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Sequence Number: 12-02-09
Rule ID(s): 4544
File Date: 12/01/2009
Effective Date: 05/31/2010

Proposed Rule(s) Filing Form

Proposed rules are submitted pursuant to T.C.A. §4-5-205 in lieu of a rulemaking hearing. It is the intent of the Agency to promulgate these rules without a rulemaking hearing unless a petition requesting such hearing is filed within thirty (30) days of the publication date of the issue of the Tennessee Administrative Register in which the proposed rules are published. To be effective, the petition must be filed with the Agency and be signed by twenty-five (25) persons who will be affected by the amendments, or submitted by a municipality which will be affected by the amendments, or an association of twenty-five (25) or more members, or any standing committee of the General Assembly.

Agency/Board/Commission:	Tennessee Student Assistance Corporation
Division:	
Contact Person:	Peter Abernathy
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Revision Type (check all that apply):
X Amendment
___ New
___ Repeal

Rule(s) Revised (**ALL** chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables. Please enter only **ONE** Rule Number/RuleTitle per row)

Chapter Number	**Chapter Title**
1640-01-21	Tennessee Rural Health Loan Forgiveness Program
Rule Number	**Rule Title**
1640-01-21-.04	Award Amount

Chapter 1640-01-21
Tennessee Rural Health Loan Forgiveness Program

Amendments

Paragraph (3) of Rule 1640-01-21-.04 Award Amount is amended by deleting the current language in its entirety and substituting the following language so that as amended the paragraph shall read:

(3) After consultation with the appropriate state agencies as required by the Act, TSAC has determined that the M.D. and D.O. programs shall have a combined ten (10) awards for the first and fifth years of the program. The remaining three programs of study shall each receive an equal number of awards in the first and fifth years of the program. In the event of an insufficient number of applications for a particular program of study, those awards will be made to the greatest shortage area according to the Department of Health, Office of Rural Health.

Paragraph (4) of Rule 1640-01-21-.04 Award Amount is amended by renaming it as paragraph (6) and adding paragraph (4) as new language so that as amended the paragraph shall read:

(4) For the second, third, and fourth years of the program, the M.D. and D.O. programs shall have a combined twenty (20) awards per academic year. The remaining three programs of study shall each receive an equal number of awards in the second, third, and fourth years of the program. In the event TSAC receives an insufficient number of applications for a particular program of study, those awards will be made to the greatest shortage area according to the Department of Health, Office of Rural Health.

Rule 1640-01-21-.04 Award Amount is amended by adding paragraph (5) as new language so that as amended the rule shall read:

(5) If an insufficient number of applications for all academic programs are received for the academic year, all applicants, regardless of program of study, will be awarded provided they meet eligibility requirements and provide evidence of commitment to the program.

Authority: T.C.A. §§ 49-4-201, 49-4-204, 49-4-902, 49-4-924, and 49-4-939.

The vote by the Agency on these rules was as follows

Board Member	Aye	No	Abstain	Absent	Signature (if required)
Governor Bredesen by Cory Curl	X				
Dr. Richard Rhoda	X				
Dr. Claude Pressnell	X				
Commissioner Justin Wilson by Ms. Faye Weaver	X				
Commissioner Dave Goetz by Ms. Cathy Pierce	X				
Commissioner Tim Webb by Mr. Morgan Branch	X				
Commissioner David Lillard	X				
Dr. Nancy Moody	X				
Dr. Charles Manning by Mr. David Gregory	X				
Dr. Jan Simek by Dr. Bonnie Yegidis	X				
Ms. Mary Kate Ridgeway	X				
Dr. Lori May	X				
Ms. Deborah Cole	X				
Mr. Fred Johnson				X	
Mr. Clay Petrey	X				
Mr. Jeff Gerkin	X				
Ms. La-Nikqua Thomas				X	

I certify that this is an accurate and complete copy of proposed rules, lawfully promulgated and adopted by the Tennessee Student Assistance Corporation Board of Directors on March 19, 2009, and is in compliance with the provisions of TCA 4-5-222. The Secretary of State is hereby instructed that, in the absence of a petition for proposed rules being filed under the conditions set out herein and in the locations described, he is to treat the proposed rules as being placed on file in his office as rules at the expiration of thirty (30) days after the publication date of the issue of the Tennessee Administrative Register in which these proposed rules are published.

