

STATE MEDICAL EDUCATION LOAN/SCHOLARSHIP PROGRAM ELIGIBILITY REQUIREMENTS

These Rules and Regulations are subject to change by the Board of Trustees of State Institutions of Higher Learning (hereinafter referred to as the "Board"). The number of awards and recipients are dependent upon availability of funds and selection shall be based on a first-come, first-served basis of all eligible applicants; however, priority consideration shall be given to persons previously receiving awards under the State Medical Education Loan/Scholarship Program. Completed applications and all required documents received on or before March 31 each year, will be given first consideration in the award process.

I. ELIGIBILITY

- A. Must be a current legal resident of Mississippi. Applicants over twenty-one years of age who are actually domiciled out of the State of Mississippi may not claim the residency of their parent or parents unless they have been living out of the State of Mississippi for the previous twelve months to attend school or fulfill military obligations. Questions of residency will be decided by the Board.
- B. Must be accepted for enrollment full time in the University of Mississippi School of Medicine.
- C. Dependent on availability of funds, selection shall be based on a first-come, first-served basis of all eligible applicants; however, priority consideration shall be given to persons previously receiving awards under the State Medical Education Loan/Scholarship Program.
- D. Must not presently or previously have defaulted on an educational loan.
- E. Must enter into a Contract and Note with the Board pursuant to these Rules and Regulations and all applicable State Laws.

II. REQUIREMENTS FOR LOAN/SCHOLARSHIP APPLICANT

Along with the application, the following documents must be submitted:

- A. If requested, official academic transcript from the school/college/university last attended. The transcript must report grades from all schools/colleges/universities attended. If the transcript does not report grades from all schools/colleges/universities attended, then individual transcripts must be submitted.
- B. Proof of current Mississippi residency. Proof may be any two of the following: Proof of applicant's current valid Mississippi valid driver's license, a copy of pages one (1) and two (2) of the State of Mississippi Tax Return for the current tax filing year, or the electronic results from filing the Free Application for Federal Student Aid.
- C. An official letter of acceptance from the University of Mississippi School of Medicine, showing date admitted and entering classification or a letter of Good Standing from the University of Mississippi Medical Center Office of the Registrar.
- D. One executed and notarized Contract and Note.

III. AMOUNT AND LENGTH OF LOAN/SCHOLARSHIP

- A. The Loan/Scholarship may be made in any amount not to exceed an annual amount equal to the cost for tuition to any one recipient, not to exceed four years.
- B. The Loan/Scholarship is paid in installments not to exceed an amount equal to the cost for tuition per annum to any one recipient.
- C. Checks shall be made either co-payable to the recipient and the institution or to the institution and mailed directly to the institution, to be applied first toward tuition.

IV. RECIPIENTS IN SCHOOL

- A. Recipient must maintain good standing in the University of Mississippi School of Medicine at all times.
- B. Should a recipient fail, withdraw, or have to repeat any year, he/she is suspended from participation in the Program and his/her awards are stopped until such time as the proper official at his/her institution informs the Board that he/she is ready to advance.
- C. Recipient must at all times keep the Office of State Student Financial Aid Office informed of any change of address and phone number. Recipient will furnish a correct, complete home address and telephone number, and will immediately inform this office of any change of address or phone number.

V. POST-GRADUATE TRAINING

Loans/Scholarships shall be eligible for deferment of the accrual of interest and the repayment of principal during post-graduate training in conformity with the following requirements:

- A. Post-graduate training in Family Medicine, Internal Medicine, or Pediatrics must be taken at an accredited hospital and shall not exceed three (3) years.
- B. Post-graduate training in Obstetrics/Gynecology must be taken at an accredited hospital and shall not exceed four (4) years.
- C. Post-graduate training in any Primary Care specialty may not exceed four (4) years.
- D. Prior to graduation, each recipient must request and receive Board approval for location of internship or residency and the specific area of the training. The recipient must address a letter to the Board providing the following information:
 - 1. Location of internship or residency (hospital, address and telephone number);
 - 2. Period of internship or residency (1 year, 2 years, etc.);
 - 3. Date training begins;
 - 4. Specific area of training (Internal Medicine, Pediatrics, Family Medicine, or Obstetrics/Gynecology).
- E. Any change in status, address and telephone number must be reported to the Board.
- F. If a recipient chooses an ineligible field for post-graduate training, then that person shall be declared ineligible for deferment and the unpaid principal and interest shall become due and payable on demand to the Board in consecutive monthly installments, as determined by the Board, with interest calculated at the current Federal Stafford Loan rate at the time of the occurrence of the event.

VI. MILITARY SERVICE

In terms of military service the following definitions shall apply:

REQUIRED military service is that service which is required of an individual in the service of the Armed Forces of the United States; it does not include a military service obligation incurred to repay a grant, stipend or scholarship granted the individual prior to, during, or after the award of the State Medical Education Loan/Scholarship.

OBLIGATED or **VOLUNTARY** military service is that service which is performed by the individual in repayment of a debt owed the United States government as a result of military scholarships, ROTC scholarships, etc. received by the individual. Service is **VOLUNTARY** if the individual is not obligated to incur a period of military service, but chooses to incur the service obligation.

