

(2) A participant in the Program who on the participant's course completion date is a full-time employee in the Veterans Health Administration serving in a capacity for which the participant's course of training prepared the participant shall be considered to have begun serving the participant's period of obligated service on such course completion date.

(d) COURSE COMPLETION DATE DEFINED.—In this section, the term "course completion date" means the date on which a participant in the Program completes the participant's course of education or training under the Program.

(Added Pub. L. 105-368, title VIII, §802(a), Nov. 11, 1998, 112 Stat. 3354.)

§ 7675. Breach of agreement: liability

(a) LIQUIDATED DAMAGES.—A participant in the Program (other than a participant described in subsection (b)) who fails to accept payment, or instructs the educational institution in which the participant is enrolled not to accept payment, in whole or in part, of a scholarship under the agreement entered into under section 7603 of this title shall be liable to the United States for liquidated damages in the amount of \$1,500. Such liability is in addition to any period of obligated service or other obligation or liability under the agreement.

(b) LIABILITY DURING COURSE OF EDUCATION OR TRAINING.—(1) Except as provided in subsection (d), a participant in the Program shall be liable to the United States for the amount which has been paid to or on behalf of the participant under the agreement if any of the following occurs:

(A) The participant fails to maintain an acceptable level of academic standing in the educational institution in which the participant is enrolled (as determined by the educational institution under regulations prescribed by the Secretary).

(B) The participant is dismissed from such educational institution for disciplinary reasons.

(C) The participant voluntarily terminates the course of education or training in such educational institution before the completion of such course of education or training.

(D) The participant fails to become licensed to practice medicine, osteopathy, dentistry, podiatry, or optometry in a State, fails to become licensed as a registered nurse in a State, or fails to meet any applicable licensure requirement in the case of any other health-care personnel who provide either direct patient-care services or services incident to direct patient-care services, during a period of time determined under regulations prescribed by the Secretary.

(E) In the case of a participant who is a part-time student, the participant fails to maintain employment, while enrolled in the course of training being pursued by the participant, as a Department employee.

(2) Liability under this subsection is in lieu of any service obligation arising under a participant's agreement.

(c) LIABILITY DURING PERIOD OF OBLIGATED SERVICE.—(1) Except as provided in subsection

(d), if a participant in the Program breaches the agreement by failing for any reason to complete such participant's period of obligated service, the United States shall be entitled to recover from the participant an amount determined in accordance with the following formula:

$$A=3\Phi \left(\frac{t-s}{t} \right)$$

(2) In such formula:

(A) "A" is the amount the United States is entitled to recover.

(B) "Φ" is the sum of—

(i) the amounts paid under this subchapter to or on behalf of the participant; and

(ii) the interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States.

(C) "t" is the total number of months in the participant's period of obligated service, including any additional period of obligated service in accordance with section 7673(c)(2) of this title.

(D) "s" is the number of months of such period served by the participant in accordance with section 7673 of this title.

(d) LIMITATION ON LIABILITY FOR REDUCTIONS-IN-FORCE.—Liability shall not arise under subsection (b)(1)(E) or (c) in the case of a participant otherwise covered by the subsection concerned if the participant fails to maintain employment as a Department employee due to a staffing adjustment.

(e) PERIOD FOR PAYMENT OF DAMAGES.—Any amount of damages which the United States is entitled to recover under this section shall be paid to the United States within the 1-year period beginning on the date of the breach of the agreement.

(Added Pub. L. 105-368, title VIII, §802(a), Nov. 11, 1998, 112 Stat. 3355.)

§ 7676. Repealed. Pub. L. 107-135, title I, § 101(a)(1), Jan. 23, 2002, 115 Stat. 2447]

Section, added Pub. L. 105-368, title VIII, §802(a), Nov. 11, 1998, 112 Stat. 3356, provided that the Secretary could not furnish scholarships to individuals who had not commenced participation in the Program before Dec. 31, 2001.

SUBCHAPTER VII—EDUCATION DEBT REDUCTION PROGRAM

§ 7681. Authority for program

(a) IN GENERAL.—(1) As part of the Educational Assistance Program, the Secretary may carry out an education debt reduction program under this subchapter. The program shall be known as the Department of Veterans Affairs Education Debt Reduction Program (hereinafter in this subchapter referred to as the "Education Debt Reduction Program").

(2) The purpose of the Education Debt Reduction Program is to assist in the recruitment and retention of qualified health care professionals for positions in the Veterans Health Administra-

tion for which recruitment or retention of an adequate supply of qualified personnel is difficult.

(b) RELATIONSHIP TO EDUCATIONAL ASSISTANCE PROGRAM.—Education debt reduction payments under the Education Debt Reduction Program may be in addition to other assistance available to individuals under the Educational Assistance Program.

(Added Pub. L. 105-368, title VIII, §803(a), Nov. 11, 1998, 112 Stat. 3357; amended Pub. L. 107-14, §8(a)(16), June 5, 2001, 115 Stat. 35; Pub. L. 111-163, title III, §301(a), May 5, 2010, 124 Stat. 1146.)