Date: 10.23.09

Signature: [signature]

Name of Officer: Richard G. Rhoda

Title of Officer: Executive Director, Tennessee Student Assistance Corp.

MARCIE REECE MILLS
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY, TENN.
My Commission Expires MAY 2, 2011

Subscribed and sworn to before me on: 10/23/09

Notary Public Signature: Marcie Reece Mills

My commission expires on: May 2, 2011

All proposed rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

[signature]
Robert E. Cooper, Jr.
Attorney General and Reporter

11-24-09
Date

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Filed with the Department of State on: 12/1/09

Effective on: 5/31/10

[signature]
Tre Hargett
Secretary of State

Regulatory Flexibility Economic Impact Statement Addendum

Regulatory Flexibility Act of 2007, Public Chapter 464
Economic Impact Statement

Tennessee Student Assistance Corporation
Tennessee Rural Health Loan Forgiveness Program (Chapter 1640-01-21)

Public Chapter 464 of the 2007 Tennessee Public Acts, effective June 21, 2007, requires that prior to initiating the rulemaking process pursuant to Tenn. Code Ann. §§ 4-5-202(a)(3) and 4-5-202(a), all boards and commissions shall review all proposed rules and the impact that the proposed rule has on small businesses. The public chapter requires that as a part of its analysis, each agency shall prepare an economic impact statement as an addendum to each rule that is deemed to affect small businesses, which shall be published in the Tennessee Administrative Register, filed with the Secretary of State's Office, and made available to all interested parties, including the Secretary of State, Attorney General, and the House and Senate Government Operations Committees.

This economic impact statement shall include the following: the type or types of small businesses and an identification and estimate of the number of small businesses subject to the proposed rule that would bear the cost of, and/or directly benefit from the proposed rules; the projected reporting, recordkeeping and other administrative costs required for compliance with the proposed rule, including the type of professional skills necessary for preparation of the report or record; a statement of the probable effect on impacted small businesses and consumers; a description of any less burdensome, less intrusive or less costly alternative methods of achieving the purpose and/or objectives of the proposed rule that may exist, and to what extent, such alternative means might be less burdensome to small businesses; a comparison of the proposed rule with any federal or state counterparts; and analysis of the effect of the possible exemption of small businesses from all or any part of the requirements contained in the proposed rule.

Description of Proposed Rule

The Tennessee Student Assistance Corporation (TSAC) intends to file proposed rules pursuant to T.C.A. § 4-5-202 in lieu of a rulemaking hearing to amend the current rules of Chapter 1640-01-21 Tennessee Rural Health Loan Forgiveness Program. It is the intent of TSAC to promulgate these rules without a rulemaking hearing unless a petition requesting such hearing is filed within thirty (30) days of the publication date of issue of the Tennessee Administrative Register in which the proposed rules are published.

This program is a five-year pilot program, to encourage health care providers and dentists to locate and practice in Tennessee health resource shortage areas after becoming licensed to practice. This program provides financial assistance for medical or dental education through Tennessee Rural Health Scholarships funded from net lottery proceeds. These rules are being promulgated as proposed rules to clarify how the program is to be administered. The rule as currently written defines how awards are to be distributed in the first and second years. These rules would recognize statutory requirements for distribution in years three through five.

Economic Impact Statement

1. Types of small businesses directly affected:

   Independent postsecondary education institutions that employ fifty (50) or fewer full-time employees that have students in attendance receiving a loan forgiveness award.

2. Projected reporting, recordkeeping, and other administrative costs:

   There are no significant changes in reporting, recordkeeping, or other administrative costs that will result from the promulgation of these proposed rules.

