

§ 385.45 What additional application requirements apply to the training of individuals for rehabilitation careers?

(a) All applicants for a grant or contract to provide training shall demonstrate how the training they plan to provide will prepare rehabilitation professionals to address the needs of individuals with disabilities from minority backgrounds.

(b) All applicants for a grant shall include a detailed description of strategies that will be utilized to recruit and train persons so as to reflect the diverse populations of the United States, as part of the effort to increase the number of individuals with disabilities, individuals who are members of minority groups, who are available to provide rehabilitation services.

(Approved by the Office of Management and Budget under control number 1820-0018)

(Authority: Sections 21(a) and (b) and 302 of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 718(a) and (b) and 772)

§ 385.46 What limitations apply to the rate of pay for experts or consultants appointed or serving under contract under the Rehabilitation Training program?

An expert or consultant appointed or serving under contract pursuant to this section shall be compensated at a rate subject to approval of the Commissioner which shall not exceed the daily equivalent of the rate of pay for level 4 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code. Such an expert or consultant may be allowed travel and transportation expenses in accordance with section 5703 of title 5, United States Code.

(Authority: Section 302(b)(3) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 772(b)(3))

PART 386—REHABILITATION TRAINING; REHABILITATION LONG-TERM TRAINING

Subpart A—General

Sec.

- 386.1 What is the Rehabilitation Long-Term Training program?
- 386.2 Who is eligible for an award?

- 386.3 What regulations apply?
- 386.4 What definitions apply?

Subpart B [Reserved]

Subpart C—How Does the Secretary Make an Award?

- 386.20 What additional selection criteria are used under this program?
- 386.21 What are the application procedures for these programs?

Subpart D—What Conditions Must Be Met After an Award?

- 386.30 What are the matching requirements?
- 386.31 What are the requirements for directing grant funds?
- 386.32 What are allowable costs?
- 386.33 What are the requirements for grantees in disbursing scholarships?
- 386.34 What assurances must be provided by a grantee that intends to provide scholarships?
- 386.35 What information must be provided by a grantee that is an institution of higher education to assist designated State agencies?
- 386.36 What is a grantee's liability for failing to provide accurate and complete scholar information to the Department?

Subpart E—What Conditions Must Be Met by a Scholar?

- 386.40 What are the requirements for scholars?
- 386.41 Under what circumstances does the Secretary grant a deferral or exception to performance or repayment under a scholarship agreement?
- 386.42 What must a scholar do to obtain an exception or a deferral to performance or repayment under a scholarship agreement?
- 386.43 What are the consequences of a scholar's failure to meet the terms and conditions of a scholarship agreement?

AUTHORITY: Sections 12(c) and 302 of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c) and 772, unless otherwise noted.

SOURCE: 81 FR 55619, Aug. 19, 2016, unless otherwise noted.

Subpart A—General

§ 386.1 What is the Rehabilitation Long-Term Training program?

- (a) The Rehabilitation Long-Term Training program provides financial assistance for—
 - (1) Projects that provide basic or advanced training leading to an academic degree in one of those fields of study

§ 386.2

34 CFR Ch. III (7-1-18 Edition)

identified in paragraph (b) of this section;

(2) Projects that provide a specified series of courses or program of study leading to award of a certificate in one of those fields of study identified in paragraph (b) of this section; and

(3) Projects that provide support for medical residents enrolled in residency training programs in the specialty of physical medicine and rehabilitation.

(b) The Rehabilitation Long-Term Training program is designed to provide academic training that leads to an academic degree or academic certificate in areas of personnel shortages identified by the Secretary and published in a notice in the FEDERAL REGISTER. These areas may include—

(1) Assisting and supporting individuals with disabilities pursuing self-employment, business ownership, and telecommuting;

(2) Vocational rehabilitation counseling;

(3) Rehabilitation technology, including training on its use, applications, and benefits;

(4) Rehabilitation medicine;

(5) Rehabilitation nursing;

(6) Rehabilitation social work;

(7) Rehabilitation psychiatry;

(8) Rehabilitation psychology;

(9) Rehabilitation dentistry;

(10) Physical therapy;

(11) Occupational therapy;

(12) Speech pathology and audiology;

