

**WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION (COMMISSION)  
MEDICAL STUDENT LOAN PROGRAM**

**MASTER PROMISSORY NOTE**

NAME:

S.S. NUMBER:

STUDENT ID #:

I, \_\_\_\_\_, hereinafter called the borrower, promise to pay to the order of \_\_\_\_\_ (list institution here \_\_\_\_\_, hereinafter called the institution,) the sum of such amounts that have been advanced to me and endorsed hereon together with all attorneys' fees and other costs and charges for the collection of any amount not paid when due according to the terms of this note.

**INTEREST:** The rate of interest charged on the outstanding loan(s) in repayment shall be the prevailing rate for graduate Federal Direct Stafford/Ford Loans in effect at the beginning of the repayment period and such rate shall be in force for the duration of the repayment period. Interest shall not accrue during periods of full-time enrollment, the grace period, periods of postponement or periods of authorized deferment as described within this promissory note.

**GRACE PERIOD:** The period of time between the last day of full-time enrollment by the borrower and the date of the first scheduled loan payment. Such period shall not exceed twelve (12) consecutive months and shall commence the day after the borrower no longer is enrolled full-time at a school of medicine eligible to participate in the Medical Student Loan Program.

**REPAYMENT:** The borrower shall be allowed a maximum of ten (10) years to repay the loan (principal and interest). The minimum payment shall be fifty dollars (\$50) per month but shall be higher if needed to repay the loan within the required time period. Periods of authorized deferment and periods of forbearance shall not be included as part of the ten (10) year repayment period.

The first payment shall not be due and payable until one (1) year following the date that the borrower ceases to be a full-time student at a school of medicine eligible to participate in the Medical Student Loan Program. Payments are not due for periods of authorized deferment.

**PREPAYMENT:** The borrower may, without penalty, repay all or any part of the principal and accrued interest at any time.

**EXIT INTERVIEW:** The borrower agrees to an exit interview at the time of graduation or upon termination of enrollment. The borrower is also obligated during the period that the loan is active to maintain a current address record with the institution.

**DEATH or PERMANENT and TOTAL DISABILITY:** In the event of the borrower's death or permanent and total disability, the unpaid balance remaining on the note (principal and interest) shall be cancelled.

**DEFERMENT:** The borrower is entitled under certain qualifying conditions to defer payments on the loan and during periods of authorized deferment the borrower is not required

to pay principal and interest does not accrue. Those qualifying conditions consist of institutionally approved additional medical training, including internships, residencies, and fellowships, or required military service, not to exceed five (5) years. The borrower must provide supporting documentation for the specific qualifying condition on an annual basis. Loan payments shall commence within sixty (60) days of the deferment end date and the exact amount of monthly payments shall be derived in accordance with the prescribed terms delineated within the original loan agreement.

**FORBEARANCE:** The borrower may request from the institutional financial aid officer or designated representative a forbearance resulting from a documented disability, unemployment or other economic hardship. Approval of the request by the institution will allow for a temporary cessation of payments, an extension of time for making payments or a temporary acceptance of smaller payments than previously scheduled for a period not to exceed twelve (12) months per hardship. Interest shall continue to accrue on the loan during the forbearance period with payment the responsibility of the borrower. Should the borrower fail to pay the accrued interest, it will be capitalized at the end of the forbearance period. Loan payments shall resume within sixty (60) days of the forbearance end date and the exact amount of monthly payments shall be derived in accordance with the prescribed terms delineated within the original loan agreement.

**LOAN FORGIVENESS:** The borrower may receive cancellation of the outstanding principal and accumulated interest on the loan in return for the actual performance of full-time service in West Virginia as a physician (M.D. or D.O.) in an approved designated medically underserved area or in an approved designated medical specialty in which there is a shortage of physicians.

The Commission, after consultation with the Bureau of Public Health, shall determine qualifying medically underserved geographic areas and qualifying medical specialties in which there is a shortage of physicians. A listing of the approved designated medically underserved areas and approved designated medical specialties in which there is a shortage of physicians shall be published and distributed to the financial aid offices of each participating state school of medicine. At the borrower's request, additional medically underserved geographic areas and qualifying medical specialties in which there is a shortage of physicians may be considered by the Commission after consultation with the Bureau for Public Health. Among the criteria are such factors as: locations where a physician currently in practice will retire creating a shortage or a population shift which will justify additional physicians.

To be considered for loan postponement pending forgiveness, the borrower must initially seek postponement from the Commission via the issuance of a postponement request form for anticipated practice in an approved designated medically underserved area or in an approved designated medical specialty in which there is a shortage of physicians. Such an approval shall allow for postponement of loan payments during the period the practitioner is performing the service authorized for loan forgiveness. The practitioner must notify the Commission of the date that such practice commences and terminates.

To be eligible for loan forgiveness, the borrower must annually obtain Commission approval for practice in an approved designated medically underserved area or in an approved designated medical specialty in which there is a shortage of physicians. In addition, the borrower must annually provide evidence to support the fact that full-time physician services were rendered. Such evidence shall be presented on a form provided by the Commission for that purpose. The Commission shall be the authority that grants loan forgiveness and shall be responsible for notifying the appropriate institution of all loan forgiveness which is granted.

The borrower shall be eligible for loan forgiveness only upon application and upon acceptance of duly certified evidence of full-time medical or osteopathic practice in an approved designated medically underserved area or in an approved designated medical specialty in which

there is a shortage of physicians.

The borrower shall receive cancellation of the outstanding principal for sums not in excess of \$10,000 per year plus accumulated interest during each period of twelve (12) consecutive calendar months of full-time practice in West Virginia commencing on or after July 1, 2008. There shall be no reimbursement by the institution for loan payment(s) made on behalf of the borrower that take(s) place prior to obtaining Commission approval for loan forgiveness. No forgiveness shall be granted for less than twelve (12) consecutive calendar months of full-time practice.

It shall be the responsibility of the borrower to secure a current list of approved designated medically underserved areas and approved designated medical specialties in which there is a shortage of physicians. A current list may be obtained from the Commission.

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Borrower's Signature

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Date

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Current Street Address

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Current City, State, Zip Code

Revised 05-2012