3. Probable effect on small businesses:

   The proposed rules were drafted to facilitate administration of the program for all postsecondary institutions and should have a positive effect on the independent postsecondary institutions employing fifty (50) or fewer full-time employees.

4. Less burdensome, intrusive, or costly alternative methods:

   As these proposed rules present no foreseeable cost to small businesses, there is no alternative method to propose.

5. Comparison with federal and state counterparts:

   There are no federal or state counterparts to the issues addressed by these proposed rules.

6. Effect of possible exemption of small businesses:

   There will be no exemptions created by these proposed rules.

Regulatory Flexibility Analysis Addendum

Regulatory Flexibility Act Of 2007, Public Chapter 464
Economic Impact Statement

Tennessee Student Assistance Corporation
Tennessee Rural Health Loan Forgiveness Program (Chapter 1640-01-21)

Public Chapter 464 of the 2007 Tennessee Public Acts, effective June 21, 2007 requires that prior to initiating the rulemaking process pursuant to Tenn. Code Ann. §§ 4-5-202(a)(3) and 4-5-202(a), all regulatory agencies shall review all proposed rules and the impact that the proposed rule has on small businesses. The public chapter requires that, "each agency shall employ a regulatory flexibility analysis utilizing regulatory methods that accomplish the objectives of applicable statutes while minimizing any adverse impact on small business."

The public chapter further provides that the agency shall consider, without limitation, certain methods of reducing the impact of the proposed rule on small businesses while remaining consistent with health, safety and well-being and those methods are as follows: the extent to which the proposed rule or rules may overlap, duplicate, or conflict with other federal, state, and local governmental rules; clarity, conciseness, and lack of ambiguity in the proposed rule or rules; the establishment of flexible compliance and/or reporting requirements for small businesses; the establishment of friendly schedules or deadlines for compliance and/or reporting requirements for small businesses; the consolidation or simplification of compliance or reporting requirements for small businesses; the establishment of performance standards for small businesses as opposed to design or operational standards required in the proposed rule; and the unnecessary creation of entry barriers or other effects that stifle entrepreneurial activity, curb innovation, or increase costs.

Description of Proposed Rule

Pursuant to T.C.A.§ 4-5-202, the Tennessee Student Assistance Corporation (TSAC) intends to file proposed rules, Chapter 1640-01-21, Tennessee Rural Health Loan Forgiveness Program, as amended rules, in lieu of a rulemaking hearing. It is the intent of TSAC to promulgate these rules without a rulemaking hearing unless a petition requesting such hearing is filed within thirty (30) days of the publication date of issue of the Tennessee Administrative Register in which the proposed rules are published. The Tennessee Rural Health Loan Forgiveness Program is a five-year pilot program to encourage health care providers and dentists to locate and practice in Tennessee health resource shortage areas after becoming licensed to practice by providing financial assistance for medical or dental education. These rules are being promulgated as proposed rules to clarify how the program is to be administered. The rule as currently written defines how awards are to be distributed in the first and second years. These rules would recognize statutory requirements for distribution in years three through five.

Regulatory Flexibility Analysis - Methods of Reducing Impact of Rules on Small Businesses

1. Overlap, duplicate, or conflict with other federal, state, and local governmental rules:

   The proposed rules will not overlap, duplicate, or conflict with other federal, state, and local governmental rules.

2. Clarity, conciseness, and lack of ambiguity in the rule or rules:

   The proposed rules were patterned to ensure clarity and conciseness of the language of the rules and to eliminate possible ambiguity in the interpretation of the rules.

3. Flexible compliance and/or reporting requirements for small businesses:

The proposed rules were drafted to facilitate administration of the program for all postsecondary education institutions.

4. Friendly schedules or deadlines for compliance and/or reporting requirements:

   TSAC worked diligently with key postsecondary education institution personnel and related health personnel to ensure that proposed compliance and/or reporting requirements can be practically applied by institutions administering the program.

