447.331 STUDENT LOAN; MEDICAL SCHOOL, HEALTH-FIELD PROGRAM.

Subdivision 1. **Eligibility; loan amounts.** A hospital district may provide loans for the cost of education and living expenses to students who:

(1) meet eligibility criteria established by resolution of the hospital board;

(2) are enrolled in an accredited medical school or health-related educational program; and

(3) agree in writing to practice medicine in, or accept employment with, the hospital district that has provided the loans for a specified period of time.

No loan may exceed $28,000 to any one applicant. It must be paid in annual installments not to exceed $7,000 per year. No loan may be made to a student who is receiving a similar loan under another program authorized by law. Each recipient shall execute a note to the hospital district payable on demand for the principal amount of the loan and for any interest agreed to by the parties. All other terms for fulfilling the obligation and of breach of the obligation must be determined by the parties and must be fully and clearly stated in the loan contract. If the recipient fails to fulfill the obligation to practice or accept employment, the principal and interest, if any, shall be payable according to the terms of the note.

Subd. 2. **Special law hospital districts.** Subdivision 1 applies to a hospital district organized under special law. A hospital district so organized may spend funds for the purposes authorized by subdivision 1.

History: *1976 c 276 s 1,3; 1984 c 407 s 1; 1987 c 229 art 10 s 1*