

CHAPTER 4810
HIGHER EDUCATION COORDINATING BOARD
MISCELLANEOUS STUDENT FUNDING
PROGRAMS

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RURAL PHYSICIAN LOAN FORGIVENESS PROGRAM

4810.3000 SCOPE.

Parts 4810.3010 to 4810.3070 apply to the rural physician loan forgiveness program.

Statutory Authority: *MS s 136A.04; 136A.16; 136A.234*

History: *15 SR 1925*

4810.3010 DEFINITIONS.

Subpart 1. **Scope.** The terms defined in Minnesota Statutes, section 136A.1351, are applicable to parts 4810.3010 to 4810.3070.

Subp. 2. **Emergency circumstances.** "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment. The conditions include death, total and permanent disability, or temporary disability lasting more than two years.

Subp. 3. **Qualified loans.** "Qualified loans" means:

- A. Perkins Loans/National Direct Student Loans (NDSLs);
- B. Stafford Loans/Guaranteed Student Loans (GSLs);
- C. Health Professions Student Loans (HPSLs);
- D. Supplemental Loans for Students (SLs);
- E. Auxiliary Loans to Assist Students (ALASs);
- F. Parent Loans for Undergraduate Students (PLUSs);
- G. Health Education Assistance Loans (HEALs);
- H. Mayo Foundation Loans;
- I. MedLoans, Minnesota Medical Association Loans (MMAs);
- J. Minnesota Medical Foundation Loans (MMFs);
- K. University of Minnesota Trust Fund Loans (TFLs);
- L. Minnesota Student Educational Loan Fund (SELF loans); and
- M. Student Loan Marketing Association Consolidation Loans (SMART).

Statutory Authority: *MS s 136A.04; 136A.16; 136A.234*

History: *15 SR 1925*

4810.3020 CRITERIA FOR SELECTION.

Subpart 1. **Classification of applicants.** The executive director shall place applicants in one of the following classifications:

- A. Minnesota residents who fulfill residency training in Minnesota;
- B. Minnesota residents who fulfill residency training outside Minnesota;
- C. applicants who are not Minnesota residents, but fulfill residency training in Minnesota; or

D. applicants who are not Minnesota residents and do not fulfill residency training in Minnesota.

Subp. 2. **Insufficient award availability.** If more than eight applicants start to serve as physicians in a designated rural area, the executive director shall choose participants in the order specified in subpart 1 for participation. Applicants not chosen to participate initially must be placed on an alternate list from which additional participants will be chosen if a chosen participant declines to participate.

Statutory Authority: *MS s 136A.04; 136A.16; 136A.234*

History: *15 SR 1925*

4810.3030 APPLICATION PROCESS.

Subpart 1. **Acknowledgment letter.** On receipt of a letter of interest from a prospective physician, the executive director shall send the prospective physician more detailed information about the program.

Subp. 2. [Repealed, 16 SR 2162]

Subp. 3. **Application form and contract.** During the first year of residency, the prospective physician must complete and return the application form and contract provided by the executive director. The prospective physician agrees to serve at least three of the first five years following residency in a designated rural area if chosen as a participant. Failure to complete and return the application form and contract by the specified deadline date results in the elimination of the applicant from the classification list.

Subp. 4. **Notification of service.** The prospective physician must notify the executive director in writing immediately after starting service as a physician in a designated rural area.

Subp. 5. **Agreement or promissory note.** Before any payments are made by the executive director on qualified loans designated by the participant, the participant must sign the agreement or promissory note provided by the executive director.

Statutory Authority: *MS's 136A.04; 136A.16; 136A.234*

History: *15 SR 1925; 16 SR 2162*

4810.3040 LOAN PAYMENT.

Subpart 1. **Designation of loans.** Each program participant must designate which eligible loans the executive director must make payments on. Payments by the executive director cannot exceed \$10,000 per year for each participant.

Subp. 2. **Payment billings.** The participant must provide necessary information for payment purposes on eligible loans to the executive director in a timely manner. The participant must provide the executive director with all payment books for the designated loans or forward monthly billing statements for the loans so that the executive director has ample time to make the monthly payments on time.

Subp. 3. **Terms of payments.** The executive director shall make loan payments according to the terms and conditions of the designated loans to the lenders or servicers in an amount that, when annualized, does not exceed \$10,000 per year. The participant must continue to serve as a physician in a designated rural area during the period the executive director is making loan payments for the participant.

Subp. 4. **Additional payment amount.** If the amounts paid by the executive director on the designated loans for a participant is less than \$10,000 for a 12-month period, during the 12th month the executive director will pay an additional amount on the designated loans to equal \$10,000 for the 12-month period. The total amount paid during the 12-month period cannot exceed the principal and accrued interest of the designated loans.

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Subp. 5. Discontinuation of service. The participant must reimburse the executive director for payments made during any period when the participant is not serving as a physician in a designated rural area.

Statutory Authority: *MS s 136A.04; 136A.16; 136A.234*

History: *15 SR 1925*

4810.3050 PENALTY FOR NONFULFILLMENT.

Subpart 1. Payment amount. If a participant fails to fulfill the service requirement of this program, the amount paid on designated loans by the executive director must be repaid with interest at a rate established according to Minnesota Statutes, section 270.75, subdivision 5. Interest accrues from the date the participant ceases to practice as a physician in a designated rural area.

Subp. 2. Payment plan. The executive director shall set up a payment plan after consulting with the participant. The participant must repay the money within five years.

Subp. 3. Waiver. A participant may request a waiver from the repayment obligation from the executive director. The request must be in writing and must provide written documentation on the emergency circumstances that support the need for the waiver. The executive director shall review the documentation and shall grant a full or partial waiver if the executive director finds that the emergency circumstances justify the waiver.

Subp. 4. Release of information. The following information about the participant may be released to a consumer credit reporting agency until the participant has repaid in full all money owed the board:

- A. the name and address of participant;
- B. the date the repayment started;
- C. the outstanding balance;
- D. the amount past due;
- E. the number of payments past due;
- F. the number of late payments in the previous 12 months; and
- G. the status or remarks code.

Statutory Authority: *MS s 136A.04; 136A.16; 136A.234*

History: *15 SR 1925*

4810.3060 PARTICIPANT RESPONSIBILITIES.

Subpart 1. Service status verification. Annually, the participant must complete and return to the executive director by the deadline the service status verification form provided by the executive director.

Subp. 2. Status change. The participant must inform the executive director in writing within 30 days of a change of address or service location.

Statutory Authority: *MS s 136A.04; 136A.16; 136A.234*

History: *15 SR 1925*

4810.3070 INFORMATION; FORMS; TERMS.

Subpart 1. Additional information. The executive director or the executive director's agent may require additional information from the participant that is not inconsistent with law that is helpful in the executive director's judgment to efficiently administer the program.

Subp. 2. Forms. The executive director may provide to participants and require the use of uniform forms in the administration of the program.

Statutory Authority: *MS s 136A.04; 136A.16; 136A.234*

History: *15 SR 1925*