

“(1) to qualified applicants with the greatest financial need; and

“(2) to qualified applicants that, with respect to health facilities described in such subsection, agree to serve in such health facilities located in geographic areas with a shortage of and need for nurses, as determined by the Secretary.”

Subsec. (f). Pub. L. 107-205, §103(b)(2), (3), redesignated subsec. (d) as (f) and transferred it to appear after subsec. (e). Former subsec. (f) redesignated (h).

Subsec. (g). Pub. L. 107-205, §103(b)(2), (3), redesignated subsec. (h) as (g) and transferred it to appear after subsec. (f). Former subsec. (g) redesignated (i).

Subsec. (h). Pub. L. 107-205, §103(b)(2), (d), redesignated subsec. (f) as (h) and amended it generally. Prior to amendment, text of subsec. read as follows: “For purposes of this section:

“(1) The term ‘community health center’ has the meaning given such term in section 254c(a) of this title.

“(2) The term ‘migrant health center’ has the meaning given such term in section 254b(a)(1) of this title.

“(3) The term ‘rural health clinic’ has the meaning given such term in section 1395x(aa)(2) of this title.”

Former subsec. (h) redesignated (g).

Subsec. (i). Pub. L. 107-205, §103(b)(2), (e), redesignated subsec. (g) as (i) and amended it generally. Prior to amendment, text of subsec. read as follows: “For the purpose of payments under agreements entered into under subsection (a) of this section, there are authorized to be appropriated \$5,000,000 for fiscal year 1993, and \$6,000,000 for fiscal year 1994.”

1998—Subsec. (h). Pub. L. 105-392 added subsec. (h).

REFERENCE TO COMMUNITY, MIGRANT, PUBLIC HOUSING, OR HOMELESS HEALTH CENTER CONSIDERED REFERENCE TO HEALTH CENTER

Reference to community health center, migrant health center, public housing health center, or homeless health center considered reference to health center, see section 4(c) of Pub. L. 104-299, set out as a note under section 254b of this title.

## § 297n-1. Nurse faculty loan program

### (a) School of nursing student loan fund

The Secretary, acting through the Administrator of the Health Resources and Services Administration, may enter into an agreement with any accredited school of nursing for the establishment and operation of a student loan fund in accordance with this section, to increase the number of qualified nursing faculty.

### (b) Agreements

Each agreement entered into under subsection (a) of this section shall—

(1) provide for the establishment of a student loan fund by the school involved;

(2) provide for deposit in the fund of—

(A) the Federal capital contributions to the fund;

(B) an amount equal to not less than one-ninth of such Federal capital contributions, contributed by such school;

(C) collections of principal and interest on loans made from the fund; and

(D) any other earnings of the fund;

(3) provide that the fund will be used only for loans to students of the school in accordance with subsection (c) of this section and for costs of collection of such loans and interest thereon;

(4) provide that loans may be made from such fund only to students pursuing a full-

time course of study or, at the discretion of the Secretary, a part-time course of study in an advanced degree program described in section 296j(b) of this title; and

(5) contain such other provisions as are necessary to protect the financial interests of the United States.

### (c) Loan provisions

Loans from any student loan fund established by a school pursuant to an agreement under subsection (a) of this section shall be made to an individual on such terms and conditions as the school may determine, except that—

(1) such terms and conditions are subject to any conditions, limitations, and requirements prescribed by the Secretary;

(2) in the case of any individual, the total of the loans for any academic year made by schools of nursing from loan funds established pursuant to agreements under subsection (a) of this section may not exceed \$35,500,<sup>1</sup> during fiscal years 2010 and 2011 fiscal years<sup>2</sup> (after fiscal year 2011, such amounts shall be adjusted to provide for a cost-of-attendance increase for the yearly loan rate and the aggregate loan;<sup>3</sup>

(3) an amount up to 85 percent of any such loan (plus interest thereon) shall be canceled by the school as follows:

(A) upon completion by the individual of each of the first, second, and third year of full-time employment, required by the loan agreement entered into under this subsection, as a faculty member in an accredited a<sup>4</sup> school of nursing, the school shall cancel 20 percent of the principle<sup>5</sup> of, and the interest on, the amount of such loan unpaid on the first day of such employment; and

(B) upon completion by the individual of the fourth year of full-time employment, required by the loan agreement entered into under this subsection, as a faculty member in a school of nursing, the school shall cancel 25 percent of the principle<sup>5</sup> of, and the interest on, the amount of such loan unpaid on the first day of such employment;

(4) such a loan may be used to pay the cost of tuition, fees, books, laboratory expenses, and other reasonable education expenses;

(5) such a loan shall be repayable in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the 10-year period that begins 9 months after the individual ceases to pursue a course of study at a school of nursing; and

(6) such a loan shall—

(A) beginning on the date that is 3 months after the individual ceases to pursue a course of study at a school of nursing, bear interest on the unpaid balance of the loan at the rate of 3 percent per annum; or

(B) subject to subsection (e) of this section, if the school of nursing determines that

<sup>1</sup> So in original. The comma probably should not appear.