5. Consolidation or simplification of compliance or reporting requirements:

   The proposed rules were drafted to ensure solid, easily interpreted, compliance and reporting requirements.

6. Performance standards for small businesses:

   TSAC expects all education institutions engaged in the administration of the Tennessee Rural Health Loan Forgiveness Program to comply with all applicable rules.

7. Barriers or other effects that stifle entrepreneurial activity, curb innovation, or increase costs:

   The proposed rules do not contain any foreseeable inhibitors to small business entrepreneurial activities.

Responses to the Questions
of the
Government Operations Committee
by the
Tennessee Student Assistance Corporation

Pursuant to T.C.A. § 4-4-225(i)(1), these responses pertain to the rules entitled the "Tennessee Rural Health Loan Forgiveness Program" that were originally filed as public necessity rules on October 23, 2008, Chapter 1640-01-21, in lieu of a rulemaking hearing.

(A) A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule:

The Tennessee Rural Health Loan Forgiveness Program is a five-year pilot program to encourage health care providers and dentists to locate and practice in Tennessee health resource shortage areas after becoming licensed to practice by providing financial assistance for medical or dental education. These rules are being promulgated as proposed rules to clarify how the program is to be administered. The rule as currently written defines how awards are to be distributed in the first and second years. These rules would recognize statutory requirements for distribution in years three through five.

(B) A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto:

Tenn. Code Ann. § 49-4-903 authorizes the Tennessee Student Assistance Corporation (TSAC) to administer the loan forgiveness scholarship program and Tenn. Code Ann. § 49-4-939 authorizes TSAC to promulgate rules and regulations relative to such program.

(C) Identification of persons, organizations, corporations, or governmental entities most directly affected by this rule, and whether the aforementioned, urge adoption or rejection of this rule:

TSAC; the Tennessee Higher Education Commission (THEC); those students who apply for and receive a Tennessee Rural Health Loan; and the Selection Committee composed of representatives of the Department of Health, the Tennessee Board of Medical Examiners, the Board of Osteopathic Examination, the Committee of Physician Assistants, the Board of Nursing, and the Board of Dentistry.

The aforementioned organizations, corporations, and governmental entities directly affected by this rule urge adoption of the proposed rules.

(D) Identification of any opinions of the attorney general or any judicial ruling which directly relates to the rule:

None.

(E) An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based:

None. The Tennessee Rural Health Loan Forgiveness Program shall be funded with Lottery for Education Reserve funds.

(F) Identification of the appropriate agency representative or representatives possessing substantial knowledge and understanding of the rule:

Peter Abernathy, TSAC Senior Associate Executive Director and Staff Attorney, and Tim Phelps,

TSAC Associate Executive Director for Grants and Scholarships.

(G) Person or persons who will explain the rule at the scheduled meeting of the Government Operations Committee:

Peter Abernathy, TSAC Senior Associate Executive Director and Staff Attorney, and Tim Phelps, TSAC Associate Executive Director for Grants and Scholarships.

(H) Office address and telephone number of the agency representative who will explain the rule at a scheduled meeting of the committees:

Peter Abernathy
Senior Associate Executive Director and Staff Attorney
Tennessee Student Assistance Corporation
Suite 1510, Parkway Towers
404 James Robertson Parkway
Nashville, TN 37243
615.532.6065

Tim Phelps
Associate Executive Director for Grants and Scholarships
Tennessee Student Assistance Corporation
Suite 1510, Parkway Towers
404 James Robertson Parkway
Nashville, TN 37243
615.253.7441

(I) Any additional information relevant to the rule proposed for continuation which the committee requests:

None received to date.

REDLINE

RULES
OF
TENNESSEE STUDENT ASSISTANCE CORPORATION
CHAPTER 1640-01-21
TENNESSEE RURAL HEALTH LOAN FORGIVENESS PROGRAM

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1640-01-21-.01 INTRODUCTION.

