of the West Virginia Higher Education Policy Commission dated September 6, 2002.

Section 2. Purpose.

- 2.1. The legislation addresses three (3) policy issues: The Rising state cost of medical education, continued access to medical education by West Virginians who demonstrate financial need, and the geographic and specialty maldistribution of physicians. ~~The purpose of the medical education fee is twofold: First, to provide funds to offset general operating cost at each of the state's three (3) medical schools, thereby reducing their required level of state support and; second, to provide funding for the loan program.~~ The loan program partially offsets the medical education and general fees paid by medical students to assure continued access to medical school for qualified West Virginians who demonstrate financial need. The loan program also provides loan forgiveness incentives to encourage physicians to practice in designated medically underserved areas or medical specialties.

Section 3. ~~Medical Education Fee Adjustments~~ Administration.

- 3.1. ~~The Higher Education Policy Commission is authorized to fix the fee rates for students at each institution and may from time to time change these~~

~~rates. The Commission envisions increasing the medical education fee incrementally over a number of years until the tuition and fees approximate the national median for public medical schools. The Vice Chancellor for Administration shall be responsible for overseeing the Medical Student Loan Program.~~

- 3.2. The West Virginia University School of Medicine, the Marshall University School of Medicine, or the West Virginia School of Osteopathic Medicine shall be responsible for awarding loans to medical students at their respective institutions and for collecting loan payments.

Section 4. Medical Education and General Fees Collection and Disposition Dedicated to Program.

- ~~4.1. All medical students enrolled for credit at the West Virginia University School of Medicine, Marshall University School of Medicine, and the West Virginia School of Osteopathic Medicine shall pay a medical education fee, except those with authorized and approved Higher Education Policy Commission waivers pursuant to W. Va. Code §18-10-6.~~

- 4.21. The Higher Education Policy Commission (Commission) shall annually, or at such other times as it may desire, fix the amount of Medical Education Fee to be assessed resident and nonresident students at shall set minimum amounts of medical students' education and general fees that the state's three (3) medical schools. All such fees collected by an institution shall be deposited promptly in the state treasury accounts designated for such purposes. Sixty seven percent (67%) of the total fees collected at each institution shall be deposited by the institution in the Medical Education Fee account at their institution (to be used to offset general operating expenses of the medical school. The remaining thirty three percent (33%) of fee receipts shall be transferred promptly to the Commission's Medical Education Loan Fund. The Commission is authorized to transfer to the loan fund an amount not to exceed thirty three percent (33%) of the total collections from the medical education fee in any one year. A lesser sum may be transferred; therefore, the Commission may elect by separate action to change the rules and regulations to reduce the proportion of fees transferred to the Loan Fund in future years. must reserve for the Medical Student Loan Program at their respective institutions, shall assess each medical school a fee to offset the Commission's costs for administration and oversight of the program, and shall set the maximum loan amount available annually.

- 4.2. Effective July 1, 2004, the following minimum amounts from the education and general fees paid by medical students shall be reserved at the respective medical schools for the purpose of making medical student loans:

<u>West Virginia University Medical School</u>	<u>\$500,000</u>
<u>West Virginia School of Osteopathic Medicine</u>	<u>\$200,000</u>
<u>Marshall University Medical School</u>	<u>\$100,000</u>

~~4.3. In addition to the fees collected above, the Commission may deposit to the loan fund any appropriations provided by the Governor and Legislature for this purpose or any other amounts which may be made available for this purpose from external sources, including any interest earned on amounts in the loan fund prior to transfer to the institutions.~~

4.3. Effective July 1, 2004, the Commission shall assess the respective medical schools the following amounts to offset the Commission's costs for administration and oversight of the program.

<u>West Virginia University Medical School</u>	<u>\$16,250</u>
<u>West Virginia School of Osteopathic Medicine</u>	<u>\$6,500</u>
<u>Marshall University Medical School</u>	<u>\$3,250</u>

~~4.4. The Commission shall annually allocate to the institutions all funds which have accumulated in the Commission's Loan Fund for the previous year. This allocation shall be based upon each institution's proportionate share of Medical Education Fees collected and remitted during the preceding fiscal year. Funds so allocated will be transferred to each institution's general loan account in the State Treasury to be maintained in a separate sub-account therein. In addition to the Commission's allocation, all other income generated by the institution for the purposes of this program, including principal and interest repayments, private gifts, interest income and the like, should be maintained in this separate sub-account.~~

4.4 Effective July 1, 2004, the maximum annual amount for an individual loan shall be \$10,000.

~~4.5 Balances remaining in these fund accounts Education and general fees reserved for the benefit of the medical student loan program and any carryover funds remaining at the end of the fiscal year shall not expire or revert. Each medical school shall retain these remaining balances in the special revenue accounts establish for each school in support of this program, but instead shall carry over for use by the institution during the subsequent year.~~

~~4.6. Refunds of the medical education fee may be made in the same manner as any other fee collected at state institutions of higher education.~~

Section 5. Financial Management Eligibility.

