

**CHAPTER 40. FAMILY/GENERAL PRACTICE RESIDENT RURAL
SCHOLARSHIP LOAN PROGRAM**

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[Authority: 70 O.S., § 625.13]

[Source: Codified 5-11-98]

540:40-1-1. Purpose

The Physician Manpower Training Commission shall establish and administer a Family/General Practice Resident Rural Scholarship Loan Program for the purpose of assisting Oklahoma's rural communities by providing financial assistance through a scholarship loan forgiveness program to medical and osteopathic residents enrolled in an accredited Family Practice or General Practice residency program. [70:625.13(B)]

[Source: Added at 15 Ok Reg 1782, eff 5-11-98]

540:40-1-2. Statutory administration

The Family/General Practice Resident Rural Scholarship Loan Program shall be administered by the Physician Manpower Training Commission under the provisions of Section 625.13 of 70. O.S. 1992.

[Source: Added at 15 Ok Reg 1782, eff 5-11-98]

540:40-1-3. Terms and conditions of scholarship

The terms and conditions governing the scholarship shall be as prescribed and formulated by the Physician Manpower Training Commission, but shall include the conditions that each recipient shall match and sign an agreement with a community, approved by the Commission, on or before the end of the second year of residency training; shall schedule and complete one (1) month of elective rotation in the matched community during the third year of residency training; and upon completion of residency training, return to the matched community and practice medicine for one (1) month for each month the scholarship is financed. The contract shall provide that in the event the recipient breaches the terms

of the contract by not serving the matched community for the specified period of time, the recipient shall pay liquidated damages in an amount not to exceed 100% of the principal. After payment of liquidated damages, repayment of the principal may be made in cash with interest at the rate of prime plus one per annum, said interest to accrue from the date each payment of funds pursuant to the scholarship is made. [70:625.13]

[**Source:** Added at 15 Ok Reg 1782, eff 5-11-98; Amended at 18 Ok Reg 1324, eff 5-11-01]

540:40-1-4. Eligibility; amount; method of payment

(a) *The Commission shall establish the eligibility standards [625.13(B)] for the award of a scholarship when the following conditions are met:*

(1) That the resident has not previously received Physician Manpower Training Commission money, either through the Oklahoma Rural Medical Education Scholarship Loan Program, the Oklahoma Community Physician Education Scholarship Loan Program, the Community Match Intern Resident Program or the Family Practice/General Practice Resident Rural Scholarship Program.

(2) That he/she is accepted into and training full time in an accredited Family/General Practice Residency Program in Oklahoma;

(3) That he/she desires to practice medicine in a rural community in Oklahoma;

(4) That he/she agrees to select and match an approved community on or before the end of the second year of residency training and sign a practice agreement with the approved community; and

(5) That he/she submits proof that he/she has not accepted or will not accept any other scholarship assistance which has a conflicting service obligation requirement.

(b) *The amount of the loan not to exceed One Thousand Dollars (\$1,000.00) per month, [625.13(B)] not to exceed thirty-six (36) months.*

(c) In the event a recipient joins the program on or before the end of the second year of residency training, the Commission may approve retroactive payment to the beginning of the current fiscal year.

[**Source:** Added at 15 Ok Reg 1782, eff 5-11-98; Amended at 18 Ok Reg 1324, eff 5-11-01]

549:40-1-5. Procedures for administering scholarships

The Commission shall promulgate and adopt procedures as may be necessary to carry out the administration of the scholarship program. The Commission shall delineate the following procedures:

(1) **Promulgation of information concerning scholarships.**

Every reasonable effort shall be made to contact all medical/osteopathic students and family/general practice residents being trained in the State of Oklahoma concerning the availability of the scholarship.

(2) **Applications.** All interested family/general practice residents shall file an application with the Physician Manpower Training Commission. This application can be submitted at any time during the year. Copy of the application is available in the office of the Physician Manpower Training Commission.

(3) **Approval of scholarship by the Commission.** Scholarship applications shall be submitted to the Commission for approval at any regular Commission meeting.

(4) **Renewal of contracts.** The original scholarship shall be guaranteed for the initial fiscal year, and automatically renewed each year thereafter contingent upon funding from the Legislature.

[Source: Added at 15 Ok Reg 1782, eff 5-11-98]

540:40-1-6. Repayment of scholarship loans

(a) Each recipient shall repay the loan to the state and to the community by practicing medicine full time in the community in Oklahoma providing matching funds, one month for each month the loan was received, with no credit being granted for practicing less than twelve (12) months. The period shall begin on the date the recipient begins to practice medicine in the community.

(b) Repayment of the total amount of the loan, plus principal, interest, litigation charges, and liquidated damages, up to 100% of principal as assessed by the Physician Manpower Training Commission, upon failure of the recipient to fulfill his/her contractual obligations, shall be made to the Commission. This loan repayment will be shared with the participating community in accordance with the percentage and total amounts contributed by the state and by the community to the matching fund program and in accordance with the provisions of the contract requirements delineated by the Physician Manpower Training Commission.

(c) Monies received by the Commission in repayment of scholarships granted from appropriated funds shall be deposited with the State Treasurer who shall place the same to the credit of the Commission in a depository fund. All monies so collected and deposited in the State Treasury as aforesaid shall constitute a continuing fund, shall not be subject to fiscal limitations, and the unexpended balance shall at all times be available for expenditures for the purpose and in the manner and form provided by this act. All funds and property, and income therefrom, received by the Commission through the acceptance of gifts, grants, bequests or devise shall be held by the Commission in trust, and may be sold, transferred, invested and reinvested by the Commission in accordance with the provisions of the Oklahoma Trust Act, and all such funds and property, and income therefrom,

shall be used by the Commission in fulfilling and accomplishing the conditions and purposes of the program.

[**Source:** Added at 15 Ok Reg 1782, eff 5-11-98]

540:40-1-7. Applicant contracts

Each applicant, before being granted a scholarship, shall enter into a contract with the Commission agreeing to the terms and conditions upon which the scholarship shall be granted to him/her. On or before the end of the second year of residency training, the recipient will select an approved community in Oklahoma and shall enter into an agreement with the Physician Manpower Training Commission and the community. This agreement will be attached to the original contract signed by the recipient and the Physician Manpower Training Commission. The recipient will fulfill their contractual obligation to the community as outlined in the original contract. Said contract and agreement shall include such terms and provisions as will carry out the full purpose and intent of the Family/General Practice Resident Rural Scholarship Loan Program; the form thereof shall be prepared and approved by the Attorney General. Said contracts shall be signed by the Executive Director on behalf of the Commission and by the applicant. The Commission is hereby vested with full and complete authority and power to sue in its own name any applicant for any balance due the Commission on any contract. The Commission shall have authority to cancel any contract made between it and any recipient of a scholarship upon cause deemed sufficient by the Commission. Copies of the Family/General Practice Resident Rural Scholarship Loan Program contracts are available in the office of the Physician Manpower Training Commission.

[**Source:** Added at 15 Ok Reg 1782, eff 5-11-98; Amended at 18 Ok Reg 1324, eff 5-11-01]

540:40-1-8. Annual reports to Governor and Legislature

The Commission shall make an annual report to the Governor and Legislature on the activities of the Commission. This report shall include the names of recipients and the amounts of the scholarship awards, an accounting of the funds expended on scholarships and on the administration of the program and a budget requesting the funds necessary for the operation of the Commission. The report shall also include an accounting of repayments of scholarships whether by services or in cash including principal, interest and liquidated damages.

[**Source:** Added at 15 Ok Reg 1782, eff 5-11-98]

