

(8) to the extent that it can be determined, the reason for the default;

(9) the demographics of the individuals participating in the scholarship and loan repayment programs;

(10) justification for the allocation of funds between the scholarship and loan repayment programs; and

(11) an evaluation of the overall costs and benefits of the programs.

(i) Allocations

Of the amounts appropriated under section 298d(b) of this title,³ the Secretary may, as determined appropriate by the Secretary, allocate amounts between the program under subsection (a) and the program under subsection (d).

(July 1, 1944, ch. 373, title VIII, §846, as added Pub. L. 102-408, title II, §211(a)(3), Oct. 13, 1992, 106 Stat. 2078; amended Pub. L. 105-392, title I, §133(d), Nov. 13, 1998, 112 Stat. 3576; Pub. L. 107-205, title I, §103, Aug. 1, 2002, 116 Stat. 813; Pub. L. 111-148, title V, §5310(a), Mar. 23, 2010, 124 Stat. 631; Pub. L. 116-136, div. A, title III, §3404(a)(8), Mar. 27, 2020, 134 Stat. 394.)

Editorial Notes

REFERENCES IN TEXT

Subpart II, referred to in subsec. (a)(2), probably should be “this part” to reflect the redesignation of subpart II of former part B of this subchapter as part E of this subchapter by Pub. L. 105-392, title I, §123(2), Nov. 13, 1998, 112 Stat. 3562.

Section 298b-7(c) of this title, referred to in subsec. (f), was repealed by Pub. L. 105-392, title I, §123(1), Nov. 13, 1998, 112 Stat. 3562.

PRIOR PROVISIONS

A prior section 297n, act July 1, 1944, ch. 373, title VIII, §847, as added Nov. 4, 1988, Pub. L. 100-607, title VII, §716, 102 Stat. 3163; amended Nov. 18, 1988, Pub. L. 100-690, title II, §2616(b), 102 Stat. 4240, established a demonstration program for student loans with respect to service in certain health care facilities in underserved areas, prior to repeal by Pub. L. 102-408, title II, §210, Oct. 13, 1992, 106 Stat. 2078.

A prior section 846 of act July 1, 1944, was classified to section 297k of this title and was repealed by Pub. L. 97-35.

AMENDMENTS

2020—Subsec. (a). Pub. L. 116-136, §3404(a)(8)(A), struck out at end of concluding provisions “After fiscal year 2007, the Secretary may not, pursuant to any agreement entered into under this subsection, assign a nurse to any private entity unless that entity is nonprofit.”

Subsec. (b)(1). Pub. L. 116-136, §3404(a)(8)(B), substituted “the individual began such practice” for “he began such practice”.

Subsec. (i). Pub. L. 116-136, §3404(a)(8)(C), substituted “Allocations” for “Funding” in heading, struck out par. (1) and par. (2) designation and heading, and substituted “Of the amounts appropriated under section 298d(b) of this title,” for “Of the amounts appropriated under paragraph (1)”. Prior to amendment, text of par. (1) read as follows: “For the purpose of payments under agreements entered into under subsection (a) or (d), there are authorized to be appropriated such sums as may be necessary for each of fiscal years 2003 through 2007.”

2010—Subsec. (a)(3). Pub. L. 111-148 inserted “, or in a accredited school of nursing, as defined by section

296(2) of this title, as nurse faculty” before semicolon at end.

2002—Pub. L. 107-205, §103(b)(1), substituted “Loan repayment and scholarship programs” for “Loan repayment program” in section catchline.

Subsec. (a). Pub. L. 107-205, §103(a)(2), inserted at end of concluding provisions “After fiscal year 2007, the Secretary may not, pursuant to any agreement entered into under this subsection, assign a nurse to any private entity unless that entity is nonprofit.”

Subsec. (a)(3). Pub. L. 107-205, §103(a)(1), substituted “at a health care facility with a critical shortage of nurses” for “in an Indian Health Service health center, in a Native Hawaiian health center, in a public hospital, in a migrant health center, in a community health center, in a rural health clinic, or in a public or nonprofit private health facility determined by the Secretary to have a critical shortage of nurses”.