~~5.1. Each institution shall maintain complete and accurate accounting records~~

~~for all funds received and disbursed under the Medical Education Fee and Loan Program, and shall upon request make such records available to the Legislative Auditor or such other independent auditor as may be designated by the Commission. Receipt and disbursement of funds shall be governed by all applicable state practices and procedures.~~

5.1. In order to be eligible for this loan, an applicant must meet the following minimum requirements:

5.1.1 Full-time enrollment in an approved state medical school in a program leading to the degree of Doctor of Medicine (M.D.), or Doctor of Osteopathy (D.O.), provided that the individual has not yet received one of these degrees.

5.1.2 West Virginia residency as determined by the institution in accordance with the Commission rule on "Classification of Students for Admission and Fee Purposes."

5.1.3 Financial need as determined by the institution's financial aid office.

~~5.2. Each institution shall submit on an annual basis, a report summarizing all receipts and disbursements from the Medical Education Fee and the Loan Program. This report will be in such format and contain such detail as the Commission may prescribe, and shall be due no later than September 15th each year.~~

5.2. A borrower may be eligible for renewal of the loan if:

5.2.1 The borrower remains in good academic standing and makes satisfactory progress in keeping with the institutional policy for awarding Title IV financial aid funds.

5.2.2 The borrower remains a resident of West Virginia.

5.2.3 The borrower's financial circumstances warrant continuation under the standards established by the institution.

5.2.4 There are available funds sufficient to make the award.

~~5.3. Before the first day of July of each year, the Commission shall provide the legislative auditor with a report of the projected fee collections for each of the schools of medicine.~~

5.3. An applicant may not be in default of any previous student loan.

Section 6. ~~The Higher Education Policy Commission Medical Student Loan Program and Fund Application and Selection Process.~~

~~6.1. W. Va. Code §18-3-1 creates a medical student loan program to be administered by the vice chancellor for administration. The purpose of this program is to provide loans to state residents who demonstrate financial need, meet academic standards and are enrolled or accepted for enrollment at West Virginia University School of Medicine, Marshall University School of Medicine, or the West Virginia School of Osteopathic Medicine.~~

6.1. A student must apply for the award utilizing the institution's standard application process. Typically, this will involve an institutional application and a financial statement. An institution may establish a deadline for applying for the loan.

~~6.2. Eligibility of Applicants. — In order to be considered for this award, applicants must meet the following minimum requirements:~~

~~6.2.1. Full-time enrollment in an approved state medical school in a program leading to the degree of Doctor of Medicine (M.D.), or Doctor of Osteopathy (D.O.), providing that the individual has not yet received one of these degrees.~~

~~6.2.2. Applicant must be a resident of West Virginia as determined by the school in accordance with the Commission rule on "Classification of Students for Admission and Fee Purposes."~~

~~6.2.3. Have demonstrated financial need as determined by the Financial Aid Office at the respective medical school.~~

~~6.2.4. Continuing students must remain in good academic standing and make satisfactory progress in keeping with the institutional policy for awarding Title IV financial aid funds.~~

~~6.2.5. Applicant is not in default of any previous student loan.~~

6.2. Any student applying for a loan must use his or her social security number when submitting an application. The social security number will be used to verify a student's identity, track applications, authorize loans, verify enrollment and good student status, and track fund disbursement and loan repayment. A student who fails to provide a social security number will not be eligible for a loan.

6.3. Each institution shall select recipients of the award. The number of awards will be determined by the availability of funds in this program at each

each school in any given academic year. Awards will be processed without regard to age, gender, race, disability, national origin, veteran's status or religion.

Section 7. Application Process Loan Provisions and Agreement.

