WEST VIRGINIA CODE: §18C-3-1

§18C-3-1. Medical Student Loan Program; establishment; administration; eligibility; loan repayment and collection; required report.

(a) Definitions. – As used in this section, unless the context in which the term used clearly requires a different meaning:

"Approved service commitment area" means a location in West Virginia that is both a federally designated geographic, population, or facility-based health professions shortage area and in a medical specialty in which there is a shortage of physicians, as determined by the state's Department of Health.

"Medical schools" means the Marshall University School of Medicine, the West Virginia University School of Medicine, and the West Virginia School of Osteopathic Medicine.

"Person" means the recipient of a medical student loan issued in accordance with the provisions of this section by a medical school as defined herein.

"West Virginia residents" means persons who are citizens or legal residents of the United States and are charged in-state tuition at the time of entry into the medical school.

(b) There are established the medical student loan program at the Marshall University School of Medicine, the West Virginia University School of Medicine, and the West Virginia School of Osteopathic Medicine.

(c) Subject to the availability of funds as established in §18C-3-1(d) of this code, the medical schools may make medical student loans in accordance with the provisions of this section to students enrolled in or admitted to their respective medical schools in a course of instruction leading to the degree of doctor of medicine or doctor of osteopathy who enter into a written medical student loan agreement with the medical school in accordance with §18C-3-1(i) of this code. The number of awards shall be determined by the availability of funds in this program at each school in any given academic year: *Provided*, That the availability of funds does not require the medical schools to issue or renew medical student loans.

(d) There are hereby continued the special revolving fund accounts at the Marshall University School of Medicine, the West Virginia University School of Medicine, and the West Virginia School of Osteopathic Medicine, which shall be used to carry out the purposes of this section.

(1) The funds shall consist of all moneys currently on deposit in such accounts or which are due or become due for deposit into such accounts as obligations made under the previous enactment of this section; those funds provided for medical education pursuant to the provisions of §18B-10-4 of this code; appropriations provided by the Legislature; repayment

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of any loans made under this section; amounts provided by medical associations, hospitals, or other medical provider organizations in this state, or by political subdivisions of the state, under an agreement which requires the recipient to practice his or her health profession in this state or in the political subdivision providing the funds for a predetermined period of time and in such capacity as set forth in the agreement; and any other amounts which may be available from external sources.

(2) All expenditures from the medical schools' medical student loan repayment funds shall be for medical student loans issued in accordance with the terms of this section and for the medical schools' expenses incurred in administering their respective medical student loan programs.

(3) These funds shall operate as special funds whereby all deposits and payments thereto do not expire to the General Revenue Fund, but shall remain in the medical schools' funds and be available for expenditure in succeeding fiscal years.

(e) In order to be eligible for a medical student loan as provided in this section, the person applying shall meet the following minimum requirements:

(1) Full-time enrollment in a medical school in a program leading to the degree of doctor of medicine or doctor of osteopathy: *Provided*, That the person has not previously obtained such a degree;

(2) Demonstrated financial need as determined by the medical schools' individual financial aid offices;

(3) Demonstrated credit-worthiness by not being in default of any previous student loan or medical student loan issued by any lender; and

(4) United States citizenship as either born or naturalized.

(f) Medical student loans shall be awarded on a priority basis first to qualified applicants who are West Virginia residents, and second to qualified applicants who are not West Virginia residents.

(g) In order to be eligible for renewal of a medical student loan as provided in this section, the person applying therefor shall meet the minimum requirements established in §18C-3-1(e) of this code, as well as maintain good academic standing and make satisfactory progress toward degree completion in accordance with the issuing medical school's policy for awarding Title IV financial aid funds.

(h) Each medical student loan issued by a medical school shall be made pursuant to the provisions of this section and shall provide to the recipient of the medical student loan a maximum amount of up to $20,000 per academic year. The medical school and the person may renew the medical student loan annually for a period not to exceed four years: *Provided*, That the person is eligible for such renewal in accordance with §18C-3-1(g) of this code.