- A. Loans/Scholarships shall be eligible for deferment of the accrual of interest and the repayment of principal during the time of required military service:
1. In the event of **REQUIRED** military service, the recipient must apply in writing to the Board for a leave of absence, stating beginning and ending dates.
 2. Recipient must supply the Board with a copy of military orders.
 3. Deferment of the obligation to repay due to military service must be requested and approved by the Board on a year-to-year basis (annually).
 4. Immediately upon completion of **REQUIRED** military service, recipient must elect among the options for repayment or service repayment and notify the Board of such election.
 5. If a recipient continues **REQUIRED** military service for any reason beyond the required time, then that person shall be declared ineligible for deferment and the remaining unpaid principal and interest due and payable shall become due and payable on demand to the Board in equal monthly consecutive installments as determined by the Board with interest calculated at the current Federal Stafford Loan rate at the time of the occurrence of the event.
- B. If a recipient obligates himself/herself to **VOLUNTARY** military service prior to, during, or after the award of the State Medical Education Loan/Scholarship, then that person shall be declared ineligible for deferment and the remaining unpaid principal and interest due and payable shall become due and payable on demand to the Board in equal monthly consecutive installments, as determined by the Board, with interest calculated at the current Federal Stafford Loan rate at the time of the occurrence of the event.

VII. SERVICE OPTION

- A. When education and approved training are completed, a recipient **MAY NOT** work or practice out of the State of Mississippi until contractual obligations have been totally fulfilled, except in the instance of Board approved **REQUIRED** military service.
- B. Within sixty (60) days prior to completion of medical training, the recipient will furnish to the Board the proposed site of medical practice within the State of Mississippi, type of practice, and expected date to begin practice. It is fully understood that it is the responsibility of the loan recipient to seek and secure an approved location for his/her proposed practice. The Board assumes no obligation to perform that function.
- C. If the approved location proves to be unsatisfactory, the recipient may request change of location approval from the Board. **NO CHANGE IS TO BE MADE PRIOR TO BOARD APPROVAL.** The new location must likewise be within the State of Mississippi.
- D. Loans/Scholarships made to recipients shall be made and based upon the following options for repayment or conversion to interest-free scholarships (**REQUIRED military service excepted**):
1. In lieu of payment in full of both principal and interest, a loan recipient may elect to repay by entry into full-time¹ public health work in the State of Mississippi immediately upon completion of approved training at a state health institution² or community health centers that are grantees under Section 330 of the United States Public Health

¹Full time as used in VII. D. 1 is understood by the parties to mean that the physician shall maintain the normal full-time work schedule where the physician is employed.

²"State health institution" shall mean any of the following: Mississippi State Hospital, Ellisville State School, East Mississippi State Hospital, Mississippi

Service Act.³ Repayment under this option shall convert loan to scholarship, and discharge the same, on the basis of one (1) year's service for one (1) year's loan amount, or the appropriate proportion of the total outstanding balance of principal and interest, all as shall be established by Rules and Regulations of the Board. If at any time prior to the repayment in full of the total obligation the recipient abandons or abrogates repayment by this option, the provisions of VII. D. 3 shall apply;

2. In lieu of payment in full of both principal and interest, a loan recipient may elect to repay by entry into the full-time practice of medicine⁴ immediately upon completion of approved training in a primary health care field in an area outside of a metropolitan statistical area, as defined and established by the United States Census Bureau, and within a region ranking between 1 and 54, inclusively, on the Relative Needs Index of Five Factors for Primary Care Physicians, as annually determined by the State Board of Health, for a period up to four (4) consecutive years. Repayment under this option shall convert loan to scholarship, and discharge the same on the basis of one (1) year's service for one (1) year's loan amount, or the appropriate proportion of the total outstanding balance of principal and interest, all as shall be established by Rules and Regulations of the Board. If at any time prior to the repayment in full of the total obligation the loan recipient abandons or abrogates repayment by this option, the provisions of VII. D. 3 shall apply;
 3. In the alternative, in the event of abandonment or abrogation of the options for repayment as provided for in VII. D. 1 and 2, the remaining balance of unpaid or undischarged principal and interest shall become due and payable over the remaining period of time made in sixty (60) or less equal monthly consecutive installments, as determined by the Board, commencing one (1) month after graduation and internship or residency or termination of attendance as a full-time student or termination of full-time employment or termination of other deferment.
- E. Loans shall either be converted to whole or partial scholarships in accordance with this subsection, or repaid in accordance with this subsection, or repaid in accordance with this subsection and the provisions of Section VIII, below.
- F. If a recipient chooses an ineligible field in which to practice medicine, then that person shall immediately become liable to the Board for the amount remaining of unpaid principal and interest due and payable and shall become due and payable on demand to the Board in equal monthly consecutive installments, as determined by the Board, with interest calculated at the current Federal Stafford Loan rate at the time of the occurrence of the event.
- G. If a recipient chooses an ineligible location in which to practice medicine, then that person shall immediately become liable to the Board for the amount remaining of unpaid principal and interest due and payable and shall become due and payable on demand to the Board in equal monthly consecutive installments, as determined by the Board, with interest calculated at the current Federal Stafford Loan rate at the time of the occurrence of the event.