- ~~7.1. Students must apply to the institution in which the applicant is registered utilizing the School's standard application process. Typically, this will involve an institutional application and a financial statement. The institution may establish a deadline for applying for this loan.~~
- 7.1. Loans may be made and award amounts determined annually for each of the number of years required to complete the course of study. The student-borrower may apply for additional loans for each subsequent academic year of medical school, and the institution may, but shall not be obligated to, make loans to a borrower for such academic year or years.
- 7.2. Before being granted a loan, each applicant shall receive an award notification issued by the institution on behalf of the Higher Education Policy Commission Medical Student Loan Program. Notifications shall include the following common elements:
- 7.2.1 Budgeted cost of education.
- 7.2.2 Expected family contribution (where applicable).
- 7.2.3 Other resources available to meet educational expenses.
- 7.2.4 Financial need.
- 7.2.5 Aid awarded reflecting academic periods in which it will be disbursed.
- 7.2.6 An indication of unmet financial need.
- 7.2.7 Any and all such loans shall be subject to the terms and conditions specified in a promissory note. For each loan received, the borrower will deliver a promissory note on or before the date any disbursement of loan funds is made, and bearing interest at the rate specified in the promissory note.
- 7.3. The promissory note shall be an open ended note. All subsequent release of funds at the same interest rate shall be recorded on this promissory note. A new promissory note shall be used for changes in the interest rate, payment date, and other changes deemed necessary and desirable to comply with these regulations or with applicable law.

Section 8. ~~Selection of Recipients~~ Loan Repayment.

- ~~8.1. Recipients will be selected each year by institutional officials of the Financial Aid Offices at the three state medical schools, Marshall University, the West Virginia School of Osteopathic Medicine, and West Virginia University. The number of awards will be determined by the availability of funds in this program at each school in any given academic year. Awards will be processed without regard to age, gender, race, disability, national origin, veteran's status or religion.~~
- 8.1. A borrower shall be allowed a maximum of ten (10) years to repay the loan (principal and interest). Periods of authorized deferment (approved additional medical training, including internships, residencies, or fellowships, or required military service, not to exceed five years) are not included as part of the ten-year repayment period. However, the minimum repayment amount shall be no less than fifty dollars (\$50.00) per month.
- 8.2. The first payment shall not be due and payable until one (1) year following the date that the borrower ceases to be a full-time student at a school of medicine eligible to participate in the Medical Student Loan Program. Payments are not due for periods of authorized deferment.
- 8.3. If the borrower discontinues the study of medicine, loans made together with accrued interest thereon shall be due and payable beginning sixty (60) days from the date of last enrollment.
- 8.4. There shall be no penalty for early repayment of the loan.
- 8.5. The rate of interest charged on all outstanding loans awarded on or after September 7, 2002 shall be the prevailing Federal Stafford Loan interest rate and shall accrue from the date the loan is signed.
- 8.6. In the event of the borrower's death, unpaid indebtedness remaining on the note (principal and interest) shall be cancelled.

Section 9. ~~Loan Provisions and Agreement~~ Loan Forgiveness.

- ~~9.1. Loans may be made and award amounts determined annually for each of the numbers of years required to complete the course of study. The student borrower may apply for additional loans for each subsequent academic year of medical school and the fund may, but shall not be obligated to, make loans to a borrower for such academic year or years.~~
- 9.1. A borrower may receive cancellation and forgiveness of the outstanding principal and accumulated interest on the loan in return for the actual

performance of full-time service in West Virginia as a physician (M.D. or D.O.) in an approved designated medically underserved area or in an approved designated medical specialty in which there is a shortage of physicians.

~~9.2. Each applicant, before being granted a loan shall sign an award letter issued by the institution on behalf of the Higher Education Policy Commission Medical Student Loan Fund accepting the award. Letters shall include the following common elements:~~

~~9.2.1. Budgeted cost of education.~~

~~9.2.2. Expected family contribution (where applicable).~~

~~9.2.3. Other resources available to meet educational expenses.~~

~~9.2.4. Financial need.~~

~~9.2.5. Aid awarded reflecting academic periods in which it will be disbursed.~~

~~9.2.6. An indication of unmet financial need.~~

~~9.2.7. Any and all such loans shall be subject to the terms and conditions specified in a promissory note. For each loan received, the borrower will deliver a promissory note, payable to the Fund on or before the date any disbursement of loan funds is made, and bearing interest at the rate specified in the promissory note.~~

9.2. The Commission, in conjunction with the Bureau for Public Health, shall determine qualifying medically underserved geographic areas and medical specialties in which there is a shortage of physicians. An approved listing of underserved areas and qualifying medical specialties shall be published and distributed to the financial aid officers of each participating state school of medicine. At the borrower's request, additional geographic areas may be considered by the Commission and the Bureau for Public Health. Among the criteria are such factors as: Locations where a physician currently in practice will retire creating a shortage or a population shift which will justify additional physicians.

