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**IDAPA 08
TITLE 01
Chapter 07**

**08.01.07 - STATE PROFESSIONAL STUDIES PROGRAM
THE STATE BOARD OF EDUCATION**

000. -- 004. (RESERVED).

005. DEFINITIONS.

The following definitions are used in these Rules and Regulations unless the context otherwise requires: (7-1-93)

01. Board. The State Board of Education and shall also mean the State of Idaho for the purposes of any compact or agreement relating to any qualified program. (7-1-93)

02. Qualified Recipient. An Idaho citizen who has been a resident of the State of Idaho for a period of at least one (1) calendar year previous to the date on which application is made to the qualified program, and who has been accepted for enrollment or is enrolled into a qualified program as defined herein. The provisions of Board Rule IDAPA 08.01.04. shall be applicable to any determination of residency hereunder. (7-1-93)

03. Qualified Program. The WAMI (Washington, Alaska, Montana, Idaho) Regional Medical Program; the WICHE (Western Interstate Commission for Higher Education) Professional Student Exchange Program; the Creighton University School of Dental Science; the Idaho Dental Education Program (IDEP); the University of Utah School of Medicine; the Washington, Oregon, Idaho (WOI) Regional Program in Veterinary Medical Education; and any other medical, dental, veterinary medicine, or other health-related programs not available in this State in which participation by Idaho residents has been authorized by the legislature and for which funds have been obligated by the Board under and pursuant to the authority granted in Section 33-3720(3), Idaho Code. (7-1-93)

04. Loan Amount. One-quarter of the total program cost. Program cost is the total annual cost for each qualified recipient participating in a qualified program. The initial computation of total program cost is the amount of funding required to be paid or expended on behalf of each qualified recipient enrolled in each qualified program according to the relevant contract, agreement, or compact plus any tuition required to be paid and actually borrowed by the participating qualified recipient to the receiving institution. (7-1-93)

05. Loan Agreement. The promissory note and/or other related agreement(s) or instrument(s) used by the Board to evidence the qualified recipient's obligation to repay the loan amount to the State of Idaho. Additional loan agreements shall be entered into for each educational year in which the qualified recipient is enrolled in the particular qualified program. (7-1-93)

06. Educational Year. The period from July 1 of a year through June 30 of the succeeding year. (7-1-93)

07. Grace Period. The period of one (1) year that shall begin on the date a qualified recipient completes his qualified program, or if a deferral of payment is applicable, the date on which the deferral period shall end. During the grace period, repayment of the loan is not required and interest shall not accrue. (7-1-93)

08. Repayment Period. A period of not more than eight (8) years in which the loan amount will be repaid in quarterly installments or as provided for in Subsection 102.01.b. of this rule. (7-1-93)

09. Required Military Service. That service which is required of a qualified recipient in the service of the armed forces of the United States. It does include an obligation to repay a grant, stipend, or scholarship granted to the qualified recipient prior to, during, or after the qualified recipient's participation in the qualified program and does include a single normal tour of military service which is voluntarily performed by the qualified recipient or performed in repayment of a debt owed the United States Government as the result of military scholarships or ROTC scholarships which have been received by the qualified recipient. (7-1-93)

006. -- 099. (RESERVED).

100. OBJECTIVES AND PURPOSES OF THE STATE PROFESSIONAL STUDIES PROGRAM.

01. Objectives. The State Board of Education recognizes and declares that it is important to the welfare of this state that Idaho citizens have access to professional studies in the fields of medicine, dentistry, veterinary medicine, and other health-related fields which are not available within this State and further recognizes and declares that Idaho citizens having the opportunity to participate in such programs should partially contribute to the costs incurred by the state in providing access to such professional study programs. (7-1-93)

02. Purposes. The purposes of this program are: (7-1-93)

a. To enter into agreements with qualified recipients participating in qualified programs whereby such recipients will repay to the state of Idaho a portion of the costs incurred by the State in providing the professional studies program to the recipient; and (7-1-93)

b. To establish such administrative procedures as are necessary for implementation of the professional studies program as created by the state of Idaho under the provisions of Sections 33-3720 through 33-3721, Idaho Code. (7-1-93)

101. EXECUTION OF LOAN AGREEMENT.

01. Annual Agreement. Prior to enrollment each educational year into any qualified program, the qualified recipient who chooses to participate in the loan program shall make, execute, and deliver to the Board or its designate a Loan Agreement in form and in content approved by the Board, evidencing the qualified recipient's obligation to repay to the state of Idaho the loan amount set forth in the Loan Agreement. (7-1-93)

02. Duration. Loans under the professional study program will not be granted for more than four (4) full educational years in the qualified program in which the qualified recipient is enrolled. (7-1-93)

03. Rate of Interest. The rate of interest payable on the loan amount shall be seventy-five percent (75%) of the rate in effect as of July 1 of the educational year for United States Treasury Bill 90-day obligations. Interest shall commence at the beginning of the repayment period. (7-1-93)

04. Defaulted Loan. The Loan Agreement shall expressly provide that any and all costs incurred in the collection of a defaulted loan, including attorney's fees and court costs, shall be recoverable against the qualified recipient. (7-1-93)

