

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, hereinafter “the college.”

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.

“*Graduate student*” means a student who has completed at least 90 semester hours, or the trimester or quarter equivalent, of postsecondary coursework at a public higher education institution or at an accredited private institution, as defined under Iowa Code section 261.9.

“*Iowa resident student*” means an individual who meets the criteria established in 283—Chapter 10.

“*Underserved area*” means a geographical area included on the Iowa governor’s health practitioner shortage area list, which is compiled by the center for rural health and primary care of the Iowa department of public health.

32.1(2) Recipient eligibility.

a. Graduate students who are enrolled at the college on or after July 1, 1999, who meet the Iowa residency requirements established in 283—Chapter 10 and agree to practice chiropractic in underserved areas in Iowa are eligible to apply for program benefits.

b. The annual amount of the forgivable loan to an eligible chiropractic student is determined by dividing the annual appropriation by the number of eligible students. The loan amount shall not exceed the student’s annual cost of tuition and fees.

c. Eligible students who borrowed prior to July 1, 1999, and seek additional assistance must agree to practice in underserved areas in Iowa to qualify for cancellation benefits for all loans.

d. Rescinded IAB 8/6/03, effective 9/10/03.

32.1(3) Promissory note. The chiropractic recipient of a loan under this program shall sign a promissory note agreeing to practice chiropractic in an underserved area 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(4) Interest rate. The rate of interest on loans under this program shall be 10.5 percent per annum on the unpaid principal balance.

32.1(5) 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. Loan proceeds will be disbursed to the college as requested by the college.

c. The college will apply loan proceeds directly to the borrowers’ tuition accounts.

d. If the borrower 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(6) Loan cancellations.

a. Thirty days following the termination of enrollment at the college 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 annually verify, in a format acceptable to the commission, 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(7) *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 as required by the repayment schedule.

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 in name, place of employment, or home address.

32.1(8) *Deferral of repayment.*

a. Repayment of the borrower's loan obligation shall begin one year after the borrower graduates if the borrower does not practice chiropractic in an underserved area in Iowa.

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

c. Repayment of the borrower's loan obligation under this loan program is not required during periods of enrollment as a student at the college or while fulfilling the physician service requirement.

d. 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.

e. Borrowers failing to meet the service requirement shall be required to repay the loan on a prorated basis. The prorated balance will be calculated by dividing the number of days remaining in the service period by the number of days in the service period multiplied by the loan amount.

f. Loans not forgiven may be sold to a bank, savings and loan association, credit union, or nonprofit agency eligible to participate in the guaranteed student loan program under the federal Higher Education Act of 1965, 20 U.S.C. § 1071 et seq., by the commission when the loans become due for repayment.

32.1(9) *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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