

# MINNESOTA RULES 1991

4463 MISCELLANEOUS STUDENT FUNDING PROGRAMS 4810.2100

## CHAPTER 4810 HIGHER EDUCATION COORDINATING BOARD MISCELLANEOUS STUDENT FUNDING PROGRAMS

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NOTE: See part 4830.0100 for definitions applicable to this chapter.

**4810.0200** [Repealed, 8 SR 196]

**4810.0300** [Repealed, 8 SR 196]

**4810.0400** [Repealed, 8 SR 196]

**4810.0500** [Repealed, 8 SR 196]

**4810.0600** [Repealed, 8 SR 196]

**4810.0700** [Repealed, 8 SR 196]

**4810.0800** [Repealed, 8 SR 196]

**4810.0900** [Repealed, 8 SR 196]

### LOANS TO MEDICAL AND OSTEOPATHY STUDENTS

#### **4810.2100 DEFINITIONS.**

Subpart 1. **Scope.** The following terms shall have the meaning hereinafter ascribed to them.

Subp. 2. **Accredited medical school.** "Accredited medical school" shall be any medical school accredited by the Liaison Committee on Medical Education, as founded by the American Medical Association and the Association of American Medical Colleges and as recognized by the United States Office of Education.

Subp. 3. **Accredited school of osteopathy.** "Accredited school of osteopathy" shall be one whose graduates are eligible for licensure in Minnesota.

Subp. 4. **Area in need of medical doctors or osteopaths.** "Area in need of medical doctors or osteopaths" shall be a rural community in Minnesota where the health care needs of its residents are not fully met by available physicians and/or osteopaths. At least annually, by resolution, the board shall adopt a list of such areas based upon recommendations of the Minnesota Board of Medical Examiners and other agencies concerned with planning health care of Minnesota residents. The list of areas in need is applicable to the student at the time the student commences practice.

Subp. 5. **Eighteen months of each initial or renewal period of the loan.** "Eighteen months of each initial or renewal period of the loan" shall mean 18 months times the number of years the student received funds from the program up to a maximum of five years.

Subp. 6. **Service requirement.** "Service requirement" shall mean the number of months the student must practice in an area in need of medical doctors or osteopaths in order to satisfy the loan cancellation provisions of the program.

Subp. 7. **Student in good standing.** "Student in good standing" shall mean that the student is attending full time in an approved school of medicine or osteopathy and is making satisfactory progress toward completion of academic and

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internship requirements according to standards of the institution the student is attending.

**Statutory Authority:** *MS s 136A.111 subd 2; 136A.16 subd 2; 136A.234; 136A.70; 147.30*

**History:** *10 SR 2319*

### 4810.2200 PURPOSE.

The purpose of parts 4810.2100 to 4810.2800 is to augment Minnesota Statutes, sections 147.30 et seq., as amended, establishing a state program of loans to medical and osteopathy students by providing standards, criteria, and rules therefor.

**Statutory Authority:** *MS s 147.30*

### 4810.2300 EXECUTIVE DIRECTOR.

The executive director of the board is hereby delegated the authority and responsibility for administration of the Minnesota medical and osteopathy loan program in accordance with these rules and state laws, for issuance of public information, designing of application forms, prescribing of procedures for submission of applications for loans, and for the selection of qualified recipients of loans provided by the term of this act.

Completed applications shall be reviewed, ranked, and forwarded by representatives of participating schools of medicine and osteopathy to the Board of Medical Examiners. The Board of Medical Examiners shall evaluate the respective qualifications of applicants and present its recommendations to the board for its final review and approval.

**Statutory Authority:** *MS s 136A.03*

### 4810.2400 CRITERIA FOR SELECTION.

Priority will be given to applicants with financial need. The applicant's need for loan assistance provided by the terms of this act shall be determined by the board, which shall take into account educational costs and financial resources available to the student. In selecting medical students, priority shall be given to students enrolled in schools in Minnesota. Once selected, program participants are eligible to borrow from the program each academic year until graduation from medical or osteopathy school.

**Statutory Authority:** *MS s 147.30*

### 4810.2500 TERMS OF LOANS.

**Subpart 1. Amount.** The amount of a loan shall not exceed \$6,000 for any given academic year nor \$24,000 in total to any one student.

**Subp. 2. Note and interest.** Each loan shall be evidenced by a promissory note payable on demand to the state of Minnesota and such note shall bear interest at the rate of eight percent per annum from the date of execution until paid or otherwise discharged in accordance with terms of this act.