102. REPAYMENT, DEFERRAL, AND CANCELLATION.

01. Repayment. (7-1-93)

a. Repayment of the loan amount shall be made in equal quarterly installments at the commencement of the repayment period. (7-1-93)

b. The equivalent loan amount may be repaid annually as credit offsets for Idaho State income taxes paid or by donations made by the qualified recipient to the Professional Studies Program Loan Account. (7-1-93)

c. The loan amount shall be amortized and repaid over a period of not more than eight (8) years. (7-1-93)

d. The repayment period for qualified recipients completing or failing to complete the qualified program shall begin at the end of the grace period. (7-1-93)

e. The qualified recipient may, at his option and without penalty, prepay all or any part of the loan amount at any time. (7-1-93)

02. Deferral. Although interest shall continue to accrue on the loan amount, installments need not be paid during any of the following periods, which such periods may be applied cumulatively: (7-1-93)

a. During which the qualified recipient is engaged on a full-time basis in intern or residency training, but in no event shall such period exceed five (5) years. (7-1-93)

b. During which the qualified recipient is performing military service as defined in Subsection 005.09 of this rule. (7-1-93)

c. During which the qualified recipient is enrolled at an institution of higher education and carrying a normal full-academic workload as determined by such institution in the pursuit of an advanced degree. In no event shall such period exceed five (5) years. (7-1-93)

d. During which the qualified recipient has received relief by positive action of the Board or its designate in response to an appeal for deference from the qualified recipient made in accordance with existing Board policies and procedures. (7-1-93)

03. Cancellation of the Qualified Recipient's Repayment Obligations. The repayment obligation shall be canceled in case of death or permanent disability of the qualified recipient or by positive action of the Board or its designate in response to an appeal for cancellation from a qualified recipient made in accordance with existing Board rules and policies. (7-1-93)

103. REPORTING REQUIREMENTS.

01. Changes in Circumstances. The qualified recipient shall report to the Board or its designate any changes which affect the conditions or terms of his loan agreement, including, but not limited to, any change of address, withdrawal or dismissal from his full-time course of study, any change in his residency or internship program, and aspects of his military service. (7-1-93)

02. Deferral Conditions. A qualified recipient who has received a deferral of the repayment obligation must notify the Board or its designate immediately when those conditions under which the deferral was granted no longer exist. (7-1-93)

104. DEFAULT; ENFORCEMENT OF LOAN AGREEMENT.

01. Default. Any loan agreement will be considered in default if the qualified recipient fails to make two (2) consecutive quarterly payments or the equivalent payments as set forth in Subsection 102.01.b. of these rules or fails to comply with the reporting requirements set forth in Section 103 of these rules. (7-1-93)

02. Notification and Cure. When a loan is found to be in default, the recipient will be notified of that fact by certified mail, return receipt requested, issued by the Board or its designate. The recipient shall have thirty (30) days from the receipt of the notification to cure the default which has occurred. Failure to cure the default will, at the election of the Board or its designate, cause the full amount of all principal and interest, if any has accrued, to become immediately due and payable. (7-1-93)

03. Enforcement. Upon failure of the qualified recipient to cure the default, the Board or its designate may refer the matter to the Attorney General's Office of the State of Idaho for institution of the appropriate enforcement and collection proceedings. (7-1-93)

04. Service of Process. The execution of a loan agreement shall be deemed to constitute an appointment by each qualified recipient of the Secretary of State of the state of Idaho to be and act as his true and lawful attorney, upon whom may be served all lawful processes and summons in any action or proceeding against the qualified recipient arising from any default as set forth herein. The execution of the loan agreement and the acceptance by the qualified recipient of the rights and privileges afforded to him under the Professional Studies Program shall be a signification of the qualified recipient's agreement that any such process or summons shall be served upon the Secretary of State and shall be of the same legal force and effect as if served on the qualified recipient personally. The venue of all legal proceedings brought against the qualified recipient shall be the County of Ada, State of Idaho. (7-1-93)

105. ADMINISTRATION.

The State Board of Education is the administrative agency for the administration of the State Professional Studies Program. The Board designates the Office of the State Board of Education as the administrator for the program, which such office may contract for and retain the services of other persons and entities to administer and supervise such aspects of the State Professional Studies Program as the Office of the State Board may deem necessary. (7-1-93)

106. APPLICATION DATE OF PROFESSIONAL STUDIES PROGRAM RULES.

These rules and the Professional Studies Program shall apply to all students accepted for enrollment into any qualified program prior to July 1, 1985. The loan agreement required to be executed by the provisions of this chapter shall be executed by each qualified recipient in a qualified program at or prior to the commencement of the July 1, 1985, educational year. No loan agreements shall be executed for educational years prior to July 1, 1985. (7-1-93)

107. SEVERABILITY OF RULES.

If any section or subsection of this rule or any part of any section or subsection shall be declared invalid, unenforceable, or unconstitutional by a court of competent jurisdiction, such declaration of invalidity shall not affect the remaining portions of this rule, and the same shall remain in full force and effect. (7-1-93)

108. -- 999. (RESERVED).