Subsec. (d). Pub. L. 107-205, §103(b)(4), added subsec. (d). Former subsec. (d) redesignated (f).

Subsec. (e). Pub. L. 107-205, §103(c), substituted “under subsection (a) or (d), the Secretary shall give preference to qualified applicants with the greatest financial need,” for “under subsection (a), the Secretary shall give preference—

“(1) to qualified applicants with the greatest financial need; and

“(2) to qualified applicants that, with respect to health facilities described in such subsection, agree to serve in such health facilities located in geographic areas with a shortage of and need for nurses, as determined by the Secretary.”

Subsec. (f). Pub. L. 107-205, §103(b)(2), (3), redesignated subsec. (d) as (f) and transferred it to appear after subsec. (e). Former subsec. (f) redesignated (h).

Subsec. (g). Pub. L. 107-205, §103(b)(2), (3), redesignated subsec. (h) as (g) and transferred it to appear after subsec. (f). Former subsec. (g) redesignated (i).

Subsec. (h). Pub. L. 107-205, §103(b)(2), (d), redesignated subsec. (f) as (h) and amended it generally. Prior to amendment, text of subsec. read as follows: “For purposes of this section:

“(1) The term ‘community health center’ has the meaning given such term in section 254c(a) of this title.

“(2) The term ‘migrant health center’ has the meaning given such term in section 254b(a)(1) of this title.

“(3) The term ‘rural health clinic’ has the meaning given such term in section 1395x(aa)(2) of this title.”

Former subsec. (h) redesignated (g).

Subsec. (i). Pub. L. 107-205, §103(b)(2), (e), redesignated subsec. (g) as (i) and amended it generally. Prior to amendment, text of subsec. read as follows: “For the purpose of payments under agreements entered into under subsection (a) of this section, there are authorized to be appropriated \$5,000,000 for fiscal year 1993, and \$6,000,000 for fiscal year 1994.”

1998—Subsec. (h). Pub. L. 105-392 added subsec. (h).

Statutory Notes and Related Subsidiaries

REFERENCE TO COMMUNITY, MIGRANT, PUBLIC HOUSING, OR HOMELESS HEALTH CENTER CONSIDERED REFERENCE TO HEALTH CENTER

Reference to community health center, migrant health center, public housing health center, or homeless health center considered reference to health center, see section 4(c) of Pub. L. 104-299, set out as a note under section 254b of this title.

§ 297n-1. Nurse faculty loan program

(a) School of nursing student loan fund

The Secretary, acting through the Administrator of the Health Resources and Services Administration, may enter into an agreement with any accredited school of nursing for the estab-

³ So in original.

lishment and operation of a student loan fund in accordance with this section, to increase the number of qualified nursing faculty.

(b) Agreements

Each agreement entered into under subsection (a) shall—

- (1) provide for the establishment of a student loan fund by the school involved;
- (2) provide for deposit in the fund of—
 - (A) the Federal capital contributions to the fund;
 - (B) an amount equal to not less than one-ninth of such Federal capital contributions, contributed by such school;
 - (C) collections of principal and interest on loans made from the fund; and
 - (D) any other earnings of the fund;
- (3) provide that the fund will be used only for loans to students of the school in accordance with subsection (c) and for costs of collection of such loans and interest thereon;
- (4) provide that loans may be made from such fund only to students pursuing a full-time course of study or, at the discretion of the Secretary, a part-time course of study in an advanced degree program described in section 296j(b) of this title; and
- (5) contain such other provisions as are necessary to protect the financial interests of the United States.

