

CHAPTER 32
CHIROPRACTIC GRADUATE STUDENT FORGIVABLE LOAN PROGRAM

283—32.1(261) Chiropractic graduate student forgivable loan program. The chiropractic graduate student forgivable loan program is a state-supported and administered forgivable loan program for Iowans enrolled at Palmer College of Chiropractic.

32.1(1) Definitions. As used in this chapter:

“Chiropractic practice” means working full-time as a licensed chiropractor in the state of Iowa as certified by the state board of examiners.

“Iowa resident student” means an individual who meets the criteria used by the state board of regents to determine residency for tuition purposes, 681 IAC 1.4(262).

32.1(2) Recipient eligibility.

a. Individuals who are enrolled at the Palmer College of Chiropractic on or after July 1, 1997, who meet the Iowa residency criteria as defined in 681 IAC 1.4(262) and plan to practice chiropractic in Iowa are eligible to apply for program benefits.

b. The maximum award from state funds to an eligible student is \$700 per trimester.

32.1(3) Criteria for selection of recipients. Priority will be given to chiropractic students who show considerable financial need and who are willing to practice in a designated shortage area within the state of Iowa.

32.1(4) Promissory note. The chiropractic recipient of a loan under this program shall sign a promissory note agreeing to practice chiropractic in Iowa for one full year for each loan received or to repay the loan and accrued interest according to repayment terms specified in the note.

32.1(5) Interest rate. The rate of interest on loans under this program shall be at the rate of 10.5 percent per annum on the unpaid principal balance.

32.1(6) Disbursement of loan proceeds.

a. The full loan amount will be disbursed when the college certifies that the borrower is an Iowa resident and enrolled in good standing.

b. The loan check will be made copayable to the borrower and Palmer College of Chiropractic and will be sent to the college within ten days following the receipt of the proper certification.

c. The college will deliver the check to the student and require that the loan check be endorsed to the college to be applied directly to the borrower’s tuition account.

d. If the student withdraws from attendance and is entitled to a refund of tuition and fees, the pro-rata share of the refund attributable to the state loan must be refunded to the commission.

32.1(7) Loan cancellations.

a. Thirty days following the termination of enrollment at Palmer College of Chiropractic or termination of a chiropractic practice in the state of Iowa, the borrower shall notify the commission of the nature of the borrower’s employment or educational status.

b. To certify eligibility for cancellation, the borrower must submit to the commission an affidavit from the state licensing board verifying that the borrower practiced as a licensed chiropractor in the state of Iowa for 12 consecutive months for each annual loan to be canceled.

c. If the borrower qualifies for partial loan cancellation, the commission shall notify the borrower promptly and revise the repayment schedule accordingly.

d. In the event of death or total and permanent disability, a borrower's obligation to pay this loan is canceled. Borrowers seeking forgiveness as a result of total or permanent disability must submit sufficient information substantiating the claim to the commission. Reports of a borrower's death will be referred to the licensing board for confirmation.

32.1(8) *Loan payments.*

a. Prior to the start of the repayment period, the commission shall provide the borrower with a repayment schedule, modified to reflect any applicable cancellation benefits.

b. It shall be the borrower's responsibility to remit payments to the commission by the fifteenth day of each month.

c. In the event the borrower fails to abide by any material provision of the promissory note or fails to make any payment due under the promissory note within ten days after the date the payment is due, the commission may declare the borrower in default and declare the entire unpaid balance and accrued interest on the promissory note due.

d. The borrower is responsible for notifying the commission immediately of a change of name, place of employment, or home address.

32.1(9) *Deferral of repayment.*

a. Repayment of the borrower's loan obligation may be deferred under the following circumstances: active duty in the United States military service, not to exceed three years; during a period of temporary disability, not to exceed three years.

b. Repayment of the borrower's loan obligation under this loan program is not required during periods of enrollment as a student at Palmer College of Chiropractic.

c. Forbearance is a revision in repayment terms to temporarily postpone payments. It may be granted when a borrower experiences a temporary hardship and is willing but unable to pay in accordance with the repayment schedule. Borrowers remain responsible for interest accrual during forbearance periods.

The program administrator may grant forbearance for periods of less than six months; periods of greater than six months but less than one year must be approved by the executive director. Forbearance periods exceeding one year must be approved by the commission.

32.1(10) *Restrictions.* A borrower who is in default on a Stafford Loan, SLS Loan, Perkins/National Direct/National Defense Student Loan, Health Professions Student Loan (HPSL), or Health Education Assistance Loan (HEAL) or who owes a repayment on any Title IV grant assistance or state award shall be ineligible for loan payments. Eligibility for state aid may be reinstated upon payment in full of the delinquent obligation or by commission ruling on the basis of adequate extenuating evidence presented in appeal under the procedures set forth in 283—Chapter 5, Iowa Administrative Code.

This rule is intended to implement Iowa Code section 261.71.

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