VIII. LOAN OPTION

- A. Recipient is allowed to repay his/her loan (principal and interest thereon) in sixty (60) or less equal monthly consecutive installments, commencing one (1) month after graduation and internship or residency or termination of attendance as a full-time student or termination of other deferment.
- B. The rate of interest charged a loan recipient on the unpaid balance shall be at the current Federal Stafford Loan rate at the time of the occurrence of the event, commencing one (1) month after graduation and internship or residency, or termination of attendance as a full-time student or termination of full-time employment or termination of other deferment.

Children's Rehabilitation Center, North Mississippi Retardation Center, Hudspeth Retardation Center, South Mississippi Retardation Center, University of Mississippi Hospital, the Boswell Retardation Center, the State Board of Health, and health care facilities under the Department of Corrections.

³Section 330 (c)(1) The Secretary may make grants to public and nonprofit private entities for projects to plan and develop community health centers which will serve medically underserved populations.

⁴Full time as used in VII. D. 2 is understood by the parties to mean that the physician shall maintain regular office hours during the work week and shall be available to patients at night and on the weekends in accordance with the customary practice of other physicians in the county.

- C. If the recipient fails to repay his/her loan (principal and interest thereon) in sixty (60) or less equal monthly consecutive installments, commencing one (1) month after graduation and internship or residency or termination of attendance as a full-time student or termination of full-time employment or termination of other deferment, all principal and interest outstanding, together with costs of collection shall become immediately due and payable and demand shall be made by mailing the same to the obligor at the last address furnished by said obligor. Should payment of the sum due not be made in full within thirty (30) days, on the 30th day following the date demand was made, the Contracts and Notes executed by the obligor shall be placed with an attorney for collection. At this point the obligor shall become liable for reasonable attorneys' fees and court costs, in addition to the other sums due and owing.

IX. DEATH/TOTAL AND PERMANENT DISABILITY/BANKRUPTCY

A. Death

1. If an individual recipient dies and that recipient has elected to repay by service as specified in Section VII. D. 1 and 2, then the recipient's obligation to make any further payments of principal and interest on the loan is canceled.
2. The Board may determine that such a recipient has died on the basis of a death certificate or other proof of death that is acceptable under applicable State Law. If a death certificate or other acceptable proof of death is not available, the recipient's obligation on the loan is canceled only upon a determination by the Board on the basis of other evidence that the Board finds conclusive.
3. Once the Board has determined that such a recipient has died, the Board may not attempt to collect on the loan from the recipient's estate.

B. Total and Permanent Disability

1. If the Board determines that an individual recipient is totally and permanently disabled, the recipient's obligation to make any further payments of principal and interest on the loan is canceled. A recipient is not considered totally and permanently disabled on the basis of a condition that existed before he/she applied for the loan, unless the recipient's condition has substantially deteriorated since he/she submitted the loan application, so as to render the recipient totally and permanently disabled.
2. After being notified by the recipient or the recipient's representative that the recipient claims to be totally and permanently disabled, the Board shall promptly request that the recipient or the recipient's representative obtain a certification from a physician who is a doctor of medicine or osteopathy and legally authorized to practice, on a form provided or approved by the Board, that the recipient is totally and permanently disabled. The Board shall continue collection until it receives the certification or receives a letter from a physician stating that the certification has been requested and that additional time is needed to determine if the recipient is totally and permanently disabled. After receiving the physician's certification or letter, the Board may not attempt to collect from the recipient.
3. If the Board determines that a loan owed by a recipient who claims to be totally and permanently disabled is not eligible for cancellation for that reason, or if the Board has not received the physician's certification, described in paragraph [B](2) of this section, within 60 days of the receipt of the physician's letter described in paragraph [B](2) of this section, the Board shall resume collection and shall be deemed to have exercised forbearance of payment of both principal and interest from the date the Board received the physician's letter described in paragraph [B](2) of this section.

C. Bankruptcy

Loans made pursuant to the State Medical Education Loan/Scholarship Program are non dischargeable in bankruptcy.

X. WARRANTY

The acceptance of a State Medical Education Loan/Scholarship shall be deemed equivalent to an appointment by each recipient of the Secretary of State of the State of Mississippi to be his/her true and lawful attorney, upon whom may be served

all lawful processes and summons in any action or proceeding against him/her in the event he/she removes himself/herself from this State and the processes of its courts, and growing out of any breach of Contract and Note by the recipient for failure to fulfill his/her Contract and Note with the Board or to repay the State Medical Education Loan/Scholarship including interest pursuant to the law and Contract and Note, and said acceptance of the loan rights and privileges shall be a signification of the applicant's agreement that any such process or summons against him/her which is so served upon the Secretary of State, shall be of the same legal force and validity as if served on him/her personally. The venue of all causes of action against such nonresidents shall be Hinds County, Mississippi.