(1) These rules implement the Tennessee Rural Health Loan Forgiveness Program authorized in T.C.A., Title 49, Chapter 4, Part 9 as amended by 2008 Tennessee Public Acts, Chapter 1142 (hereinafter called the Act). The Act establishes a five-year pilot program and makes provision for loans and loan forgiveness to Tennessee health care providers and dentists. Loan forgiveness requires the health care providers and dentists to locate and practice in a Tennessee health resource shortage area after becoming licensed to practice.

(2) While the Act refers to the program as the "Tennessee Rural Health Act of 2008," the Corporation interprets the Act as establishing a loan forgiveness program because the Act requires the recipient to sign a promissory note that stipulates a repayment obligation under certain circumstances. In order to avoid confusion, the working title of the program shall be the "Tennessee Rural Health Loan Forgiveness Program."

Authority: *T.C.A. §§ 49-4-201, 49-4-204, 49-4-902, 49-4-924, and 49-4-939.* ***Administrative History:*** *Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Original rule filed January 30, 2009; effective May 29, 2009.*

1640-01-21-.02 DEFINITIONS.

(1) Continuous Full-time Employment: Practicing in a qualified field as described in the Act.

(2) Corporation: Tennessee Student Assistance Corporation (TSAC).

(3) Deferment: A period of time in which the borrower's payments may be postponed.

(4) Eligible Postsecondary Institution: The term is defined in T.C.A. § 49-4-902.

(5) Full-time Student: A student attending an eligible postsecondary institution and enrolled full-time according to the requirements of the eligible postsecondary institution.

(6) Grace Period: The period of time that repayment is not required and ends twelve months after the borrower completes the program of study or the borrower no longer meets the Tennessee Rural Health Loan Forgiveness Program eligibility requirements.

(7) Health Resource Shortage Area: An area determined as a health resource shortage area by the Department of Health, Office of Rural Health.

(Rule 1640-01-21-.02, continued)

(8) Loan Forgiveness: The partial or complete cancellation of a Tennessee Rural Health Loan, as described in these rules.

(9) Program of Study: An eligible postsecondary institution that offers:

(a) Doctor of Medicine (M.D.) degree; or

(b) Doctor of Osteopathic Medicine (D.O.) degree; or

(c) Doctor of Dental Surgery (D.D.S.) degree; or

(d) Physician Assistant program; or

(e) Masters or Doctoral Degree from a Nurse Practitioner Program.

(10) Repayment Period: A period of not more than ten (10) years in which the loan will be repaid and shall begin at the end of the grace period, or when TSAC determines that the recipient has not complied with the minimum requirements of the Act.

(11) Satisfactory Progress: A standard of progress toward completion of the program of study during which the borrower meets minimum academic requirements and progresses towards an advanced degree as required by the eligible postsecondary institution.

(12) Semester: Fall, Spring, or Summer semester at an eligible postsecondary institution, if the institution is on a semester system, or the equivalent, if the institution is on a system other than a semester system.

(13) Tennessee Rural Heath Act of 2008: The loan forgiveness scholarship program referenced in T.C.A., Title 49, Chapter 4, Part 9 in 2008 Public Acts, Chapter 1142, § 21(a).

Authority: *T.C.A. §§ 49-4-201, 49-4-204, 49-4-902, 49-4-924, and 49-4-939.* ***Administrative History:*** *Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Original rule filed January 30, 2009; effective May 29, 2009.*

1640-01-21-.03 ELIGIBILITY.

(1) In order to receive a Tennessee Rural Health Loan, a borrower must:

(a) Be a citizen of Tennessee; and

(b) Be a resident of Tennessee, as defined by regulations promulgated by the Tennessee Board of Regents for the state university and community college system, under the authority of T.C.A. § 49-8-104 where applicable, as of the date of application and on the date of reapplication for the loan each academic year; and

(c) Comply with the United States selective service system requirement for registration, as such requirements are applicable to the borrower; and

(d) Not be in default on a federal Title IV educational loan or Tennessee educational loan; and

(e) Be in compliance with federal drug-free rules and laws for receiving financial assistance; and

