WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
MEDICAL STUDENT LOAN PROGRAM

APPLICATION

ELIGIBILITY:

In order to be eligible for this loan, a student must meet the following minimum requirements:

a) United States citizenship or legal immigrant status while actively pursuing United States citizenship.
b) Full-time enrollment in an approved state medical school in a program leading to the degree of Doctor of Medicine (M.D.) or Doctor of Osteopathic Medicine (D.O.) provided that the student has not yet received one of these degrees.
c) Financial need as determined by the institution's financial aid office.
d) Must not be in default on any previous student loan.
e) Must be in good academic standing and making satisfactory academic progress in keeping with the institutional policy for awarding Title IV financial aid funds.

APPLICATION AND SELECTION:

A student must apply for the loan utilizing the institution's standard application process and must report his or her social security number on the form. The social security number will be used to verify a student's identity, track applications, authorize loans, verify enrollment and academic standing, and track fund disbursement and loan repayment. A student who fails to provide a social security number will be ineligible for a loan.

The institution shall select the recipients of the loans. The number of loans will be determined by the availability of funds in the program at the institution in any given academic year.

Loan requests will be processed without regard to age, gender, race, disability, national origin, veteran's status or religion.

A student may apply for a loan for each of the number of years required to complete the course of study, but the institution is not obligated to approve any annual request.

A student whose loan request is approved shall receive an award notification in advance of the release of loan funds. The notification shall provide the following: budgeted cost of education, expected family contribution (where applicable), financial need, other resources available to meet educational expenses, an indication of unmet financial need, aid awarded reflecting academic periods in which aid will be disbursed and statement that any and all such loans shall be subject to the terms and conditions specified in a master promissory note.

LOAN AMOUNTS:

The maximum annual amount for an individual loan shall not exceed $10,000.

LOAN REPAYMENT:

A 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 a 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.

There shall be no penalty for early repayment of the loan.

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 the promissory note.

In the event of a borrower's death or permanent and total disability, the unpaid balance remaining on the note (principal and interest) shall be cancelled.

DEFERMENT:

A borrower is entitled under certain qualifying conditions to defer payments on the loan and during periods of authorized deferment a 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. A 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:

A 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 a borrower fail to pay the accrued interest, the interest 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 in the original loan agreement.

MASTER PROMISSORY NOTE:

The Medical Student Loan Program Master Promissory Note shall be an open ended note. The master promissory note will expire ten (10) years from date of signature.

LOAN FORGIVENESS:

A 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.

A borrower shall receive cancellation of the outstanding principal for sums not in excess of ten thousand dollars ($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 a 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.

Further details on loan forgiveness are provided on the master promissory note.

EXIT INTERVIEW:

A borrower agrees to an exit interview at the time of graduation or upon ceasing to be a full-time student. At that time, a borrower's rights and responsibilities under the terms of the loan shall be discussed. A borrower shall be obligated during the period the loan is active to maintain a current address record with the institution.

DISBURSEMENT OF FUNDS:

Loan funds in this program will be disbursed by the institution. Typically, funds will be disbursed in two (2) equal installments, at the beginning of each semester.

Please complete the items listed, sign and date and immediately return the form to the Financial Aid Office.

_____ _____
NAME (print please) SOCIAL SECURITY NUMBER

_____
STUDENT ID NUMBER

_____
CURRENT STREET ADDRESS

_____
CURRENT CITY, STATE, ZIP CODE

_____ _____
SIGNATURE DATE

PROGRAM IS SUBJECT TO CHANGE BY THE WEST VIRGINIA LEGISLATURE Revised 4/2013