

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. Applicants must submit a signed contract, prepared by the NIH, agreeing to engage in qualified clinical research at the time they submit an application. Substantial monetary penalties will be imposed for breach of contract.

The NIH will repay lenders for the extant principal, interest, and related expenses (such as the required insurance premiums on the unpaid balances of some loans) of qualified U.S. or other government (Federal, State, local), academic institutions, and commercial or other chartered U.S. lending institution educational loans obtained by participants for the following:

(1) Undergraduate, graduate, and health professional school tuition expenses;

(2) Other reasonable educational expenses required by the school(s) attended, including fees, books, supplies, educational equipment and materials, and laboratory expenses; and

(3) Reasonable living expenses, including the cost of room and board, transportation and commuting costs, and other living expenses as determined by the Secretary.

Repayments are made directly to lenders, following 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 Loan Repayment Program for Clinical Researchers:

(1) 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;

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

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

(4) Loans or portions of loans obtained for educational or living expenses, which 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;

(5) 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:

- Armed Forces (Army, Navy, or Air Force) Health Professions Scholarship Program;
 - Indian Health Service (IHS) Scholarship Program;
 - National Institutes of Health Undergraduate Scholarship Program (UGSP);
 - National Research Service Award (NRSA) Program;
 - Physicians Shortage Area Scholarship Program (Federal or State);
 - Primary Care Loan (PCL) Program;
- and

• Public Health Service (PHS) and National Health Service Corps (NHSC) Scholarship Program;

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

(7) PLUS Loans;

(8) Loans that have been paid in full; and

(9) Loans obtained after the execution of the NIH Loan Repayment Program Contract (*e.g.*, promissory note signed after the LRP contract has been awarded).

Before the commencement of loan repayment, or during lapses in loan repayments, due to NIH administrative complications, Leave Without Pay (LWOP), 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. The LRP contract period will not be modified or extended as a result of Leave Without Pay (LWOP) or a break in service. Penalties assessed participants as a result of NIH administrative complications to maintain a current payment status may not be considered for reimbursement.

LRP payments are NOT retroactive. Loan repayment for Fiscal Year 2003 will commence after a loan repayment contract has been executed, which is expected to be no earlier than June 2003.

Additional Program Information

This program is not subject to the provisions of Executive Order 12372, Intergovernmental Review of Federal Programs.

This program is subject to OMB clearance under the requirements of the Paperwork Reduction Act of 1995. The OMB approval of the information collection associated with the Loan Repayment Program for Clinical Researchers expires on December 31, 2004. The Catalog of Federal Domestic Assistance number for the Loan Repayment Program for Clinical Researchers is 93.280.

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Elias A. Zerhouni,
Director, NIH.

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