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ensure that sufficient funds will be available to pay benefits for the duration of the period of obligated service unless, by mutual written agreement, the parties specify otherwise.

(b) Additional conditions may be imposed as deemed necessary.

§ 68b.17 What other regulations and statutes apply?

Several other regulations and statutes apply to this part. These include, but are not necessarily limited to:

- (a) Debt Collection Act of 1982 (31 U.S.C. 3701 note);
- (b) Fair Credit Reporting Act (15 U.S.C. 1681 *et seq.*);
- (c) Federal Debt Collection Procedures Act of 1990 (28 U.S.C. 176); and
- (d) Privacy Act of 1974 (5 U.S.C. 552a).

PART 68b—NATIONAL INSTITUTES OF HEALTH (NIH) UNDERGRADUATE SCHOLARSHIP PROGRAM REGARDING PROFESSIONS NEEDED BY NATIONAL RESEARCH INSTITUTES (UGSP)

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§ 68b.1 What is the scope and purpose of the National Institutes of Health Undergraduate Scholarship Program Regarding Professions Needed by National Research Institutes?

This part applies to the award of scholarships under the National Institutes of Health Undergraduate Scholarship Program Regarding Professions Needed by National Research Institutes, authorized by section 487D of the Public Health Service Act (42 U.S.C. 288–4), to undergraduate students attending schools, as the term is defined in this part. The purpose of this program is to help ensure an adequate supply of trained health professionals for the National Institutes of Health, which has the mission to uncover new knowledge that will lead to better health.

§ 68b.2 Definitions.

As used in this part:

Academic year means all or part of a 9-month period during which an applicant is enrolled in an undergraduate school as a full-time student.

Acceptable level of academic standing means the level at which a full-time student retains eligibility to continue in attendance under the school's standards and practices.

Act means the Public Health Service Act, as amended.

Applicant means an individual who applies to and meets the eligibility criteria for the UGSP.

Application means forms that have been completed in such manner, and containing such agreements, assurances, and information, as determined to be necessary by the Director.

Approved graduate training means graduate programs leading to a doctoral-level degree (*e.g.*, Ph.D., M.D., D.O., D.D.S., D.V.M., M.D./Ph.D., and equivalent degrees) in a profession needed by the National Institutes of Health.

Director means the Director of the National Institutes of Health or his/her designee.

Full-time student means an individual registered for a sufficient number of

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credit hours to be classified as full-time, as defined by the school attended.

Individual from Disadvantaged Background means:

(1) An individual who—

(i) Comes from an environment that inhibited (but did not prevent) him or her from obtaining the knowledge, skills, and abilities required to enroll in an undergraduate institution; or

(ii) Comes from a family with an annual income below established low-income thresholds.

(2) These low-income thresholds are based on family size, published by the U.S. Bureau of the Census, adjusted annually for changes in the Consumer Price Index, and adjusted by the Secretary of Health and Human Services for use in the U.S. Department of Health and Human Services' health professions programs. The Secretary periodically publishes these income levels in the *FEDERAL REGISTER*.

Scholarship Program means the National Institutes of Health Undergraduate Scholarship Program Regarding Professions Needed by National Research Institutes authorized by section 487D of the Act (42 U.S.C. 288-4).

Scholarship Program participant or participant means an individual whose application to the Scholarship Program has been approved and whose contract has been signed by the Director.

Scholarship Program Review Committee means the committee that reviews, ranks, and accepts or declines applications for Program participation. This committee also ascertains whether a participant will be awarded continued scholarship support after his or her initial acceptance.

School means a 4-year college or university that:

(1) Is accredited by an agency recognized by the Commission on Recognition of Post-Secondary Accreditation; and

(2) Is located in a State.

State means one of the several U.S. States, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the U.S. Virgin Islands, Guam, American Samoa, Palau, Marshall Islands, and the Federated States of Micronesia.

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§ 68b.3 Who is eligible to apply for a Scholarship Program award?

(a) To be eligible for a scholarship under this part, applicants must meet the following requirements:

(1) Applicants must be accepted for enrollment, or be enrolled, as full-time undergraduate students in a school;

(2) Applicants must have an overall grade point average of at least 3.5 or a 3.5 average in their major field of study (on a 4.0 scale) or be ranked within the top five percent of their current class (or those students entering, if applying in their freshman year);

(3) Applicants must come from a disadvantaged background as defined by § 68b.2;

(4) Applicants must meet the citizenship requirements for federal employment; and

(5) Applicants must submit an application to participate in the Scholarship Program together with a signed contract as outlined in sections 487D(a) and (f) of the Act.

(b) Any applicant who owes an obligation for service to a State or other entity under an agreement entered into before filing an application under this part is ineligible for an award unless a written statement satisfactory to the Director is submitted from the State or entity that:

(1) There is no potential conflict in fulfilling the service obligation to the 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:

(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.

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§ 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 graduate 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 bankruptcy under Title 11 of the United States Code only if such discharge is granted after the expiration of the seven-year period beginning on the first date that payment is required and only if the bankruptcy court finds that a nondischarge of the obligation would be unconscionable.

§ 68b.11 Under what circumstances can the service or payment obligation be canceled, waived, or suspended?

(a) Any obligation of a participant for service or payment to the federal government under this part will be canceled upon the death of the participant.

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(b) The Director may waive or suspend any service or payment obligation incurred by the participant upon request whenever compliance by the participant:

- (1) Is impossible, or
 - (2)(i) Would involve extreme hardship, and
 - (ii) If enforcement of the service or payment obligation would be unconscionable, as required by section 487 D(e) of the Act, 42 U.S.C. 288-4(e).
- (c) The Director may approve a request for a suspension of the service or payment obligations for a period of one year. A renewal of this suspension may also be granted.

(d) Compliance by a participant with a service or payment obligation will be considered impossible if the Director determines, on the basis of information and documentation as may be required, that the participant suffers from a physical or mental disability resulting in the permanent inability of the participant to perform the service or other activities that would be necessary to comply with the obligation.

(e) In determining whether to waive or suspend any or all of the service or payment obligations of a participant as imposing an undue hardship and being against equity and good conscience,

the Director, on the basis of information and documentation as may be required, will consider:

- (1) The participant's present financial resources and obligations;
- (2) The participant's estimated future financial resources and obligations; and
- (3) The extent to which the participant has problems of a personal nature, such as physical or mental disability or terminal illness in the immediate family, which so intrude on the participant's present and future ability to perform as to raise a presumption that the individual will be unable to begin or complete the obligation incurred.

§ 68b.12 What other regulations and statutes apply?

Several other regulations and statutes apply to this part. These include, but are not necessarily limited to:

- (a) Debt Collection Act of 1982 (31 U.S.C. 3701 *et seq.*);
- (b) Debt Collection Improvement Act of 1996 (31 U.S.C. 3701 note);
- (c) Fair Credit Reporting Act (15 U.S.C. 1681 *et seq.*);
- (d) Federal Debt Collection Procedures Act of 1990 (28 U.S.C. 176); and
- (e) Privacy Act of 1974 (5 U.S.C. 552a).