(13) Physical education;

(14) Therapeutic recreation;

(15) Community rehabilitation program personnel;

(16) Prosthetics and orthotics;

(17) Rehabilitation of individuals who are blind or visually impaired, including rehabilitation teaching and orientation and mobility;

(18) Rehabilitation of individuals who are deaf or hard of hearing;

(19) Rehabilitation of individuals who are mentally ill;

(20) Undergraduate education in the rehabilitation services;

(21) Independent living;

(22) Client assistance;

(23) Administration of community rehabilitation programs;

(24) Rehabilitation administration;

(25) Vocational evaluation and work adjustment;

(26) Services to individuals with specific disabilities or specific impediments to rehabilitation, including individuals who are members of populations that are unserved or underserved by programs under this Act;

(27) Job development and job placement services to individuals with disabilities;

(28) Supported employment services and customized employment services for individuals with the most significant disabilities;

(29) Specialized services for individuals with significant disabilities;

(30) Other fields contributing to the rehabilitation of individuals with disabilities.

(Authority: Sections 12 and 302 of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709 and 772)

§ 386.2 Who is eligible for an award?

Those agencies and organizations eligible for assistance under this program are described in 34 CFR 385.2.

(Authority: Section 302(a) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 772(a))

§ 386.3 What regulations apply?

The following regulations apply to the Rehabilitation Training: Rehabilitation Long-Term Training program:

(a) The regulations in this part 386.

(b) The regulations in 34 CFR part 385.

(Authority: Section 302(a) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 772(a))

§ 386.4 What definitions apply?

The following definitions apply to this program:

(a) Definitions in 34 CFR 385.4.

(b) *Other definitions.* The following definitions also apply to this part:

Academic year means a full-time course of study—

(i) Taken for a period totaling at least nine months; or

(ii) Taken for the equivalent of at least two semesters, two trimesters, or three quarters.

Certificate means a recognized educational credential awarded by a grantee under this part that attests to the completion of a specified series of courses or program of study.

Professional corporation or professional practice means—

- (i) A professional service corporation or practice formed by one or more individuals duly authorized to render the same professional service, for the purpose of rendering that service; and
- (ii) The corporation or practice and its members are subject to the same supervision by appropriate State regulatory agencies as individual practitioners.

Related agency means—

- (i) An American Indian rehabilitation program; or
- (ii) Any of the following agencies that provide services to individuals with disabilities under an agreement or other arrangement with a designated State agency in the area of specialty for which training is provided:
 - (A) A Federal, State, or local agency.
 - (B) A nonprofit organization.
 - (C) A professional corporation or professional practice group.

Scholar means an individual who is enrolled in a certificate or degree granting course of study in one of the areas listed in §386.1(b) and who receives scholarship assistance under this part.

Scholarship means an award of financial assistance to a scholar for training and includes all disbursements or credits for student stipends, tuition and fees, books and supplies, and student travel in conjunction with training assignments.

State vocational rehabilitation agency means the designated State agency as defined in 34 CFR 361.5(c)(13).

(Authority: Section 12(c) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c))f **Subpart B [Reserved]**

Subpart C—How Does the Secretary Make an Award?

§ 386.20 What additional selection criteria are used under this program?

In addition to the criteria in 34 CFR 385.31(c), the Secretary uses the following additional selection criteria to evaluate an application:

- (a) *Relevance to State-Federal vocational rehabilitation service program.* (1) The Secretary reviews each application for information that shows that the proposed project appropriately relates

to the mission of the State-Federal vocational rehabilitation service program.

- (2) The Secretary looks for information that shows that the project can be expected either—

- (i) To increase the supply of trained personnel available to State and other public or nonprofit agencies involved in the rehabilitation of individuals with disabilities through degree or certificate granting programs; or
- (ii) To improve the skills and quality of professional personnel in the rehabilitation field in which the training is to be provided through the granting of a degree or certificate.

(b) *Nature and scope of curriculum.* (1) The Secretary reviews each application for information that demonstrates the adequacy of the proposed curriculum.

