
A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 304A, Hawaii Revised Statutes, is
2 amended by adding a new subpart to part II to be appropriately
3 designated and to read as follows:

4 " . **HAWAII MEDICAL DOCTOR LOANS**

5 **§304A-A Hawaii medical doctor loans; eligibility; amounts.**

6 There is created the Hawaii medical doctor loan program to be
7 administered by the University of Hawaii, to provide financial
8 support to students who complete a state-approved medical school
9 program at the University of Hawaii and who agree to practice in
10 rural areas of the state, as designated by the University of
11 Hawaii. Eligibility shall be awarded by the university to
12 students on a competitive basis. The amount to be loaned to a
13 student shall be determined by the board of regents based upon
14 need for financial aid and proof of acceptance into a state-
15 approved medical school program at the university. The maximum
16 amount of loans that a student may receive under this program
17 shall be an aggregate amount equivalent to tuition payments and
18 costs of textbooks and other instructional and laboratory



1 materials necessary to complete a state-approved medical school
2 program.

3 **§304A-B Repayment of loans; waiver; collection.** (a) All
4 loans made under this subpart shall bear interest at five per
5 cent simple interest. Repayment of principal and interest
6 charges shall commence one year after graduation or three months
7 after a loan recipient ceases to be enrolled in a state-approved
8 medical school program at the university and shall be paid in
9 periodic installments within a six-year period. The university
10 may charge late fees and all other reasonable costs for the
11 collection of delinquent loans.

12 (b) Upon a showing of proof that the loan recipient has
13 completed a state-approved medical school program and is
14 practicing as a medical doctor in a rural area of the State, as
15 designated by the university, one-tenth of the total amount of
16 the loan and interest shall be waived for every year of the
17 first five years, and the remaining balance shall be waived
18 after the sixth year that a loan recipient practices medicine in
19 a rural area of the State, as designated by the University of
20 Hawaii.



1 (c) Liability for repayment of a loan shall be canceled
2 upon the death or permanent total disability of the loan
3 recipient.

4 (d) If a loan recipient subject to this section fails to
5 practice medicine in a rural area of the State, as designated by
6 the university, for a minimum of ten consecutive years from the
7 loan recipient's original date of employment with the
8 university, excluding temporary leaves of absence, then the loan
9 recipient shall repay any remaining loan balance at the rate of
10 ten per cent simple interest.

11 (e) In accordance with chapter 103D, the university may
12 enter into written contracts with collection agencies for the
13 purpose of collecting delinquent student loans. All payments
14 collected, exclusive of a collection agency's commissions, shall
15 revert, and be credited, to the special fund established for the
16 Hawaii medical doctor loan program. A collection agency that
17 enters into a written contract with the university for the
18 collection of delinquent student loans, pursuant to this
19 section, may collect a commission from the debtor in accordance
20 with the terms of, and up to the amounts authorized in, the
21 written contract.



1 **§304A-C Capacity of minors in qualifying for Hawaii**
2 **medical doctor loans.** Any student otherwise qualifying for a
3 loan under the Hawaii medical doctor loan program revolving fund
4 shall not be disqualified because the student is under the age
5 of eighteen years, and for the purpose of applying for,
6 receiving, and repaying the loan, any such person shall be
7 deemed to have full legal capacity to act and shall have all
8 rights, powers, privileges, and obligations of an adult with
9 respect thereto.

10 **§304A-D Rules governing Hawaii medical doctor loan program**
11 **special fund.** The university may adopt rules to implement the
12 Hawaii medical doctor loan program. The rules shall be adopted
13 pursuant to chapter 91 but shall be exempt from the public
14 notice and public hearing requirements.

15 **§304A-E Medical doctor loan revolving fund.** There is
16 established a revolving fund to be known as the medical doctor
17 loan fund. The fund shall be a revolving fund and all interest
18 and payments received on account of principal shall be credited
19 to the fund. The fund shall be administered by the board of
20 regents and shall be disbursed to qualified students who meet
21 eligibility requirements under section 304A-A pursuant to rules
22 adopted by the board."



1 SECTION 2. There is appropriated out of the general
 2 revenues of the State of Hawaii the sum of \$ or so
 3 much thereof as may be necessary for fiscal year 2008-2009 for
 4 deposit into the medical doctor loan revolving fund established
 5 by this Act.

6 SECTION 3. There is appropriated out of the medical doctor
 7 loan revolving fund the sum of \$ or so much thereof as
 8 may be necessary for fiscal year 2008-2009 for the purposes of
 9 this Act.

10 The sum appropriated shall be expended by the University of
 11 Hawaii for the purposes of this Act.

12 SECTION 4. In codifying the new sections added by section
 13 1 of this Act, the revisor of statutes shall substitute
 14 appropriate section numbers for the letters used in designating
 15 the new sections in this Act.

16 SECTION 5. This Act shall take effect on July 1, 2008.
 17

INTRODUCED BY: Tony Wu
 JAN 16 2008



Report Title:

UH; Loan Repayments

Description:

Establishes loan repayment program for University of Hawaii medical school graduates working in rural areas of the State.

