

State or entity and the Scholarship Program, and

(2) The Scholarship Program service obligation will be served before the service obligation for professional practice owed to the State or entity.

§ 68b.4 How is an application made for a Scholarship Program award?

Each individual desiring a scholarship under this part must submit an application (including a signed contract as required under section 487D(a) of the Act) in such form and manner as the Director may prescribe.

§ 68b.5 How will applicants be selected to participate in the Scholarship Program?

(a) *General.* In deciding which applications for participation in the Scholarship Program will be approved, the Director will place the applications into categories based upon the selection priorities described in paragraph (b) of this section. Except for renewal awards (see paragraph (e) of this section), the Director will then evaluate each applicant under paragraph (c) of this section.

(b) *Priorities.* (1) First priority will be given to applicants who have completed at least 2 years of undergraduate course work, including four core science courses, and are classified by their educational institutions as juniors or seniors as of the beginning of the academic year of scholarship. (Core science courses include, but are not limited to, biology, chemistry, physics, and calculus.)

(2) Second priority will be given to applicants who have completed four core science courses, as defined above.

(3) Third priority will be given to applicants who are matriculated freshmen or sophomores.

(c) *Selection.* In selecting participants and determining continuation of program support, the Director will take into consideration those factors determined necessary to ensure effective participation in the Scholarship Program. These factors may include, but are not limited to:

- (1) Biomedical research experience and performance,
- (2) Academic performance,
- (3) Career goals, and

(4) Recommendations.

(d) *Duration of Scholarship award.* Subject to the availability of funds appropriated for the Scholarship Program, the Director may, at his/her discretion, award scholarships under this part for a period of one, two, or three academic years.

(e) *Continuation of scholarship support.* Subject to the availability of funds for the Scholarship Program, the Director may continue scholarship support if:

(1) The participant requests a continuation of scholarship support;

(2) The scholarship will not extend the total period of Scholarship Program support beyond 4 years; and

(3) The participant is eligible for continued participation in the Scholarship Program, as determined by the Scholarship Program Review Committee.

§ 68b.6 What will an individual be awarded for participating in the Scholarship Program?

(a) *Amount of scholarship.* (1) Subject to a maximum annual award of \$20,000, a scholarship award for each school year will consist of:

- (i) Tuition;
- (ii) Reasonable educational expenses, including required fees, books, supplies, and required educational equipment;

(iii) Reasonable living expenses for the academic year as documented in the school's financial aid budget; and

(iv) For purposes of this section, "required fees" means those fees that are charged by the school to all students pursuing a similar curriculum, and "required educational equipment" means educational equipment that must be purchased by all students pursuing a similar curriculum at that school.

(2) The Director may enter into an agreement with the school in which the participant is enrolled for the direct payment of tuition and reasonable educational expenses on the participant's behalf.

(b) *Payment of scholarship: Leave-of-absence; repeated course work.* The Director will suspend scholarship payments to or on behalf of a participant if the school:

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(1) Approves a leave-of-absence for the participant for health, personal, or other reasons; or

(2) Requires the participant to repeat course work for which the Director has previously made scholarship payments under § 68b.6. However, if the repeated course work does not delay the participant's graduation date, scholarship payments will continue except for any additional costs relating to the repeated course work. Any scholarship payments suspended under this paragraph will be resumed by the Director upon notification by the school that the participant has returned from the leave-of-absence or has completed the repeated course work and is pursuing as a full-time student the course of study for which the scholarship was awarded.

§ 68b.7 What does an individual have to do in return for the Scholarship Program award?

(a) *General.* For each academic year of scholarship support received, participants must serve as full-time employees of the National Institutes of Health:

(1) For not less than 10 consecutive weeks of each year during which the participant receives the scholarship; and

(2) For 12 months for each academic year for which the scholarship has been provided.

(b) *Beginning of service.* The period of obligated service under paragraph (a)(2) of this section must begin within 60 days of obtaining the undergraduate degree, except for participants who receive a deferment under § 68b.8.

§ 68b.8 Under what circumstances can the period of obligated service be deferred to complete approved graduate training?

(a) *Requested deferment.* Upon the request of any participant receiving an undergraduate degree, the Director may defer the beginning date of the obligated service to allow the participant to complete an approved graduate training program. Individuals desiring a deferment under this part must submit a request in such form and manner as the Director may prescribe.

(b) *Altering deferment.* Before altering the length or type of approved grad-

uate training for which the period of obligated service was deferred under paragraph (a) of this section, the participant must request and obtain the Director's approval of the alteration.

(c) *Additional terms of deferment.* The Director may prescribe additional terms and conditions for deferment under paragraphs (a) and (b) of this section as necessary to carry out the purposes of the Scholarship Program.

(d) *Beginning of service after deferment.* Any participant whose period of obligated service has been deferred under paragraph (a) of this section must begin the obligated service within 30 days of the expiration of their deferment.

§ 68b.9 What will happen if an individual does not comply with the terms and conditions of participating in the Scholarship Program?

(a) When a participant fails to maintain an acceptable level of academic standing, is dismissed from the school for disciplinary reasons, or voluntarily terminates the course of study or program for which the scholarship was awarded before completing the course of study or program, the participant must, instead of performing any service obligation, pay to the United States an amount equal to all scholarship funds awarded under § 68b.6. Payment of this amount must be made within 3 years of the date the participant becomes liable to make payment under this paragraph (a).

(b) If, for any reason not specified in § 68b.11(b), a participant fails to begin or complete the period of obligated service incurred under § 68b.7, including failing to comply with the applicable terms and conditions of a deferment granted by the Director, the participant must pay to the United States an amount determined by the penalties set forth in section 487D(e) of the Act. Payment of this amount shall be made within one year of the date that the participant failed to begin or complete the period of obligated service, as determined by the Director.

§ 68b.10 When can a Scholarship Program payment obligation be discharged in bankruptcy?

Any payment obligation incurred under § 68b.9 may be discharged in