9.3. To be eligible for loan forgiveness, the applicant must apply annually for and receive Commission approval for practice in a specific designated underserved area or designated medical specialty. Such approval shall include deferral of loan repayment during the period the practitioner is performing in service authorized for loan forgiveness. The practitioner must notify the lending institution of the date that such practice commences

commences and terminates.

- 9.4. To be eligible for loan forgiveness, the applicant must have Commission approval to practice in a specific designated underserved area or designated medical specialty. In addition, the applicant must subsequently provide evidence to support the fact that full-time physician services were rendered. Such evidence shall be presented on a form provided by the Commission for that purpose. The Commission shall be the authority that grants loan forgiveness. The Commission shall notify the appropriate lending institution of all loan forgiveness which is granted.
- 9.5. The borrower shall be eligible for loan forgiveness only upon application and upon acceptance of duly certified evidence of full-time medical or osteopathic practice in one of the designated areas or medical specialties.
- 9.6. The borrower shall receive cancellation and forgiveness of the outstanding principal for sums not to exceed \$5,000 plus accumulated interest during each period of twelve (12) consecutive months of full-time practice. No forgiveness shall be granted for less than twelve (12) consecutive months of full-time practice.
- 9.7. It shall be the responsibility of the borrower to secure a current list of approved underserved areas and medical specialties. A current list may be obtained from the institution's financial aid office or from the Commission.

Section 10. ~~Promissory Note~~ Loan Management.

- ~~10.1. The promissory note shall be an open ended note. All subsequent release of funds at the same interest rate shall be recorded on this promissory note. A new promissory note shall be used for changes in the interest rate, payment date, and other changes deemed necessary or desirable by the Fund to comply with these regulations or with applicable law.~~
- 10.1. The institution shall be responsible for notifying students selected to receive loans and for ensuring that borrowers receive the loan award notification and complete the promissory note before disbursement of funds. The institution also shall be responsible for disbursement of any and all funds to students. Disbursements shall usually be made at the beginning of each semester in an amount equal to one-half (1/2) the annual award.
- 10.2. ~~Renewal shall be granted only upon the borrower's application and providing that:~~

~~40.2.1. The borrower continues as a student in good standing.~~

~~40.2.2. The borrower remains a resident of West Virginia.~~

~~40.2.3. The borrower's financial circumstances warrant continuation under the standards established by the institution.~~

~~40.2.4. There are available funds sufficient to make the award.~~

10.2. An exit interview shall be required by the institution at the time the borrower graduates or otherwise terminates enrollment. At that time, the borrower's rights and responsibilities under the loan fund shall be discussed. Borrowers shall be obligated during the period the loan is active to maintain a current address record with the student loan office of the medical school which provided the loan.

~~10.3. Any student applying for a loan under this program must use his or her Social Security number when submitting an application. The Social Security number will be used to verify a student's identity, track applications, authorized loans, verify enrollment and good student status, and to track fund disbursement and loan repayment. A student who fails to provide a Social Security number will not be eligible for a loan.~~

10.3. The institution shall exercise due diligence in the collection of all loan amounts owed by borrowers.

~~10.4. The maximum amount of the loan shall be restricted during the first several years of the program to assure satisfaction of the purposes of the Loan Program. Total dollars available will be limited and financial assistance should be programmed to support those students requiring assistance to offset the programmed increase in the Medical Education Fee. The maximum amount of individual loan available per year shall be \$5,000.~~

Section 11. Loan Repayment Financial Management.

~~11.1. Recipient is allowed a maximum of ten (10) years to repay the loan (principal and interest thereon) beginning one year after the borrower ceases to be a full-time student at a school of medicine eligible to participate in the Program. Periods of authorized deferment (approved additional medical training, including internships, residencies, or fellowships, or required military service not to exceed five years) are not included as part of the 10-year repayment period. However, the minimum shall be no less than fifty dollars (\$50.00) per month.~~

11.1. Each institution shall maintain complete and accurate accounting records

for all funds received and disbursed under the Medical Student Loan Program, and, upon request, shall make such records available to Commission staff, the Legislative Auditor, or any other independent auditor that the Commission may designate.