- (2) The Secretary looks for information that shows—

- (i) The scope and nature of the coursework reflect content that can be expected to enable the achievement of the established project objectives;

- (ii) The curriculum and teaching methods provide for an integration of theory and practice relevant to the educational objectives of the program;

- (iii) For programs whose curricula require them, there is evidence of educationally focused practical and other field experiences in settings that ensure student involvement in the provision of vocational rehabilitation, supported employment, customized employment, pre-employment transition services, transition services, or independent living rehabilitation services to individuals with disabilities, especially individuals with significant disabilities;

- (iv) The coursework includes student exposure to vocational rehabilitation, supported employment, customized employment, employer engagement, and independent living rehabilitation processes, concepts, programs, and services; and

- (v) If applicable, there is evidence of current professional accreditation by the designated accrediting agency in the professional field in which grant support is being requested.

(Authority: Section 12(c) and 302 of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c) and 772)

§ 386.21

§ 386.21 What are the application procedures for these programs?

(a) *Application.* No grant shall be awarded or contract entered into under the Rehabilitation Long-Term Training program unless the applicant has submitted to the Secretary an application at such time, in such form, in accordance with such procedures identified by the Secretary and, and including such information as the Secretary may require, including—

(1) A description of how the designated State unit or units will participate in the project to be funded under the grant or contract, including, as appropriate, participation on advisory committees, as practicum sites, in curriculum development, and in other ways so as to build closer relationships between the applicant and the designated State unit and to encourage students to pursue careers in public vocational rehabilitation programs;

(2) The identification of potential employers that provide employment that meets the requirements in § 386.33(c); and

(3) An assurance that data on the employment of graduates or trainees who participate in the project is accurate.

(b) The Secretary gives the designated State agency an opportunity to review and comment on applications submitted from within the State that it serves. The procedures to be followed by the applicant and the State are in 34 CFR 75.155–75.159.

(Authority: Sections 12(c) and 302(b)(2) and (d) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c) and 772(b)(2) and (d))

Subpart D—What Conditions Must Be Met After an Award?

§ 386.30 What are the matching requirements?

The grantee is required to contribute at least ten percent of the total cost of a project under this program. However, if the grantee can demonstrate that it has insufficient resources to contribute the entire match but that it can fulfill all other requirements for receiving an award, the Secretary may waive part of the non-Federal share of the cost of the

34 CFR Ch. III (7–1–18 Edition)

project after negotiations with Department staff.

(Authority: Section 12(c) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c))

§ 386.31 What are the requirements for directing grant funds?

(a) A grantee must use at least 65 percent of the total cost of a project under this program for scholarships as defined in § 386.4.

(b) The Secretary may waive the requirement in (a) and award grants that use less than 65 percent of the total cost of the project for scholarships based upon the unique nature of the project, such as the establishment of a new training program or long-term training in an emerging field that does not award degrees or certificates.

(c) Before providing a scholarship to a scholar, a grantee must make good faith efforts to determine that the scholar is not concurrently receiving more than one scholarship under this program for the same academic term.

(Authority: Sections 12(c) and 302 of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c) and 772)

§ 386.32 What are allowable costs?

In addition to those allowable costs established in the Education Department General Administrative Regulations in 34 CFR 75.530 through 75.562, the following items are allowable under long-term training projects:

(a) Student stipends.

(b) Tuition and fees.

(c) Books and supplies.

(d) Student travel in conjunction with training assignments.

(Authority: Sections 12(c) and 302 of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c) and 772)

§ 386.33 What are the requirements for grantees in disbursing scholarships?

Before disbursement of scholarship assistance to an individual, a grantee—

(a)(1) Must obtain documentation that the individual is—

(i) A U.S. citizen or national; or

(ii) A permanent resident of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, or the Commonwealth of the Northern Mariana Islands;

(2) Must confirm from documentation issued to the individual by the U.S. Department of Homeland Security that he or she—

(i) Is a lawful permanent resident of the United States; or

(ii) Is in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident; and

(b) Must confirm that the applicant has expressed interest in a career in clinical practice, administration, supervision, teaching, or research in the vocational rehabilitation, supported employment, or independent living rehabilitation of individuals with disabilities, especially individuals with significant disabilities;

(c) Must obtain documentation, as described in §386.40(a)(7), that the individual expects to seek and maintain employment in a designated State agency or in a related agency as defined in §386.4 where

(1) The employment is in the field of study in which the training was received or

(2) Where the job functions are directly relevant to the field of study in which the training was received.

