§ 386.41 Under what circumstances does the Secretary grant a deferral or exception to performance or repayment under a scholarship agreement?

A deferral or repayment exception to the requirements of §386.34(c)(1) may be granted, in whole or part, by the Secretary as follows:

(a) Repayment is not required if the scholar—
   (1) Is unable to continue the course of study or perform the work obligation because of a disability that is expected to continue indefinitely or result in death; or
   (2) Has died.
(b) Repayment of a scholarship may be deferred during the time the scholar is—
   (1) Engaging in a full-time course of study at an institution of higher education;
   (2) Serving, not in excess of three years, on active duty as a member of the armed services of the United States;
   (3) Serving as a volunteer under the Peace Corps Act;
   (4) Serving as a full-time volunteer under title I of the Domestic Volunteer Service Act of 1973;
   (5) Temporarily totally disabled, for a period not to exceed three years; or
   (6) Unable to secure employment as required by the agreement by reason of the care provided to a disabled spouse for a period not to exceed 12 months.

§ 386.42 What must a scholar do to obtain a deferral or exception to performance or repayment under a scholarship agreement?

To obtain a deferral or exception to performance or repayment under a scholarship agreement, a scholar shall provide the following:

(a) Written application. A written application must be made to the Secretary to request a deferral or an exception to performance or repayment of a scholarship.
(b) Documentation. (1) Documentation must be provided to substantiate the grounds for a deferral or exception.
   (2) Documentation necessary to substantiate an exception under §386.41(a)(1) or a deferral under §386.41(b)(5) must include a sworn affidavit from a qualified physician or other evidence of disability satisfactory to the Secretary.
    (3) Documentation to substantiate an exception under §386.41(a)(2) must include a death certificate or other evidence conclusive under State law.

§ 386.43 What are the consequences of a scholar's failure to meet the terms and conditions of a scholarship agreement?

In the event of a failure to meet the terms and conditions of a scholarship agreement or to obtain a deferral or an exception as provided in §386.41, the scholar shall repay all or part of the scholarship as follows:

(a) Amount. The amount of the scholarship to be repaid is proportional to the employment obligation not completed.
(b) Interest rate. The Secretary charges the scholar interest on the unpaid balance owed in accordance with 31 U.S.C. 3717.
(c) Interest accrual. (1) Interest on the unpaid balance accrues from the date the scholar is determined to have entered repayment status under paragraph (e) of this section.
   (2) Any accrued interest is capitalized at the time the scholar’s repayment schedule is established.
   (3) No interest is charged for the period of time during which repayment has been deferred under §386.41.
(d) Collection costs. Under the authority of 31 U.S.C. 3717, the Secretary may impose reasonable collection costs.
(e) Repayment status. A scholar enters repayment status on the first day of the first calendar month after the earliest of the following dates, as applicable:
   (1) The date the scholar informs the Secretary he or she does not plan to fulfill the employment obligation under the agreement.
(2) Any date when the scholar’s failure to begin or maintain employment makes it impossible for that individual to complete the employment obligation within the number of years required in §386.34(c)(1).

(f) Amounts and frequency of payment. The scholar shall make payments to the Secretary that cover principal, interest, and collection costs according to a schedule established by the Secretary.

(Authority: 29 U.S.C. 711(c) and 774(a)(b))

§387.10 What types of projects are authorized under this program?

The Experimental and Innovative Training Program supports time-limited pilot projects through which new types of rehabilitation workers may be trained or through which innovative methods of training rehabilitation workers may be demonstrated.

(Authority: Sec. 302 of the Act; 29 U.S.C. 774)