~~11.2. The first payment shall not be due and payable until one (1) year following the date that the recipient ceases to be a full-time student at a school of medicine eligible to participate in the Medical Student Loan Program. Payments are not due for periods of deferment — approved medical training, including internship, residency or fellowship training, the total of which may not exceed five (5) years, unless the recipient abrogates the contract.~~

11.2. Receipt and disbursement of funds shall be governed by all applicable state practices and procedures.

~~11.3. If the borrower discontinues the full-time study of medicine, loans made by this fund together with accrued interest thereon shall be due and payable beginning sixty (60) days from the date of last enrollment.~~

11.3. Each institution shall submit an annual report summarizing all receipts and disbursements of the Medical Student Loan Program. This report will be in such format and contain such detail as the Commission may prescribe, and shall be due no later than July 31 each year.

~~11.4. There shall be no penalty for early repayment of the loan.~~

~~11.5. The rate of interest charged a loan recipient shall be at the rate of the prevailing Stafford Loan percentage, and shall accrue from the beginning of the repayment period. Interest shall not accrue during periods of deferment — required military service or periods of approved medical training, including internship, residency or fellowship. The total number of years for post-graduate medical training may not exceed five (5) years.~~

~~11.6. No interest accrues during the time the recipient is in medical school, approved intern training, residency, fellowship or required military service, if such is reinstated.~~

~~11.7. In the event of the borrower's death, unpaid indebtedness remaining on the note (principal and interest) shall be cancelled.~~

~~Section 12. Loan Forgiveness Provisions.~~

~~12.1. A loan recipient may receive cancellation and forgiveness of the outstanding principal and accumulated interest on the loan in return for the~~

~~the actual performance of full-time service in West Virginia as a physician (M.D. or D.O.) in an approved designated medically underserved area or in an approved designated medical specialty in which there is a shortage of physicians.~~

- ~~12.2. The Commission, in conjunction with the Bureau for Public Health, shall determine qualifying medically underserved geographic areas and medical specialties in which there is a shortage of physicians. An approved listing of underserved areas and qualifying medical specialties shall be published and distributed to the financial aid officers of each participating state school of medicine. At the borrower's request, additional geographic areas may be considered by the Commission and the Bureau for Public Health. Among the criteria are such factors as: Locations where a physician currently in practice will retire creating a shortage or a population shift which will justify additional man-power.~~
- ~~12.3. To be eligible for loan forgiveness, the applicant must first apply for, on an annual basis, and receive Commission approval for practice in a specific designated underserved area or designated medical specialty. Such approval shall include deferral of loan repayment during the period the practitioner is performing in service authorized for loan forgiveness. The practitioner must notify the lending institution of the date that such practice commences and terminates.~~
- ~~12.4. The borrower shall receive cancellation and forgiveness of the outstanding principal for sums not to exceed \$5,000 plus accumulated interest during each period of twelve (12) consecutive months of full-time practice. No forgiveness shall be granted for less than twelve (12) consecutive months of full-time practice.~~
- ~~12.5. An exit interview shall be required by the school at the time the borrower graduates or otherwise terminates enrollment. At that time, the borrower's rights and responsibilities under the loan fund will be discussed. Loan recipients shall be obligated during the period the loan is active to maintain current address record with the Student Loan Office of the medical school which provided the loan.~~
- ~~12.6. It shall be the responsibility of the borrower to secure a current list of approved underserved areas and medical specialties at such time as deemed necessary and appropriate by the borrower. The current list may be obtained from the school Student Financial Aid Office or from the West Virginia Higher Education Policy Commission.~~

~~Section 13. Evidence of Practice and Application for Loan Forgiveness.~~

- ~~13.1. The borrower shall be eligible for loan forgiveness only upon application~~

~~and upon acceptance of duly certified evidence of full-time medical or osteopathic practice in one of the designated areas or medical specialties.~~

~~13.2. To be eligible for loan forgiveness, the applicant must have Commission approval for practice in a specific designated underserved area or designated medical specialty. In addition, the applicant must subsequently provide evidence to support the fact that full-time physician services were rendered. Such evidence shall be presented on a form provided by the Commission for that purpose. The Board shall be the authority that grants loan forgiveness. The Commission shall notify the appropriate lending institution of all loan forgiveness which is granted.~~

~~Section 14. Notification of Recipients and Disbursement of Funds.~~

~~14.1. Approved medical schools shall be responsible for notifying students selected to receive loans and for ensuring that borrowers receive and complete both the loan award letter and the promissory note prior to disbursement of funds. Approved medical schools shall also be responsible for disbursement of any and all funds to students. Disbursements shall usually be made at the beginning of each semester in an amount equal to one-half (1/2) the annual award.~~