(d) Must ensure that the scholarship, when added to the amount of financial aid the scholar receives for the same academic year under title IV of the Higher Education Act, does not exceed the scholar's cost of attendance;

(e) Must limit scholarship assistance to no more than four academic years, unless the grantee provides an extension consistent with the institution's accommodations under section 504 of the Act; and

(f) Must obtain a Certification of Eligibility for Federal Assistance from each scholar as prescribed in 34 CFR 75.60, 75.61, and 75.62.

(Approved by the Office of Management and Budget under control number 1820-0018)

(Authority: Sections 12(c) and 302(b) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c) and 772(b))

§386.34 What assurances must be provided by a grantee that intends to provide scholarships?

A grantee under this part that intends to grant scholarships for any academic year must provide the fol-

lowing assurances before an award is made:

(a) *Requirement for agreement.* No individual will be provided a scholarship without entering into a written agreement containing the terms and conditions required by this section. An individual will sign and date the agreement prior to the initial disbursement of scholarship funds to the individual for payment of the individual's expenses. An agreement must be executed between the grantee and scholar for each subsequent year that scholarship funds are disbursed and must contain the terms and conditions required by this section.

(b) *Disclosure to applicants.* The terms and conditions of the agreement between the grantee and a scholar will be fully disclosed in the application for scholarship.

(c) *Form and terms of agreement.* Prior to granting each year of a scholarship, the grantee will require each scholar to enter into a signed written agreement in which the scholar agrees to the terms and conditions set forth in §386.40. This agreement must be in the form and contain any additional terms and conditions that the Secretary may require.

(d) *Executed agreement.* The grantee will provide an original signed executed payback agreement upon request to the Secretary.

(e) *Standards for satisfactory progress.* The grantee will establish, publish, and apply reasonable standards for measuring whether a scholar is maintaining satisfactory progress in the scholar's course of study. The Secretary considers an institution's standards to be reasonable if the standards—

(1) Conform with the standards of satisfactory progress of the nationally recognized accrediting agency that accredits the institution's program of study, if the institution's program of study is accredited by such an agency, and if the agency has those standards;

(2) For a scholar enrolled in an eligible program who is to receive assistance under the Rehabilitation Act, are the same as or stricter than the institution's standards for a student enrolled in the same academic program who is not receiving assistance under the Rehabilitation Act; and

§ 386.35

34 CFR Ch. III (7-1-18 Edition)

(3) Include the following elements:

(i) Grades, work projects completed, or comparable factors that are measurable against a norm.

(ii) A maximum timeframe in which the scholar must complete the scholar's educational objective, degree, or certificate.

(iii) Consistent application of standards to all scholars within categories of students; *e.g.*, full-time, part-time, undergraduates, graduate students, and students attending programs established by the institution.

(iv) Specific policies defining the effect of course incompletes, withdrawals, repetitions, and noncredit remedial courses on satisfactory progress.

(v) Specific procedures for appeal of a determination that a scholar is not making satisfactory progress and for reinstatement of aid.

(f) *Exit certification.* (1) At the time of exit from the program, the grantee will provide the following information to the scholar:

(i) The name of the institution and the number of the Federal grant that provided the scholarship.

(ii) the total amount of scholarship assistance received subject to § 386.40(a)(7).

(iii) The scholar's field of study and the obligation of the scholar to perform the service obligation with employment that meets the requirements in § 386.40(a)(7)(i).

(iv) The number of years the scholar needs to work to satisfy the work requirements in § 386.40(a)(7)(ii).

(v) The time period during which the scholar must satisfy the work requirements in § 386.40(a)(8).

(vi) As applicable, all other obligations of the scholar in § 386.40.

(2) Upon receipt of this information from the grantee, the scholar must provide written and signed certification to the grantee that the information is correct.

