
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 and graduate from a state-
9 approved medical school program at the University of Hawaii and
10 who agree to practice for a minimum of six years in counties
11 with a population of less than five hundred thousand. Loans
12 shall be awarded by the university to students on a competitive
13 basis. The amount to be loaned to a student shall be determined
14 by the board of regents based upon need for financial aid and
15 proof of acceptance into a state-approved medical school program
16 at the university. The maximum amount of loans that a student
17 may receive under this program shall be an aggregate amount



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

4 **§304A-B Repayment of loans; late fees; practice and loan**
5 **repayment forgiveness; collection agency.** (a) All loans made
6 under this subpart shall bear interest at five per cent simple
7 interest. Repayment of principal and interest charges shall
8 commence one year after graduation or, if a student has not
9 graduated, 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 within a
12 six-year period.

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

15 (c) Upon a showing of proof that a loan recipient:

16 (1) Has completed and graduated from a state-approved
17 medical school program at the university; and

18 (2) Is practicing as a medical doctor in a county with a
19 population of less than five hundred thousand,

20 ten per cent of the total amount of the loan and interest shall
21 be forgiven for each year of the first five years of medical
22 practice within an eligible county, up to a maximum of fifty per



1 cent; provided that the remaining balance shall be forgiven if
2 the student completes a sixth year of medical practice in an
3 eligible county.

4 (d) If a loan recipient subject to this section does not
5 practice or discontinues to practice medicine in an eligible
6 county, for the minimum of six years from the loan recipient's
7 initial date of employment, excluding temporary leaves of
8 absence, the university shall withdraw its forgiveness of future
9 loan repayments, and the loan recipient shall repay any
10 remaining loan balance at the rate of ten per cent simple
11 interest.

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

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

14 **§304A-D Rules governing Hawaii medical doctor loan**
15 **program.** The university shall adopt rules to implement the
16 Hawaii medical doctor loan program. The rules shall be adopted
17 pursuant to chapter 91 but shall be exempt from the public
18 notice and public hearing requirements."

19 SECTION 2. Chapter 304A, Hawaii Revised Statutes, is
20 amended by adding two new sections to part V, subpart D to be
21 appropriately designated and to read as follows:



1 "§304A-AA Medical doctor loan revolving fund. There is
2 established a revolving fund to be known as the medical doctor
3 loan revolving fund. The fund shall be a revolving fund and all
4 interest and payments received on account of principal shall be
5 credited to the fund. The fund shall be administered by the
6 board of regents and shall be disbursed to qualified students
7 who meet eligibility requirements under section 304A-A pursuant
8 to rules adopted by the board.

9 §304A-BB Medical school graduates; practice in eligible
10 county; housing stipend; medical doctor housing stipend
11 revolving fund. (a) Each student who completes and graduates
12 from a state-approved medical school program at the University
13 of Hawaii and who agrees to practice for a minimum of six years
14 in a county with a population of less than five hundred thousand
15 shall be eligible to receive a housing stipend for each year the
16 graduate practices in an eligible county. The maximum annual
17 amount of the housing stipend shall be equal to the actual
18 annual cost of the graduate's housing in the eligible county.

19 (b) Upon a showing of proof that an applicant:

20 (1) Has completed a state-approved medical school program
21 at the university; and



1 (2) Is practicing as a medical doctor in a county with a
2 population of less than five hundred thousand,
3 the graduate shall receive an annual housing stipend to be
4 awarded prospectively for each year of practice within an
5 eligible county, up to a maximum of six years.

6 (c) For each incomplete year that a housing stipend
7 recipient who is subject to this section fails to practice
8 medicine in an eligible county, the university shall rescind the
9 annual housing stipend for that incomplete year, and the housing
10 stipend recipient shall repay the full amount of the annual
11 housing stipend awarded for that year.

12 (d) There is established a revolving fund to be known as
13 the medical doctor housing stipend revolving fund. The fund
14 shall be a revolving fund and all interest and payments received
15 on account of principal shall be credited to the fund. The fund
16 shall be administered by the board of regents and shall be
17 disbursed to students who meet eligibility requirements under
18 this section.

19 (e) The board shall adopt rules in accordance with chapter
20 91, but exempt from the public notice and public hearing
21 requirements, to implement this section, including provision for
22 the prospective award of housing stipends, repayment of housing



1 stipends, necessary forms and documentary proof of residence,
2 and disbursement from the revolving fund."

3 SECTION 3. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so
5 much thereof as may be necessary for fiscal year 2009-2010 and
6 the same sum or so much thereof as may be necessary for fiscal
7 year 2010-2011 for deposit into the medical doctor loan
8 revolving fund established by this Act.

9 SECTION 4. There is appropriated out of the medical doctor
10 loan revolving fund the sum of \$ or so much thereof as
11 may be necessary for fiscal year 2009-2010 and the same sum or
12 so much thereof as may be necessary for fiscal year 2010-2011 to
13 fund the Hawaii medical doctor loan program.

14 The sums appropriates shall be expended by the University
15 of Hawaii for the purposes of this Act.

16 SECTION 5. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so
18 much thereof as may be necessary for fiscal year 2009-2010 and
19 the same sum or so much thereof as may be necessary for fiscal
20 year 2010-2011 for deposit into the medical doctor housing
21 stipend revolving fund established by this Act.



1 SECTION 6. There is appropriated out of the medical doctor
 2 housing stipend revolving fund the sum of \$ or so much
 3 thereof as may be necessary for fiscal year 2009-2010 and the
 4 same sum or so much thereof as may be necessary for fiscal year
 5 2010-2011 to fund the medical doctor housing stipend program.

6 The sums appropriated shall be expended by the University
 7 of Hawaii for the purposes of this Act.

8 SECTION 7. In codifying the new subpart added to chapter
 9 304A, Hawaii Revised Statutes, by section 1 of this Act, the
 10 revisor of statutes shall substitute appropriate section numbers
 11 for the letters used in designating the new sections in this
 12 Act.

13 SECTION 8. New statutory material is underscored.

14 SECTION 9. This Act shall take effect on January 1, 2010.

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INTRODUCED BY:

[Handwritten signatures and names, some crossed out with large scribbles]

~~Rickie P. Brown~~
~~Mark Takashima~~
~~Ray Kishano~~
~~John J. ...~~
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Report Title:

UH; Medical School Loan Repayment; Housing Stipend

Description:

Establishes loan repayment program and housing stipend program for University of Hawaii medical school graduates practicing in counties with a population of less than 500,000 for a minimum of 6 years.