AMENDMENTS

2010—Subsec. (a)(2). Pub. L. 111-163 inserted “and retention” after “assist in the recruitment”.

2001—Subsec. (a)(1). Pub. L. 107-14 substituted “hereinafter” for “hereafter”.

LOAN REPAYMENT PROGRAM FOR CLINICAL RESEARCHERS FROM DISADVANTAGED BACKGROUNDS

Pub. L. 111-163, title VI, §604, May 5, 2010, 124 Stat. 1174, provided that:

“(a) IN GENERAL.—The Secretary of Veterans Affairs may, in consultation with the Secretary of Health and Human Services, use the authorities available in section 487E of the Public Health Service Act (42 U.S.C. 288-5) for the repayment of the principal and interest of educational loans of appropriately qualified health professionals who are from disadvantaged backgrounds in order to secure clinical research by such professionals for the Veterans Health Administration.

“(b) LIMITATIONS.—The exercise by the Secretary of Veterans Affairs of the authorities referred to in subsection (a) shall be subject to the conditions and limitations specified in paragraphs (2) and (3) of section 487E(a) of the Public Health Service Act (42 U.S.C. 288-5(a)(2) and (3)).

“(c) FUNDING.—Amounts for the repayment of principal and interest of educational loans under this section shall be derived from amounts available to the Secretary of Veterans Affairs for the Veterans Health Administration for Medical Services.”

§ 7682. Eligibility

(a) ELIGIBILITY.—An individual is eligible to participate in the Education Debt Reduction Program if the individual—

(1) is an employee in the Veterans Health Administration serving in a position (as determined by the Secretary) providing direct-patient care services or services incident to direct-patient care services for which recruitment or retention of qualified health-care personnel (as so determined) is difficult; and

(2) owes any amount of principal or interest under a loan, the proceeds of which were used by or on behalf of that individual to pay costs relating to a course of education or training which led to a degree that qualified the individual for the position referred to in paragraph (1).

(b) COVERED COSTS.—For purposes of subsection (a)(2), costs relating to a course of education or training include—

(1) tuition expenses;

(2) all other reasonable educational expenses, including expenses for fees, books, and laboratory expenses; and

(3) reasonable living expenses.

(Added Pub. L. 105-368, title VIII, §803(a), Nov. 11, 1998, 112 Stat. 3357; amended Pub. L. 107-135,

title I, §102(b), Jan. 23, 2002, 115 Stat. 2448; Pub. L. 111-163, title III, §301(b), May 5, 2010, 124 Stat. 1146.)

AMENDMENTS

2010—Subsec. (a)(1). Pub. L. 111-163, §301(b)(1), substituted “an” for “a recently appointed”.

Subsec. (c). Pub. L. 111-163, §301(b)(2), struck out subsec. (c). Text read as follows: “For purposes of subsection (a), an individual shall be considered to be recently appointed to a position if the individual has held that position for less than 6 months.”

2002—Subsec. (a)(1). Pub. L. 107-135 substituted “in a position (as determined by the Secretary) providing direct-patient care services or services incident to direct-patient care services” for “under an appointment under section 7402(b) of this title in a position” and “(as so determined)” for “(as determined by the Secretary)”.

TEMPORARY EXPANSION OF INDIVIDUALS ELIGIBLE FOR PARTICIPATION IN PROGRAM

Pub. L. 107-135, title I, §102(e), Jan. 23, 2002, 115 Stat. 2449, granted the Secretary of Veterans Affairs authority to treat certain individuals as recently appointed employees in the Veterans Health Administration under subsec. (a) of this section for purposes of eligibility in the Education Debt Reduction Program under this subchapter but prohibited exercise of this authority after June 30, 2002.

§ 7683. Education debt reduction

(a) IN GENERAL.—Education debt reduction payments under the Education Debt Reduction Program shall consist of payments to individuals selected to participate in the program of amounts to reimburse such individuals for payments by such individuals of principal and interest on loans described in section 7682(a)(2) of this title.

(b) FREQUENCY OF PAYMENT.—(1) The Secretary may make education debt reduction payments to any given participant in the Education Debt Reduction Program on a monthly or annual basis, as determined by the Secretary.

(2) The Secretary shall make such payments at the end of the period determined by the Secretary under paragraph (1).

(c) PERFORMANCE REQUIREMENT.—The Secretary may make education debt reduction payments to a participant in the Education Debt Reduction Program for a period only if the Secretary determines that the individual maintained an acceptable level of performance in the position or positions served by the participant during the period.

(d) MAXIMUM ANNUAL AMOUNT.—(1) Subject to paragraph (2), the amount of education debt reduction payments made to a participant under the Education Debt Reduction Program may not exceed \$60,000 over a total of five years of participation in the Program, of which not more than \$12,000 of such payments may be made in each of the fourth and fifth years of participation in the Program.

(2) The total amount payable to a participant in such Program for any year may not exceed the amount of the principal and interest on loans referred to in subsection (a) that is paid by the individual during such year.

(3)(A) The Secretary may waive the limitations under paragraphs (1) and (2) in the case of a participant described in subparagraph (B). In the case of such a waiver, the total amount of