(g) *Tracking system.* The grantee has established policies and procedures to determine compliance of the scholar with the terms of the signed payback agreement. In order to determine whether a scholar has met the terms and conditions set forth in § 386.40, the tracking system must include for each

employment position maintained by the scholar—

(1) Documentation of the employer's name, address, dates of the scholar's employment, name of supervisor, position title, a description of the duties the scholar performed, and whether the employment is full- or part-time;

(2) Documentation of how the employment meets the requirements in § 386.40(a)(7); and

(3) In the event a grantee is experiencing difficulty locating a scholar, documentation that the grantee has checked with existing tracking systems operated by alumni organizations.

(h) *Reports.* The grantee will make annual reports to the Secretary, unless more frequent reporting is required by the Secretary, that are necessary to carry out the Secretary's functions under this part.

(i) *Repayment status.* The grantee will immediately report to the Secretary whenever a scholar has entered repayment status under § 386.43(e) and provide all necessary documentation in support thereof.

(j) *Records.* The grantee will maintain accurate and complete records as outlined in paragraphs (g) and (h) of this section for a period of time not less than one year beyond the date that all scholars provided financial assistance under the grant—

(1) Have completed their service obligation or

(2) Have entered into repayment status pursuant to § 386.43(e).

(Approved by the Office of Management and Budget under control number 1820-0018)

(Authority: Sections 12(c) and 302(b) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c) and 772(b))

§ 386.35 What information must be provided by a grantee that is an institution of higher education to assist designated State agencies?

A grantee that is an institution of higher education provided assistance under this part must cooperate with the following requests for information from a designated State agency:

(a) Information required by section 101(a)(7) of the Act which may include, but is not limited to—

(1) The number of students enrolled by the grantee in rehabilitation training programs; and

(2) The number of rehabilitation professionals trained by the grantee who graduated with certification or licensure, or with credentials to qualify for certification or licensure, during the past year.

(b) Information on the availability of rehabilitation courses leading to certification or licensure, or the credentials to qualify for certification or licensure, to assist State agencies in the planning of a program of staff development for all classes of positions that are involved in the administration and operation of the State vocational rehabilitation program.

(Approved by the Office of Management and Budget under control number 1820-0018)

(Authority: Sections 12(c) and 302 of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c) and 772)

§ 386.36 What is a grantee's liability for failing to provide accurate and complete scholar information to the Department?

The Department may recover, in whole or in part, from the grantee the debt amount and any collection costs described in §§ 386.40(d) and 386.43, if the Department:

(a) Is unable to collect, or improperly collected, some or all of these amounts or costs from a scholar and

(b) Determines that the grantee failed to provide to the Department accurate and complete documentation described in § 386.34.

(Authority: Sections 12(c) and 302 of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c) and 772)

Subpart E—What Conditions Must Be Met by a Scholar?

§ 386.40 What are the requirements for scholars?

(a) A scholar must—

(1) Be enrolled in a course of study leading to a certificate or degree in one of the fields designated in § 386.1(b);

(2) Receive the training at the educational institution or agency designated in the scholarship;

(3) Not accept payment of educational allowances from any other en-

tity if that allowance conflicts with the scholar's obligation under section 302 of the Act and this part;

(4) Not receive concurrent scholarships for the same academic term from more than one project under this program;

(5) Enter into a signed written agreement with the grantee, prior to the receipt of scholarship funds, as required in § 386.34(c);

(6) Maintain satisfactory progress toward the certificate or degree as determined by the grantee;

(7) Upon exiting the training program under paragraph (a)(1) of this section, subsequently maintain employment on a full- or part-time basis subject to the provisions in paragraph (b) of this section—

(i)(A) In a State vocational rehabilitation agency or related agency as defined in § 386.4; and

(B)(I) In the field of study for which training was received, or

(2) Where the field of study is directly relevant to the job functions performed; and

(ii) For a period of at least the full-time equivalent of two years for every academic year for which assistance under this section was received subject to the provisions in paragraph (c) of this section for part-time coursework;

(8) Complete the service obligation within a period, beginning after the recipient exits the training program for which the scholarship was awarded, of not more than the sum of the number of years in the period described in paragraph (a)(7)(ii) of this section and two additional years;

(9) Repay all or part of any scholarship received, plus interest, if the individual does not fulfill the requirements of this section, except as provided for in § 386.41 for exceptions and deferrals; and

(10) Provide the grantee all requested information necessary for the grantee to meet the exit certification requirements in § 386.34(f) and, as necessary, thereafter for any changes necessary for the grantee to monitor the scholar's service obligation under this section.

