

§ 57.1515

42 CFR Ch. I (10–1–10 Edition)

(8) Where during the life of the loan with respect to which interest subsidies are to be paid, it is determined by the Secretary after an opportunity for a hearing pursuant to title IX of the Education Amendments of 1972, that the applicant has ceased to comply with such title, and its implementing regulations, the Secretary's obligation with respect to the payment of interest subsidies shall cease: *Provided, however,* That the Secretary shall resume making interest subsidy payments if he subsequently determines that the applicant has come into compliance with the requirements of title IX of the Education Amendments of 1972 and implementing regulations.

(c) *General.* In addition to the applicable requirements of paragraphs (a) and (b) of this section, each agreement, whether pertaining to a loan guarantee or interest subsidy or both, shall contain such other provisions as the Secretary finds necessary in order to protect the financial interests of the United States.

[38 FR 31836, Nov. 19, 1973, as amended at 49 FR 38113, Sept. 27, 1984]

§ 57.1515 Loan closing.

Closing of any loan with respect to which a guarantee is made or interest subsidies are paid under this subpart shall be accomplished at such time as may be agreed upon by the parties to such loan and found acceptable to the Secretary.

§ 57.1516 Right of recovery-subordination.

(a) The United States shall be entitled to recover from the applicant for a loan guarantee under this subpart the amount of any payment made pursuant to such guarantee, unless the Secretary waives such right of recovery as provided in § 57.1517.

(b) Upon making of any payments pursuant to a loan guarantee under this subpart, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

§ 57.1517 Waiver of right of recovery.

In determining whether there is good cause for waiver of any right of recovery which he may have against any ap-

plicant by reason of any payments made pursuant to a loan guarantee under this subpart, the Secretary shall take into consideration the extent to which:

(a) The facility with respect to which the loan guarantee was made will continue to be devoted by the applicant or other owner to the teaching of health professions personnel, or to other purposes in the sciences related to health for which funds are available under part B of title VII of the act and these regulations;

(b) A hospital or outpatient facility will be used as provided for under title VI of the act;

(c) There are reasonable assurances that for the remainder of the repayment period of the loan other facilities not previously utilized for the purpose for which the facility was constructed will be so utilized and are substantially equivalent in nature and extent for such purposes; and

(d) Such recovery would seriously curtail the training of qualified health professions personnel in the area served by the facility.

§ 57.1518 Modification of loans.

No official of the Department of Health and Human Services will approve any proposal to modify the terms of a loan guaranteed under title VII of the Public Health Service Act (42 U.S.C. 293 *et seq.*) and this subpart which would permit the use of the guaranteed loan (or the guarantee) as collateral for an issue of tax-exempt securities.

(Secs. 215 and 726, Public Health Service Act, 58 Stat. 690 and 85 Stat. 432, 42 U.S.C. 216 and 293i, as amended)

[48 FR 42984, Sept. 21, 1983]

Subparts Q–T [Reserved]

Subpart U—Armed Forces Health Professions Scholarship Program

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