

Program funds provided as a scholarship.

(b) *Content of the scholarship agreement.* To implement the service-obligation requirement, the scholarship agreement must include terms, conditions, and other information consistent with §§ 611.42–611.49 that the Secretary determines to be necessary.

(Approved by the Office of Management and Budget under control number 1840–0753)

(Authority: 20 U.S.C. 1024(e))

§ 611.42 How does the Secretary calculate the period of the scholarship recipient's service obligation?

(a) *Calculation of period of scholarship assistance.* (1) The Secretary calculates the period of time for which a student received scholarship assistance on the basis of information provided by the grantee under § 611.50.

(2) The period for which the recipient received scholarship assistance is the period during which an individual enrolled in the teacher preparation program on a full-time basis, excluding the summer period, would have completed the same course of study.

(b) *Calculation of period needed to teach to meet the service obligation.* (1) The period of the scholarship recipient's service obligation is the period of the individual's receipt of scholarship assistance as provided in paragraph (a) of this section.

(2) The Secretary calculates the period that a scholarship recipient must teach in a high-need school of a high-need LEA in order to fulfill his or her service obligation by—

(i) Comparing the period in which the recipient received a scholarship as provided in paragraph (a) of this section with the information provided by the high-need LEA under §§ 611.46 and 611.47 on the period the recipient has taught in one of its high-need schools; and

(ii) Adjusting the period in which the recipient has taught in a high-need school to reflect the individual's employment, if any, as a teacher on a part-time basis relative to classroom teachers the LEA employs on a full-time basis under the LEA's standard yearly contract (excluding any summer or intersession period).

(c) The Secretary adjusts the period of a scholarship recipient's service ob-

ligation as provided in paragraph (b) of this section to reflect information the high-need LEA provides under §§ 611.46 and 611.47 that the scholarship recipient also has taught in a high-need school in a summer or intersession period.

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(Authority: 20 U.S.C. 1024(e))

§ 611.43 What are the consequences of a scholarship recipient's failure to meet the service obligation?

(a) *Obligation to repay: General.* (1) A scholarship recipient who does not fulfill his or her service obligation must—

(i) Repay the Department the full amount of the scholarship, including the principal balance, accrued interest, and any collection costs charged under paragraphs (c) and (d) of this section; or

(ii) Be discharged of any repayment obligation as provided in § 611.45.

(2) Unless the service obligation is deferred as provided in § 611.44 or the repayment requirement is discharged, the obligation to repay the amount provided in paragraph (a)(1) of this section begins six months after the date the recipient—

(i) Completes the teacher training program without beginning to teach in a high-need school of a high-need LEA; or

(ii) Is no longer enrolled in the teacher training program.

(3) The Secretary determines whether a scholarship recipient has fulfilled the service obligation on the basis of information that the Department receives as provided in §§ 611.46 and 611.47.

(b) *Obligation to Repay: Partial performance of the service obligation.* (1) A scholarship recipient who teaches in a high-need school of a high-need school district for less than the period of his or her service obligation must repay—

(i) The amount of the scholarship that is proportional to the unmet portion of the service obligation;

(ii) Interest that accrues on this portion of the scholarship beginning six months after the recipient's graduation from the teacher preparation program; and

(iii) Costs of collection, if any.