**Subp. 3. Length of services.** Each recipient of a loan provided under Minnesota Statutes shall be required to agree in writing to practice medicine or osteopathy as follows.

If the recipient first received assistance from the program before July 1, 1975, the recipient must practice in an area in need of medical doctors or osteopaths for three years.

Recipients receiving assistance from the program for the first time after July 1, 1975, must practice in an area in need of medical doctors or osteopaths for a period not less than 18 months for each year the student received funds from the program or for a period of five years, whichever is less.

**Subp. 4. Discharge of obligation.** The recipient of a loan provided by terms

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of this act shall be considered to have discharged the full amount of his obligation, both principal and interest of loans, upon certification of satisfactory completion of required medical practice as defined in subpart 3.

**Subp. 5. Commencing service.** Recipients who agree to practice in an area in need of medical doctors or osteopaths shall begin not later than three months after being certified as qualified to practice medicine or osteopathy in Minnesota except as otherwise provided in subpart 6.

**Subp. 6. Deferment of obligation.** After the recipient of a loan provided by this act has been certified by the Board of Medical Examiners as qualified to practice medicine or osteopathy in Minnesota, he may, upon proper application to the executive director, be granted deferment of his obligation for a period not exceeding four years for the purpose of advanced specialized study or for service in the armed forces of the United States.

**Subp. 7. Breach of contract.** If the recipient of a loan provided by this act fails to fulfill his agreement to practice medicine or osteopathy as set forth in subpart 3 the full amount of his loan obligations, both principal and interest, shall become due and payable upon demand.

**Subp. 8. Appeal procedure.** During the year that a recipient is due to commence service in Minnesota, the recipient may appeal the exclusion of a community from the list of eligible areas in need. The appeal must contain at least the following:

A. a written request for an appeal to the executive director; and

B. documentation to establish that a community be added to the board's list of eligible areas in need, including:

(1) documentation from the representative of the local health systems agency defining the health care needs of the residents, and services provided by available physicians and osteopaths;

(2) notarized statements from available physicians and osteopaths documenting their intention to retire, leave the area, or otherwise reduce their services to the community;

(3) demographic and geographic data demonstrating the level of medical service provided within the community; and

(4) other relevant data concerning the health care of the community.

The executive director shall initially decide the appeal. An adverse decision must automatically be forwarded to the financial aid committee of the board, or its representatives, for a decision. The recipient may appeal an adverse determination of the financial aid committee to the Office of Administrative Hearings.

**Statutory Authority:** *MS s 136A.111 subd 2; 136A.16 subd 2; 136A.234; 136A.70; 147.30*

**History:** *10 SR 2319*

### 4810.2600 PAYMENT TO STUDENTS.

Upon approval of a loan under terms of this act and after the promissory note and service agreement have been executed in accordance with requirements set forth in part 4810.2500, subparts 2 and 3, respectively, the executive director of the board shall cause to be remitted to the loan recipient the principal amount of the loan. Pursuant to terms of this act, a loan may be granted for full-time attendance at an approved school of medicine or osteopathy for a specified academic term.

**Statutory Authority:** *MS s 147.30*

### 4810.2700 REPAYMENT UPON DEMAND.

A recipient of a loan obtained under provisions of this act who ceases to be

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a full-time student, in good standing, at an approved school of medicine or osteopathy for any reason shall be required to repay to the board the entire amount of his loan obligations, both principal and interest, upon demand.

**Statutory Authority:** *MS s 147.30*

## **4810.2800 RESERVE FUND.**

The board shall be required to maintain a reserve fund. Loan obligations forgiven in accordance with part 4810.2500, subpart 4 and any uncollectible loans made in accordance with the terms of this act shall be charged to the reserve fund and the loan fund credited for the amount so charged.

**Statutory Authority:** *MS s 147.30*

**4810.4100** [Repealed, 8 SR 196]

**4810.4200** [Repealed, 8 SR 196]

**4810.4300** [Repealed, 8 SR 196]

**4810.4400** [Repealed, 8 SR 196]

**4810.4500** [Repealed, 8 SR 196]

**4810.4600** [Repealed, 8 SR 196]

**4810.4700** [Repealed, 8 SR 196]

**4810.4800** [Repealed, 8 SR 196]

**4810.4900** [Repealed, 8 SR 196]

**4810.6100** [Repealed, 8 SR 196]

**4810.6200** [Repealed, 8 SR 196]

**4810.6300** [Repealed, 8 SR 196]

**4810.6400** [Repealed, 8 SR 196]

**4810.6500** [Repealed, 8 SR 196]