

§ 7699A. Obligated service

(a) IN GENERAL.—Each participant in the Program shall provide service as a full-time employee of the Department at a Vet Center (as defined in section 7699(d) of this title) for the period of obligated service set forth in the agreement of the participant entered into under section 7604 of this title.

(b) DETERMINATION OF SERVICE COMMENCEMENT DATE.—(1) Not later than 60 days before the service commencement date of a participant, the Secretary shall notify the participant of that service commencement date.

(2) The date specified in paragraph (1) with respect to a participant is the date for the beginning of the period of obligated service of the participant.

(Added Pub. L. 116-171, title V, §502(a), Oct. 17, 2020, 134 Stat. 816.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Secretary of Veterans Affairs to begin awarding scholarships under this subchapter for programs of study beginning no later than one year after Oct. 17, 2020, see section 502(c) of Pub. L. 116-171, set out as a note under section 7698 of this title.

§ 7699B. Breach of agreement: liability

(a) LIQUIDATED DAMAGES.—(1) A participant in the Program (other than a participant described in subsection (b)) who fails to accept payment, or instructs the educational institution in which the participant is enrolled not to accept payment, in whole or in part, of a scholarship under the agreement entered into under section 7604 of this title shall be liable to the United States for liquidated damages in the amount of \$1,500.

(2) Liability under paragraph (1) is in addition to any period of obligated service or other obligation or liability under such agreement.

(b) LIABILITY DURING PROGRAM OF STUDY.—(1) Except as provided in subsection (d), a participant in the Program shall be liable to the United States for the amount which has been paid to or on behalf of the participant under the agreement if any of the following occurs:

(A) The participant fails to maintain an acceptable level of academic standing in the educational institution in which the participant is enrolled (as determined by the educational institution under regulations prescribed by the Secretary).

(B) The participant is dismissed from such educational institution for disciplinary reasons.

(C) The participant voluntarily terminates the program of study in such educational institution before the completion of such program of study.

(2) Liability under this subsection is in lieu of any service obligation arising under the agreement.

(c) LIABILITY DURING PERIOD OF OBLIGATED SERVICE.—(1) Except as provided in subsection (d), if a participant in the Program does not complete the period of obligated service of the participant, the United States shall be entitled to recover from the participant an amount de-

termined in accordance with the following formula: $A = 3\Phi(t - s/t)$.

(2) In the formula in paragraph (1):

(A) "A" is the amount the United States is entitled to recover.

(B) "Φ" is the sum of—

(i) the amounts paid under this subchapter to or on behalf of the participant; and

(ii) the interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States.

(C) "t" is the total number of months in the period of obligated service of the participant.

(D) "s" is the number of months of such period served by the participant.

(d) LIMITATION ON LIABILITY FOR REDUCTIONS-IN-FORCE.—Liability shall not arise under subsection (c) if the participant fails to maintain employment as a Department employee due to a staffing adjustment.

(e) PERIOD FOR PAYMENT OF DAMAGES.—Any amount of damages that the United States is entitled to recover under this section shall be paid to the United States within the one-year period beginning on the date of the breach of the agreement.

(Added Pub. L. 116-171, title V, §502(a), Oct. 17, 2020, 134 Stat. 816.)

Statutory Notes and Related Subsidiaries

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CHAPTER 77—VETERANS BENEFITS ADMINISTRATION

SUBCHAPTER I—ORGANIZATION; GENERAL

- Sec. 7701. Organization of the Administration.
- 7703. Functions of the Administration.

SUBCHAPTER II—QUALITY ASSURANCE

- 7731. Establishment.
- 7732. Functions.
- 7732A. Employee certification.
- 7733. Personnel.
- 7734. Annual report to Congress.

Editorial Notes

AMENDMENTS

2008—Pub. L. 110-389, title II, §225(a)(2), Oct. 10, 2008, 122 Stat. 4158, added item 7732A.

2006—Pub. L. 109-233, title IV, §402(d)(2), June 15, 2006, 120 Stat. 411, substituted "QUALITY ASSURANCE" for "VETERANS OUTREACH SERVICES PROGRAM" in item for subchapter II and struck out former items 7721 "Purpose; definitions", 7722 "Outreach services", 7723 "Veterans assistance offices", 7724 "Outstationing of counseling and outreach personnel", 7725 "Use of other agencies", 7726 "Annual report to Congress", 7727 "Outreach for eligible dependents", and subchapter III "QUALITY ASSURANCE".

2001—Pub. L. 107-14, §6(b)(2), June 5, 2001, 115 Stat. 31, added item 7727.