jurisdiction in which the applicant has
an offer of employment.

(e) The applicant shall provide, if ap-
plicable, the required documentation
to establish whether the applicant re-
cieves payments under any other Fed-
eral, State, institutional, or private
loan repayment programs.

(f) The applicant shall provide the re-
quired documentation to show that he/
she has completed, or is in the process
of completing, the National Veterinary
Accreditation Program (NVAP) if na-
tional accreditation is required for the
veterinary shortage position for which
the applicant has an offer of employ-
ment.

(g) The applicant shall provide au-
thorization to the appropriate staff as
designated by the Secretary to obtain a
copy of the participant’s credit report.

§ 3431.17 VMLRP service agreement
offer.

The Secretary will make an offer to
successful applicants to enter into an
agreement with the Secretary to pro-
vide veterinary services under the
VMLRP. As part of the offer, successful
VMLRP applicants will be provided a
specific period of time, as defined in
the RFA, to secure an offer of employ-
ment or establish and/or maintain a
veterinary practice in a veterinary
shortage situation.

§ 3431.18 Service agreement.

(a) The service agreement shall be
signed by the program participant and
the Secretary after acceptance of the
terms and conditions of the loan repay-
ment program by the program partici-
 pant.

(b) The service agreement shall spe-
cify the period of obligated service.

(c) The service agreement shall spe-
cify the amount of loan repayment to be
paid for each year of obligated service.

(d) The service agreement shall con-
tain a provision defining when a breach
of the agreement by the program par-
ticipant has occurred.

(e) The service agreement shall pro-
vide remedies for the breach of a serv-
ice agreement by a program partici-
pant, including repayment or partial
repayment of financial assistance re-
ceived, with interest.

(f) The service agreement shall in-
clude provisions addressing the grant-
ing of a waiver by the Secretary in case
of hardship.

(g) Payments under the service
agreement do not exempt a program
participant from the responsibility and/or
liability for any loan(s) for
which he or she is obligated, as the
Secretary is not obligated to the lend-
er/note holder for its commitment to
the program participant.

(h) During the term of the service
agreement, the program participant
shall agree that the Secretary or the
designated VMLRP service provider is
authorized to verify the status of each
loan for which the Secretary will be re-
imbursing the participant.

(i) The service agreement shall con-
tain certifications, as determined by
the Secretary.

(j) The service agreement shall con-
tain provisions addressing the income
tax liability of the program participant
and the availability of reimbursement
of taxes incurred as a result of an indi-
vidual’s participation in the VMLRP.

(k) Renewal. The service agreement
will indicate whether the existing serv-
ice agreement may be renewed. How-
ever, renewal applications are subject
to peer review and approval. accept-
ance is not guaranteed, and the posi-
tion must still be considered a veterin-
arian shortage situation at the time
of application for renewal. The Sec-
retary may request additional docu-
mentation in connection with the re-
view and approval of a renewal applica-
tion. The Secretary reserves the right
not to offer renewals. Any requests for
renewal applications will be solicited
via the RFA.

(l) The service agreement shall con-
tain participant reporting require-
ments (e.g., quarterly, annual, and/or
close-out) to allow for program moni-
toring and evaluation.

§ 3431.19 Payment and tax liability.

(a) Loan repayment. Loan repayments
pursuant to a service agreement are
made directly to a participant’s lend-
er(s) by the Secretary or the VMLRP
service provider. If there is more than
one outstanding qualified educational
loan, the Secretary will repay the
loans in the following order, unless the