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(i) Each medical student loan issued by a medical school shall be memorialized in a written medical student loan agreement, which shall require, at a minimum, that the person receiving the loan:

(1) Complete the required course of instruction and receive the degree of doctor or medicine (M.D.) or doctor of osteopathy (D.O.);

(2) Apply for and obtain a license to practice medicine in West Virginia;

(3) Engage in the full-time practice of medicine for a period of 12 months within an approved service commitment area;

(4) Commence the full-time practice of medicine within nine months after completion of an approved post-graduate residency training program and licensure in an approved service commitment area and continue full-time practice in the approved service commitment area for a consecutive period of years equal to the total number of years for which the medical student loan was provided;

(5) Agree that the service commitment for each agreement entered into under the provisions of this section is in addition to any other service commitment contained in any other agreement the person has entered or may enter into for the purpose of obtaining any other financial aid;

(6) Maintain records and make reports to the issuing medical school and the Commission to document the person's satisfaction of the obligations under the agreement to engage in the full-time practice of medicine in an approved service commitment area and to continue the full-time practice of medicine in the approved service commitment area for a consecutive period of years equal to the total number of years the student received the medical student loan. Persons practicing in a federally designated population-based health professions shortage area shall provide documentation that more than 50 percent of their service is provided to the designated population; and

(7) Upon failure to satisfy the requirements of the agreement that the person engage in the full-time practice of medicine within an approved service commitment area for the required period of time under the medical student loan agreement, the person receiving a medical student loan pursuant to the provisions of this section shall repay amounts to his or her issuing medical school in accordance with the provisions of §18C-3-1(k) of this code.

(j) Upon the selection of an approved service commitment area for the purpose of satisfying a service obligation under a medical student loan agreement entered into pursuant to the provisions of this section, the person so selecting shall inform the issuing medical school and the Commission of the service area selected. Such person may serve all or part of the commitment in the approved service commitment area initially selected or in a different approved service commitment area: *Provided*, That the person notifies his or her issuing medical school and the Commission of his or her change of approved service commitment

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areas. Service in any such service commitment area shall be deemed to be continuous for the purpose of satisfying the medical student loan agreement.

(k) Upon the person's presentation of the report required by subdivision (i)(6) of this section to the issuing medical school evidencing his or her satisfaction of the terms of the medical student loan agreement provided for herein, the issuing medical school shall cancel one year of award for every twelve full consecutive months of service as required in the agreement.

(l) Upon the failure of any person to satisfy the obligation to engage in the full-time practice of medicine within an approved service commitment area of this state for the required period of time under any medical student loan agreement, such person shall repay to his or her issuing medical school an amount equal to the total of the amount of money received by the person pursuant to the medical student loan agreement plus annual interest at a rate as determined by the Vice Chancellor of Administration from the date the person begins repayment or fails to work full-time in an approved service commitment area. For any such repayment, the following provisions shall apply:

(1) The person shall repay an amount totaling the entire amount to be repaid under all medical student loan agreements for which such obligations are not satisfied, including all amounts of interest at the rate prescribed. The repayment period shall not exceed ten years.

(2) All installment payments shall commence six months after the date of the action or circumstance that causes the person's failure to satisfy the obligations of the medical student loan agreement, as determined by the issuing medical school based upon the circumstances of each individual case. In all cases, if an installment payment becomes 91 days overdue, the entire amount outstanding shall become immediately due and payable, including all amounts of interest at the rate prescribed.

(3) If a person becomes in default of his or her medical student loan repayment obligations, the medical school shall make all reasonable efforts to collect the debt, in accordance with the provisions of §14-1-1 *et seq*. of this code.

(m) If, during the time a person is satisfying the service requirement of a medical student loan agreement, such person desires to engage in less than the full-time practice of medicine within an approved service commitment area and remain in satisfaction of the service requirement, such person may apply to the medical school that issued the medical student loan for permission to engage in less than the full-time practice of medicine. Upon a finding of exceptional circumstances made by the medical school that issued the medical student loan, the medical school may authorize the person to engage in less than the full-time practice of medicine within an approved service commitment area for the remaining required period of time under the medical student loan agreement and for an additional period of time that shall be equal to the length of time originally required multiplied by two: *Provided*, That in no event shall such person be allowed to practice medicine less than half-time.

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(n) By July 31 each year, each medical school shall prepare and submit a report on the operations of their respective medical student loan programs to the commission for inclusion in the commission's data publication and reporting required by §18C-1-1(f) of this code. At a minimum, this report shall include the following information:

(1) The number of medical student loans awarded during the preceding academic year;

(2) The total amount of medical student loans awarded;

(3) The total amount of any unexpended moneys remaining in their medical student loan funds at the end of the fiscal year;

(4) The rate of default on the repayment of previously awarded loans during the previous fiscal year;

(5) The number of doctors practicing medicine in the state in accordance with their service obligations; and

(6) The total amount of medical student loans cancelled in accordance with subsection (k) of this section.

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