

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 of this act shall be considered to have discharged the full amount of 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 being certified by the Board of Medical Practice as qualified to practice medicine or osteopathy in Minnesota, the recipient of a loan provided by this act may, upon proper application to the commissioner, be granted deferment of the recipient's 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 the agreement to practice medicine or osteopathy as set forth in subpart 3 the full amount of 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 commissioner; and

B. documentation to establish that a community be added to the office'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 commissioner shall initially decide the appeal. An adverse decision must automatically be forwarded to the financial aid committee of the office, 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; 136A.16; 136A.234; 136A.70; 147.30*

History: *10 SR 2319; 17 SR 1279; L 1991 c 106 s 6; L 1995 c 212 art 3 s 59; L 2013 c 99 art 2 s 29*

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