(c) Loan provisions

Loans from any student loan fund established by a school pursuant to an agreement under subsection (a) shall be made to an individual on such terms and conditions as the school may determine, except that—

- (1) such terms and conditions are subject to any conditions, limitations, and requirements prescribed by the Secretary;
- (2) in the case of any individual, the total of the loans for any academic year made by schools of nursing from loan funds established pursuant to agreements under subsection (a) may not exceed \$35,500,¹ during fiscal years 2010 and 2011 fiscal years² (after fiscal year 2011, such amounts shall be adjusted to provide for a cost-of-attendance increase for the yearly loan rate and the aggregate loan;³
- (3) an amount up to 85 percent of any such loan (plus interest thereon) shall be canceled by the school as follows:

(A) upon completion by the individual of each of the first, second, and third year of full-time employment, required by the loan agreement entered into under this subsection, as a faculty member in an accredited⁴ school of nursing, the school shall cancel 20 percent of the principle⁵ of, and the interest on, the amount of such loan unpaid on the first day of such employment; and

(B) upon completion by the individual of the fourth year of full-time employment, re-

quired by the loan agreement entered into under this subsection, as a faculty member in a school of nursing, the school shall cancel 25 percent of the principle⁵ of, and the interest on, the amount of such loan unpaid on the first day of such employment;

(4) such a loan may be used to pay the cost of tuition, fees, books, laboratory expenses, and other reasonable education expenses;

(5) such a loan shall be repayable in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the 10-year period that begins 9 months after the individual ceases to pursue a course of study at a school of nursing; and

(6) such a loan shall—

(A) beginning on the date that is 3 months after the individual ceases to pursue a course of study at a school of nursing, bear interest on the unpaid balance of the loan at the rate of 3 percent per annum; or

(B) subject to subsection (e), if the school of nursing determines that the individual will not complete such course of study or serve as a faculty member as required under the loan agreement under this subsection, bear interest on the unpaid balance of the loan at the prevailing market rate.

(d) Payment of proportionate share

Where all or any part of a loan, or interest, is canceled under this section, the Secretary shall pay to the school an amount equal to the school's proportionate share of the canceled portion, as determined by the Secretary.

(e) Review by Secretary

At the request of the individual involved, the Secretary may review any determination by an accredited school of nursing under subsection (c)(6)(B).

(July 1, 1944, ch. 373, title VIII, § 846A, as added Pub. L. 107-205, title II, § 203, Aug. 1, 2002, 116 Stat. 817; amended Pub. L. 111-148, title V, § 5311(a), Mar. 23, 2010, 124 Stat. 631; Pub. L. 116-136, div. A, title III, § 3404(a)(9), Mar. 27, 2020, 134 Stat. 394; Pub. L. 116-260, div. BB, title III, § 331(c), Dec. 27, 2020, 134 Stat. 2938.)

Editorial Notes

AMENDMENTS

2020—Subsec. (f). Pub. L. 116-136, § 3404(a)(9), as amended by Pub. L. 116-260, § 331(c), struck out subsec. (f). Text read as follows: “There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2010 through 2014.”

2010—Subsec. (a). Pub. L. 111-148, § 5311(a)(1), substituted “School of nursing student loan fund” for “Establishment” in heading and inserted “accredited” before “school” in text.

Subsec. (c)(2). Pub. L. 111-148, § 5311(a)(2)(A), substituted “\$35,500, during fiscal years 2010 and 2011 fiscal years (after fiscal year 2011, such amounts shall be adjusted to provide for a cost-of-attendance increase for the yearly loan rate and the aggregate loan;” for “\$30,000, plus any amount determined by the Secretary on an annual basis to reflect inflation;”.

Subsec. (c)(3)(A). Pub. L. 111-148, § 5311(a)(2)(B), inserted “an accredited” before “a school of nursing”.

Subsec. (e). Pub. L. 111-148, § 5311(a)(3), substituted “an accredited school” for “a school”.

¹ So in original. The comma probably should not appear.

² So in original.

³ So in original. A closing parenthesis probably should appear before the semicolon.

⁴ So in original. The word “a” probably should not appear.

⁵ So in original. Probably should be “principal”.

Subsec. (f). Pub. L. 111-148, §5311(a)(4), substituted “2010 through 2014” for “2003 through 2007”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2020 AMENDMENT

Amendment by Pub. L. 116-260 effective as if included in the enactment of Pub. L. 116-136, see section 331(d) of div. BB of Pub. L. 116-260, set out as a note under section 294c of this title.