(b)(1) The period of qualifying employment that meets the requirements

§ 386.41

34 CFR Ch. III (7-1-18 Edition)

of paragraph (a)(7) of this section may begin—

(i) For courses of study of at least one year, only subsequent to the completion of one academic year of the training for which the scholarship assistance was received.

(ii) For courses of study of less than one year, only upon completion of the training for which the scholarship assistance was received.

(2) The work completed as part of an internship, practicum, or any other work-related requirement necessary to complete the educational program is not considered qualifying employment.

(c) If the scholar is pursuing coursework on a part-time basis, the service obligation for these part-time courses is based on the equivalent total of actual academic years of training received.

(d) If a scholar fails to provide the information in paragraph (a)(10) of this section or otherwise maintain contact with the grantee pursuant to the terms of the signed payback agreement and enters into repayment status pursuant to §386.43, the scholar will be held responsible for any costs assessed in the collection process under that section even if that information is subsequently provided.

(Authority: Sections 12(c) and 302(b) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c) and 772(b))

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

Based upon sufficient evidence to substantiate the grounds as detailed in §386.42, a repayment exception to or deferral of the requirements of §386.40(a)(7) may be granted, in whole or in 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 permanent disability that meets one of the following conditions:

(i) The disability had not been diagnosed at the time the scholar signed the agreement in §386.34(c); or

(ii) The disability did not prevent the scholar from performing the require-

ments of the course of study or the work obligation at the time the scholar signed the agreement in §386.34(c) but subsequently worsened; 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 in the field of rehabilitation at an institution of higher education;

(2) Serving on active duty as a member of the armed services of the United States for a period not in excess of four years;

(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) Experiencing a temporary disability that affects the scholar's ability to continue the course of study or perform the work obligation, for a period not to exceed three years; or

(c) Under limited circumstances as determined by the Secretary and based upon credible evidence submitted on behalf of the scholar, the Secretary may grant an exception to, or deferral of, the requirement to repay a scholarship in instances not specified in this section. These instances could include, but are not limited to, the care of a disabled spouse, partner, or child or the need to accompany a spouse or partner on active duty in the Armed Forces.

(Authority: Sections 12(c) and 302(b) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c) and 772(b))

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

To obtain an exception or a deferral to performance or repayment under a scholarship agreement under §386.41, a scholar must 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.* Sufficient documentation must be provided to substantiate the grounds for all deferrals or exceptions, including the following, as appropriate.

(1) Documentation necessary to substantiate an exception under §386.41(a)(1) or a deferral under §386.41(b)(5) must include a letter from a qualified physician or other medical professional, on official stationery, attesting how the disability affects the scholar in completing the course of study or performing the work obligation. The documentation must be less than three months old and include the scholar's diagnosis and prognosis and ability to complete the course of study or work with accommodations.

(2) Documentation to substantiate an exception under §386.41(a)(2) must include a death certificate or other evidence conclusive under State law.

(3) Documentation necessary to substantiate a deferral or exception under 386.41(c) based upon the disability of a spouse, partner, or child must meet the criteria, as relevant, in paragraph (b)(1) of this section.

(Approved by the Office of Management and Budget under control number 1820-0018)

(Authority: Sections 12(c) and 302 of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c) and 772)

§ 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 must 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 §386.40(a)(8).

(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: Sections 12(c) and 302(b) of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c) and 772(b))

PART 387—INNOVATIVE REHABILITATION TRAINING

Subpart A—General

Sec.

387.1 What is the Innovative Rehabilitation Training program?

387.2 Who is eligible for assistance under this program?

387.3 What regulations apply to this program?

387.4 What definitions apply to this program?

387.5 What types of projects are authorized under this program?

Subparts B–C [Reserved]

Subpart D—How Does the Secretary Make a Grant?

387.30 What additional selection criteria are used under this program?

Subpart E—What Conditions Must Be Met by a Grantee?

387.40 What are the matching requirements?

387.41 What are allowable costs?

AUTHORITY: Sections 12(c) and 302 of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 709(c), and 772, unless otherwise noted.