

reflected by the personal statement of long-term career goals and the plan outlined to achieve those goals.

- Strength of recommendations attesting to the applicant's potential for a research career.

- b. Quality of the overall environment to prepare the applicant for a clinical research career.

- Availability of appropriate scientific colleagues to achieve and/or enhance the applicant's research independence.

- Quality and appropriateness of institutional resources and facilities.

#### Program Administration and Details

Under the ECR-LRP, a portion of the participants' outstanding educational loan debt will be repaid. Participants will not automatically qualify for the maximum amount of loan repayment. The amount the NCMHD will consider for repayment during the initial two-year contract shall be calculated as follows: one-fourth the repayable debt per year, up to a maximum of \$35,000 per year. For example, a participant with a base salary of \$40,000 per year and an outstanding eligible educational loan debt of \$100,000, would have a debt threshold of \$8,000 (the debt threshold is 20 percent of an applicant's annual institutional salary). All participants are responsible for paying one-half of their debt threshold amount. This amount is known as the participant's obligation and is subtracted from the total outstanding loan debt. In this case, the participant's obligation would be \$4,000 and the participant's eligible loan debt would be reduced to \$96,000. This reduced amount is known as the repayable debt (\$100,000 - \$4,000 = \$96,000). Of the \$96,000 repayable debt amount, the NCMHD would repay \$24,000 a year in loan repayments (one-fourth of the repayable debt amount), plus tax benefits.

Loan repayments will be made to the designated lender following the completion of each full quarter (3 months) of service by the participant and upon the receipt of requested documentation from the participants and their supervisors/mentors. Because the first payment to the lenders on behalf of the participants will not commence until the end of the first full quarter of obligated service, participants should continue to make monthly loan payments until they have been informed that payments have been forwarded to their lenders. This measure enables the participants to maintain their loans in a current payment status.

In return for the repayment of their educational loans, participants must

agree to (1) engage in qualified clinical research for a minimum period of two years; (2) engage in such research for at least 50 percent of their time, *i.e.*, not less than 20 hours per week; (3) make payments to lenders on their own behalf for periods of Leave Without Pay (LWOP); (4) pay monetary damages as required for breach of contract; and (5) satisfy other terms and conditions of the LRP contract.

Repayments are made directly to lenders, following the receipt of (1) the Principal Investigator, Program Director, or Research Supervisor's verification of completion of the prior period of research, and (2) lender verification of the crediting of prior loan repayments, including the resulting account balances and current account status. The NIH will repay loans in the following order, unless the Secretary determines that significant savings would result from a different order of priority:

(1) Loans guaranteed by the U.S. Department of Health and Human Services:

- Health Education Assistance Loan (HEAL);
- Health Professions Student Loan (HPSL);
- Loans for Disadvantaged Students (LDS); and
- Nursing Student Loan Program (NSL);

(2) Loans guaranteed by the U.S.

Department of Education:

- Direct Subsidized Stafford Loan;
- Direct Unsubsidized Stafford Loan;
- Direct Consolidation Loan;
- Perkins Loan;
- FFEL Subsidized Stafford Loan;
- FFEL Unsubsidized Stafford Loan;

and

- FFEL Consolidation Loan;
- (3) Loans made or guaranteed by a State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States;

(4) Loans made by academic institutions; and

(5) Private ("Alternative")

Educational Loans:

- MEDLOANS; and
- Private (non-guaranteed)

Consolidation Loans.

The following loans are NOT repayable under the ECR-LRP:

(i) Loans not obtained from a U.S. or other government entity, academic institution, or a commercial or other chartered U.S. lending institution such as loans from friends, relatives, or other individuals, and non-educational loans, such as home equity loans;

(ii) Loans for which contemporaneous documentation (current account statement and promissory note or lender disclosure statement) is not available;

(iii) Loans that have been consolidated with loans of other individuals, such as a spouse or child;

(iv) Loans or portions of loans obtained for educational or living expenses that exceed a reasonable level, as determined by the standard school budget for the year in which the loan was made, and are not determined by the LRP to be reasonable based on additional contemporaneous documentation provided by the applicant;

(v) Loans, financial debts, or service obligations incurred under the following programs, or other programs that incur a service obligation that converts to a loan on failure to satisfy the service obligation:

- Physicians Shortage Area Scholarship Program (Federal or State);
- National Research Service Award Program;
- Public Health Service and National Health Service Corps Scholarship Program;
- Armed Forces (Army, Navy, or Air Force) Health Professions Scholarship Program; and
- Indian Health Service Scholarship Program;

(vi) Delinquent loans, loans in default, or loans not current in their payment schedule;

(vii) PLUS Loans;

(viii) Loans that have been paid in full;

(ix) Loans obtained after the execution of the LRP Contract (*e.g.*, promissory note signed after the LRP contract has been awarded); and

(x) Primary Care Loans.

During lapses in loan repayments, due either to NIH administrative complications or a break in service, LRP participants are wholly responsible for making payments or other arrangements that maintain loans current, such that increases in either principal or interest do not occur. Penalties assessed participants as a result of NIH administrative complications to maintain a current payment status may not be considered for reimbursement.

#### Additional Program Information

This program is not subject to the provision of Executive Order 12372, Intergovernmental Review of Federal Programs. Under the requirements of the Paperwork Reduction Act of 1995, OMB has approved the application forms for use by the ECR-LRP under OMB Approval No. 0925-0361 (expires December 31, 2004).

*The Catalog of Federal Domestic Assistance* number for the ECR-LRP is 93.308.