§ 297o. Eligible individual student loan repayment

(a) In general

The Secretary, acting through the Administrator of the Health Resources and Services Administration, may enter into an agreement with eligible individuals for the repayment of education loans, in accordance with this section, to increase the number of qualified nursing faculty.

(b) Agreements

Each agreement entered into under this subsection shall require that the eligible individual shall serve as a full-time member of the faculty of an accredited school of nursing, for a total period, in the aggregate, of at least 4 years during the 6-year period beginning on the later of—

- (1) the date on which the individual receives a master's or doctorate nursing degree from an accredited school of nursing; or
- (2) the date on which the individual enters into an agreement under this subsection.

(c) Agreement provisions

Agreements entered into pursuant to subsection (b) shall be entered into on such terms and conditions as the Secretary may determine, except that—

- (1) not more than 10 months after the date on which the 6-year period described under subsection (b) begins, but in no case before the individual starts as a full-time member of the faculty of an accredited school of nursing¹ the Secretary shall begin making payments, for and on behalf of that individual, on the outstanding principal of, and interest on, any loan of that individual obtained to pay for such degree;

- (2) for an individual who has completed a master's in nursing or equivalent degree in nursing—

(A) payments may not exceed \$10,000 per calendar year; and

(B) total payments may not exceed \$40,000 during the 2010 and 2011 fiscal years (after fiscal year 2011, such amounts shall be adjusted to provide for a cost-of-attendance increase for the yearly loan rate and the aggregate loan); and

- (3) for an individual who has completed a doctorate or equivalent degree in nursing—

(A) payments may not exceed \$20,000 per calendar year; and

(B) total payments may not exceed \$80,000 during the 2010 and 2011 fiscal years (adjusted for subsequent fiscal years as provided for in the same manner as in paragraph (2)(B)).

¹ So in original. Probably should be followed by a comma.

(d) Breach of agreement

(1) In general

In the case of any agreement made under subsection (b), the individual is liable to the Federal Government for the total amount paid by the Secretary under such agreement, and for interest on such amount at the maximum legal prevailing rate, if the individual fails to meet the agreement terms required under such subsection.

(2) Waiver or suspension of liability

In the case of an individual making an agreement for purposes of paragraph (1), the Secretary shall provide for the waiver or suspension of liability under such paragraph if compliance by the individual with the agreement involved is impossible or would involve extreme hardship to the individual or if enforcement of the agreement with respect to the individual would be unconscionable.

(3) Date certain for recovery

Subject to paragraph (2), any amount that the Federal Government is entitled to recover under paragraph (1) shall be paid to the United States not later than the expiration of the 3-year period beginning on the date the United States becomes so entitled.

(4) Availability

Amounts recovered under paragraph (1) shall be available to the Secretary for making loan repayments under this section and shall remain available for such purpose until expended.

(e) Eligible individual defined

For purposes of this section, the term “eligible individual” means an individual who—

- (1) is a United States citizen, national, or lawful permanent resident;
- (2) holds an unencumbered license as a registered nurse; and
- (3) has either already completed a master's or doctorate nursing program at an accredited school of nursing or is currently enrolled on a full-time or part-time basis in such a program.

(f) Priority

For the purposes of this section and section 297n-1 of this title, funding priority will be awarded to School of Nursing Student Loans² that support doctoral nursing students or Individual Student Loan Repayment³ that support doctoral nursing students.

(July 1, 1944, ch. 373, title VIII, §847, as added Pub. L. 111-148, title V, §5311(b), Mar. 23, 2010, 124 Stat. 632; amended Pub. L. 116-136, div. A, title III, §3404(a)(10), Mar. 27, 2020, 134 Stat. 394.)

Editorial Notes

PRIOR PROVISIONS

A prior section 847 of act July 1, 1944, was classified to section 297n of this title prior to repeal by Pub. L. 102-408.

A prior section 297q, act July 1, 1944, ch. 373, title VIII, §841, as added Pub. L. 105-392, title I, §123(5), Nov.

² So in original. Probably should not be capitalized.

³ So in original. Probably should be “individual student loan repayments”.