(Rule 1640-01-21-.03, continued)

(f) Not be incarcerated; and

(g) Be admitted to and attend an eligible postsecondary institution seeking an advanced degree in an eligible program of study; and

(h) As a service obligation of this loan, the borrower agrees to:

1. Practice medicine in a health resource shortage area after becoming a Tennessee licensed physician, osteopathic physician, or physician assistant or receiving a Tennessee certificate of fitness as a nurse practitioner one (1) year for each year of funding provided by the Tennessee Rural Health Loan Forgiveness Program and sign a promissory note that stipulates the cash repayment obligation incurred with interest if the service obligation is not fulfilled; or

2. Practice dentistry in a health resource shortage area after becoming a Tennessee licensed dentist one (1) year for each year of funding provided by the Tennessee Rural Health Loan Forgiveness program and sign a promissory note that stipulates the cash repayment obligation incurred with interest if the service obligation is not fulfilled.

(i) Maintain satisfactory progress in the program of study in which the borrower is enrolled; and

(j) Complete the program of study in this five-year pilot program no later than spring 2013; and

(k) Not accept any other financial assistance that carries with it a service obligation after graduation and receipt of the applicable license to practice medicine or dentistry, except for a service obligation in the United States armed forces, reserve, or the National Guard. The service obligation period shall not exceed six (6) years.

Authority: *T.C.A. §§ 49-4-201, 49-4-204, 49-4-904, 49-4-902, 49-4-924, and 49-4-939.* ***Administrative History:*** *Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Original rule filed January 30, 2009; effective May 29, 2009.*

1640-01-21-.04 AWARD AMOUNT.

(1) Subject to the amounts appropriated by the general assembly and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, a Tennessee Rural Health Loan shall not exceed twelve thousand dollars ($12,000) per academic year or the cost of tuition, mandatory fees, books, and equipment for the program of study, whichever is less.

(2) No more than twenty-five (25) students shall be awarded a scholarship in the 2008-2009 academic year and no more than fifty (50) students shall be awarded a scholarship in the 2009-2010 academic year.

(3) After consultation with the appropriate state agencies as required by the Act, TSAC has determined that the M.D. and D.O. programs shall have a combined ten (10) awards ~~per academic year~~for the first and fifth years of the program~~, and each program shall receive an equal number of awards~~. The remaining three programs of study shall each receive an equal number of awards in the first and fifth years of the program. In the event of an insufficient

(Rule 1640-01-21-.04, continued)

number of applications for a particular program of study, those awards will be made to the greatest shortage area according to the Department of Health, Office of Rural Health.

(4) For the second, third, and fourth years of the program, the M.D. and D.O. programs shall have a combined twenty (20) awards per academic year. The remaining three programs of study shall each receive an equal number of awards in the second, third, and fourth years of the program. In the event TSAC receives an insufficient number of applications for a particular program of study, those awards will be made to the greatest shortage area according to the Department of Health, Office of Rural Health.

(5) If an insufficient number of applications for all academic programs are received for the academic year, all applicants, regardless of program of study, will be awarded provided they meet eligibility requirements and provide evidence of commitment to the program.

(46) TSAC shall disburse the Tennessee Rural Health Loan funds directly to eligible postsecondary institutions, which shall in turn credit the scholarship recipient's account or disburse funds to the eligible scholarship recipient with payment at the beginning of each academic year.

Authority: *T.C.A. §§ 49-4-201, 49-4-204, 49-4-902, 49-4-924, and 49-4-939.* ***Administrative History:*** *Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Original rule filed January 30, 2009; effective May 29, 2009.*

1640-01-21-.05 APPLICATION AND SELECTION PROCESS.

(1) The applicant shall submit to TSAC an application and Promissory Note for a Tennessee Rural Health Loan for each academic year of postsecondary enrollment.

(2) The application deadline for each academic year is September 1.

