

WAC 250-25-080 Repayment provisions. Participants in the health professional loan repayment and scholarship program incur an obligation to serve for no less than three years and no more than five years in a shortage area in return for financial support in the form of loan repayments and/or scholarships to attend school.

Loan repayments will be made quarterly on a yearly basis for no less than three years and no more than five years not to exceed the maximum debt incurred by the participant.

Loan repayment participants who serve less than the required service obligation shall be obligated to repay to the program an amount equal to twice the total amount paid by the program on their behalf. In addition, loan repayments on behalf of the participant shall cease on the date that the participant discontinues service. Payments on the unsatisfied portion of the principal and interest remain the responsibility of the participant. The board shall not be held responsible for any outstanding payments on principal and interest to any lenders once a participant's eligibility expires.

For scholarship participants, the entire principal and interest of each payment shall be forgiven for each payment period in which the participant serves in a health professional shortage area until the entire repayment obligation is satisfied or the borrower ceases to so serve.

Scholarship participants who serve less than the required service obligation shall be obligated to pay the unsatisfied portion of the principal and interest. The interest rate shall be eight percent for the first four years of repayment and ten percent beginning with the fifth year of repayment. Provisions for deferral of payment shall be determined by the board. In addition, scholarship participants who fail to fulfill the required service obligation shall be obliged to repay to the program an amount equal to twice the total amount paid by the program. The period for repayment shall coincide with the required service obligation, with payments accruing quarterly commencing no later than nine months from the date the participant completes or discontinues the course of study or completes or discontinues the required residency.

On the request of the participant, the board may waive, in full or in part, the obligation for service or its rights to recover financial damages whenever the board determines that failure to do so was due to circumstances beyond the participant's control. Conditions that would be considered as a waiver from default provisions may include: Participant becomes physically impaired to the degree that he or she can no longer function in his or her assigned duties; participant becomes mentally impaired to the degree that he or she can no longer function in his or her assigned duties; or death.

The board shall exercise due diligence in such collection, maintaining all necessary records to ensure that the maximum amount of payment made on behalf of the participant is recovered. Collection under this section shall be pursued using the full extent of the law, including wage garnishment if necessary.

[Statutory Authority: 1993 c 423 and 492. WSR 93-19-023, § 250-25-080, filed 9/3/93, effective 10/4/93. Statutory Authority: 1991 c 332. WSR 92-03-002, § 250-25-080, filed 1/3/92, effective 2/3/92.]