
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
3 appropriately designated and to read as follows:
4 " . HAWAII MEDICAL DOCTOR LOANS
5 §304A-A Hawaii medical doctor loans; eligibility;
6 amounts. There is created the Hawaii medical doctor loan
7 program to be administered by the University of Hawaii, to
8 provide financial support to students who complete a state-
9 approved medical school program at the University of Hawaii
10 and who agree to practice in rural areas of the State, as
11 designated by the University of Hawaii. Eligibility shall
12 be awarded by the university to students on a competitive
13 basis. The amount to be loaned to a student shall be
14 determined by the board of regents based upon need for
15 financial aid and proof of acceptance into a state-approved
16 medical school program at the university. The maximum
17 amount of loans that a student may receive under this
18 program shall be an aggregate amount equivalent to tuition



1 payments and costs of textbooks and other instructional and
2 laboratory materials necessary to complete a state-approved
3 medical school program.

4 §304A-B Repayment of loans; late fees; rural area
5 practice and loan repayment waiver; collection agency. (a)

6 All loans made under this subpart shall bear interest at
7 five per cent simple interest. Repayment of principal and
8 interest charges shall commence one year after graduation
9 or three months after a loan recipient ceases to be
10 enrolled in a state-approved medical school program at the
11 university and shall be paid in periodic installments
12 within a six-year period.

13 (b) The university shall charge late fees and all
14 other reasonable costs for the collection of delinquent
15 loans.

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



1 recipient practices medicine in a rural area of the State,
2 as designated by the University of Hawaii.

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

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



1 terms of, and up to the amounts authorized in, the written
2 contract.

3 (f) Liability for repayment of a loan shall be
4 canceled upon the death or permanent total disability of
5 the loan recipient.

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

15 **§304A-D Rules governing Hawaii medical doctor loan**
16 **program.** The university may adopt rules to implement the
17 Hawaii medical doctor loan program. The rules shall be
18 adopted pursuant to chapter 91 but shall be exempt from the
19 public notice and public hearing requirements.

20 **§304A-E Medical doctor loan revolving fund.** There is
21 established a revolving fund to be known as the medical
22 doctor loan revolving fund. The fund shall be a revolving



1 fund and all interest and payments received on account of
2 principal shall be credited to the fund. The fund shall be
3 administered by the board of regents and shall be disbursed
4 to qualified students who meet eligibility requirements
5 under section 304A-A pursuant to rules adopted by the
6 board."

7 SECTION 2. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$ or
9 so much thereof as may be necessary for fiscal year 2009-
10 2010 and the same sum or so much thereof as may be
11 necessary for fiscal year 2010-2011 for deposit into the
12 medical doctor loan revolving fund established by this Act.

13 SECTION 3. There is appropriated out of the medical
14 doctor loan revolving fund the sum of \$ or so
15 much thereof as may be necessary for fiscal year 2009-2010
16 and the same sum or so much thereof as may be necessary for
17 fiscal year 2010-2011 for the purposes of this Act.

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

20 SECTION 4. In codifying the new subpart added to
21 chapter 304A, Hawaii Revised Statutes, by section 1 of this
22 Act, the revisor of statutes shall substitute appropriate



1 section numbers for the letters used in designating the new
2 sections in this Act.

3 SECTION 5. This Act shall take effect on January 1,
4 2010.

5

INTRODUCED BY:

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



[Handwritten signature]

[Handwritten signature]

Report Title:

UH; Loan Repayments

Description:

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