(3) Each year that funds are available, preliminary rankings of applications will be made by the TSAC staff based upon established criteria and rankings determined by the Selection Committee, composed of representatives of the Department of Health, the Tennessee Board of Medical Examiners, the Board of Osteopathic Examination, the Committee of Physician Assistants, the Board of Nursing, and the Board of Dentistry. The TSAC Selection Committee will then review the top rated candidates to determine the final selections.

(4) The factors used in the ranking of applicants shall include, but not be limited to, overall grade point average, upper division laboratory science grade point average, and Medical College Admissions Test, or Dental Admissions Test scores. Selection also will include evidence of commitment to this program and other such factors that shall be identified as relevant in meeting the goals and interests of the Act.

Authority: *T.C.A. §§ 49-4-201, 49-4-204, 49-4-902, 49-4-924, and 49-4-939.* ***Administrative History:*** *Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Original rule filed January 30, 2009; effective May 29, 2009.*

1640-01-21-.06 INTEREST.

(1) To the extent that such obligation is not met, the amount becomes a loan and must be repaid plus interest at nine percent (9%) per annum from the date of disbursement.

(Rule 1640-01-21-.06, continued)

Authority: *T.C.A. §§ 49-4-201, 49-4-204, 49-4-902, 49-4-924, and 49-4-939.* ***Administrative History:*** *Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Original rule filed January 30, 2009; effective May 29, 2009.*

1640-01-21-.07 REPAYMENT.

(1) The Tennessee Rural Health Loan must be repaid unless cancelled as described elsewhere in these rules. Repayment will include the full amount of the loan received.

(2) Repayment shall begin at the end of the grace period, and shall be in monthly installments over a period of no more than ten (10) years, provided that payments must be a minimum of one hundred fifty dollars ($150) per month.

(3) Repayment for recipients who complete the plan of study shall begin in the first month following the end of the grace period, or upon demand by TSAC. Interest shall begin to accrue on the date of disbursement.

(4) The Tennessee Rural Health Loan may be prepaid in whole or part at any time without penalty.

(5) If the borrower of a Tennessee Rural Health Loan is determined to have received the award based on inaccurate application information, the full amount of the loan plus interest becomes due immediately.

(6) If the borrower has any action against their licensure that would prevent them from obtaining or retaining their license the full amount advanced plus interest must be repaid. Repayment shall begin upon demand by TSAC.

(7) If the borrower fails to complete an enrollment period for any reason, the eligible postsecondary institution shall apply its refund policy to determine whether a refund may be required and/or funds returned to TSAC. If the borrower withdraws after the refund period is over, the eligible postsecondary institution must follow the Return of Title IV guidelines, if applicable, to calculate any return of the Tennessee Rural Health Loan.

(8) If a borrower issues a check, draft, warrant, or electronic funds transfer, which is subsequently returned to TSAC due to insufficient funds, a stop payment order by the issuer, or any other reason, the payment to which these funds was applied shall be reversed on the borrower's account. Additionally, TSAC may charge a reasonable service fee for such a transaction.

Authority: *T.C.A. §§ 49-4-201, 49-4-204, 49-4-902, 49-4-924, and 49-4-939.* ***Administrative History:*** *Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Original rule filed January 30, 2009; effective May 29, 2009.*

1640-01-21-.08 DEFERMENT.

(1) Deferments must be verified on a semi-annual basis. If requested, supporting documentation shall be provided to TSAC by the borrower. The borrower may be granted a deferment based on any of the following reasons:

(Rule 1640-01-21-.08, continued)

(a) "Active duty service" in which the borrower is a member of the United States armed forces or mobilization as a member of the reserve components, but such period shall not exceed six (6) years.

(b) "Enrollment not seeking licensure" in which the borrower is still enrolled in an eligible postsecondary institution but is no longer enrolled in a program of study as described in the Act, but such period shall not exceed five (5) years or no later than spring 2013.

(c) "Enrollment seeking licensure" in which the borrower has not yet completed the requirements for the program of study and is enrolled at least full-time and making satisfactory progress at an eligible postsecondary institution, but such period shall not exceed five (5) years or no later than spring 2013.