<sup>2</sup> So in original.

<sup>3</sup> So in original. A closing parenthesis probably should appear before the semicolon.

<sup>4</sup> So in original. The word “a” probably should not appear.

<sup>5</sup> So in original. Probably should be “principal”.

the individual will not complete such course of study or serve as a faculty member as required under the loan agreement under this subsection, bear interest on the unpaid balance of the loan at the prevailing market rate.

**(d) Payment of proportionate share**

Where all or any part of a loan, or interest, is canceled under this section, the Secretary shall pay to the school an amount equal to the school's proportionate share of the canceled portion, as determined by the Secretary.

**(e) Review by Secretary**

At the request of the individual involved, the Secretary may review any determination by an accredited school of nursing under subsection (c)(6)(B) of this section.

**(f) Authorization of appropriations**

There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2010 through 2014.

(July 1, 1944, ch. 373, title VIII, §846A, as added Pub. L. 107-205, title II, §203, Aug. 1, 2002, 116 Stat. 817; amended Pub. L. 111-148, title V, §5311(a), Mar. 23, 2010, 124 Stat. 631.)

AMENDMENTS

2010—Subsec. (a). Pub. L. 111-148, §5311(a)(1), substituted "School of nursing student loan fund" for "Establishment" in heading and inserted "accredited" before "school" in text.

Subsec. (c)(2). Pub. L. 111-148, §5311(a)(2)(A), substituted "\$35,500, during fiscal years 2010 and 2011 fiscal years (after fiscal year 2011, such amounts shall be adjusted to provide for a cost-of-attendance increase for the yearly loan rate and the aggregate loan;" for "\$30,000, plus any amount determined by the Secretary on an annual basis to reflect inflation;"

Subsec. (c)(3)(A). Pub. L. 111-148, §5311(a)(2)(B), inserted "an accredited" before "a school of nursing".

Subsec. (e). Pub. L. 111-148, §5311(a)(3), substituted "an accredited school" for "a school".

Subsec. (f). Pub. L. 111-148, §5311(a)(4), substituted "2010 through 2014" for "2003 through 2007".

**§ 297o. Eligible individual student loan repayment**

**(a) In general**

The Secretary, acting through the Administrator of the Health Resources and Services Administration, may enter into an agreement with eligible individuals for the repayment of education loans, in accordance with this section, to increase the number of qualified nursing faculty.

**(b) Agreements**

Each agreement entered into under this subsection shall require that the eligible individual shall serve as a full-time member of the faculty of an accredited school of nursing, for a total period, in the aggregate, of at least 4 years during the 6-year period beginning on the later of—

(1) the date on which the individual receives a master's or doctorate nursing degree from an accredited school of nursing; or

(2) the date on which the individual enters into an agreement under this subsection.

**(c) Agreement provisions**

Agreements entered into pursuant to subsection (b) shall be entered into on such terms

and conditions as the Secretary may determine, except that—

(1) not more than 10 months after the date on which the 6-year period described under subsection (b) begins, but in no case before the individual starts as a full-time member of the faculty of an accredited school of nursing<sup>1</sup> the Secretary shall begin making payments, for and on behalf of that individual, on the outstanding principal of, and interest on, any loan of that individual obtained to pay for such degree;

(2) for an individual who has completed a master's in nursing or equivalent degree in nursing—

(A) payments may not exceed \$10,000 per calendar year; and

(B) total payments may not exceed \$40,000 during the 2010 and 2011 fiscal years (after fiscal year 2011, such amounts shall be adjusted to provide for a cost-of-attendance increase for the yearly loan rate and the aggregate loan); and

(3) for an individual who has completed a doctorate or equivalent degree in nursing—

(A) payments may not exceed \$20,000 per calendar year; and

(B) total payments may not exceed \$80,000 during the 2010 and 2011 fiscal years (adjusted for subsequent fiscal years as provided for in the same manner as in paragraph (2)(B)).

**(d) Breach of agreement**

**(1) In general**

In the case of any agreement made under subsection (b), the individual is liable to the Federal Government for the total amount paid by the Secretary under such agreement, and for interest on such amount at the maximum legal prevailing rate, if the individual fails to meet the agreement terms required under such subsection.

**(2) Waiver or suspension of liability**

In the case of an individual making an agreement for purposes of paragraph (1), the Secretary shall provide for the waiver or suspension of liability under such paragraph if compliance by the individual with the agreement involved is impossible or would involve extreme hardship to the individual or if enforcement of the agreement with respect to the individual would be unconscionable.

**(3) Date certain for recovery**

Subject to paragraph (2), any amount that the Federal Government is entitled to recover under paragraph (1) shall be paid to the United States not later than the expiration of the 3-year period beginning on the date the United States becomes so entitled.

**(4) Availability**

Amounts recovered under paragraph (1) shall be available to the Secretary for making loan repayments under this section and shall remain available for such purpose until expended.

<sup>1</sup> So in original. Probably should be followed by a comma.