(d) "Hardship" in which the borrower is not able to make payments, but such period shall not exceed two (2) years.

(e) "Period of training" in which the borrower is required to participate in for licensure as defined by the Department of Health, Office of Rural Health, including, but not limited to internship or residency.

Authority: *T.C.A. §§ 49-4-201, 49-4-204, 49-4-902, 49-4-924, and 49-4-939.* ***Administrative History:*** *Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Original rule filed January 30, 2009; effective May 29, 2009.*

1640-01-21-.09 CANCELLATION/FORGIVENESS.

(1) For each year of continuous full-time employment, the borrower shall receive a credit of one hundred percent (100%) of one (1) year's loan amount. Cancellation credit will be applied at the end of each year and upon receipt of verification of such service by the Tennessee Department of Health. Cancellation credit cannot be earned prior to completion of the advanced degree.

(2) In order to receive cancellation credit, the borrower shall provide employment verification as required by TSAC.

(3) Cancellation credit shall begin immediately following the grace period for which the loan was provided.

(4) The debt shall be cancelled on the basis of conclusive evidence that the borrower has died or has been totally and permanently disabled and cannot perform the service obligation outlined in the regulations. The borrower is not considered totally and permanently disabled on the basis of a condition that existed prior to the loan application. If, at any time subsequent to an initial determination of disability, the borrower's condition improves to the point where a total and permanent disability no longer exists, TSAC may reinstate any outstanding debt previously cancelled.

Authority: *T.C.A. §§ 49-4-201, 49-4-204, 49-4-902, 49-4-924, and 49-4-939.* ***Administrative History:*** *Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Original rule filed January 30, 2009; effective May 29, 2009.*

1640-01-21-.10 LEAVE OF ABSENCE.

(Rule 1640-01-21-.10, continued)

(1) A borrower may be granted a medical or personal leave of absence from attendance at an eligible postsecondary institution and resume receiving the Tennessee Rural Health Loan upon resumption of the borrower's attendance at an eligible postsecondary institution so long as all other applicable eligibility criteria are met. An eligible postsecondary institution may grant a leave of absence only for medical or personal reasons. Allowable medical or personal reasons shall include, but not be limited to, illness of the borrower, illness or death of an immediate family member, extreme financial hardship of the borrower or borrower's immediate family, a military obligation of the borrower or family member, or other extraordinary circumstances beyond the borrower's control where continued attendance by the borrower creates a substantial hardship. In the event an institution denies a borrower's request for a medical or personal leave of absence, the borrower may seek relief from the decision in accordance with Rule 1640-01-21-.11.

Authority: *T.C.A. §§ 49-4-201, 49-4-204, 49-4-902, 49-4-924, and 49-4-939.* ***Administrative History:*** *Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Original rule filed January 30, 2009; effective May 29, 2009.*

1640-01-21-.11 APPEALS PROCEDURE.

(1) TSAC shall provide written notice to a borrower of an adverse decision relative to a borrower's application for scholarship or scholarship award. A borrower who disagrees with such decision and wants the decision reviewed must request a review of the decision in writing. The borrower's request for review must be received by TSAC within ten (10) business days of the date of the written notice provided by TSAC. Such request shall include a statement of the reason or reasons for the request for review and all information supporting the borrower's position regarding the decision.

(2) Generally, the ruling of TSAC's program administrator shall apply.

(3) An individual who believes that the ruling of the program administrator was not in accordance with the published regulations and the Act may appeal within ten (10) business days to the authority of the TSAC's Appeals Panel for relief.

(4) An individual who believes that the ruling of the TSAC's Appeals Panel was not in accordance with the published regulation and the Act may appeal to the authority of the Corporation's Board of Director's Appeal Committee. This is the final administrative remedy.

Authority: *T.C.A. §§ 49-4-201, 49-4-204, 49-4-902, 49-4-924, and 49-4-939.* ***Administrative History:*** *Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Original rule filed January 30, 2009; effective May 29, 2009.*