

---

---

# 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, or graduates of a medical  
10 school who have received medical training from a Hawaii-based  
11 medical program and who agree to practice in rural areas of the  
12 state, as designated by the University of Hawaii. Eligibility  
13 shall be awarded by the university to students on a competitive  
14 basis. The amount to be loaned to a student shall be determined  
15 by the board of regents based upon need for financial aid and  
16 proof of acceptance into a state-approved medical school program  
17 at the university. The maximum amount of loans that a student  
18 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; rural area practice**  
5 **and loan repayment waiver; collection agency.** (a) All loans  
6 made under this subpart shall bear interest at five per cent  
7 simple interest. Repayment of principal and interest shall  
8 commence one year after graduation or three months after a loan  
9 recipient ceases to be enrolled in a state-approved medical  
10 school program at the university and shall be paid in periodic  
11 installments within a six-year period.

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

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



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

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

20 (f) Liability for repayment of a loan shall be canceled  
21 upon the death or permanent total disability of the loan  
22 recipient.



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 shall not be  
4 disqualified because the student is under the age of eighteen  
5 years, and for the purpose of applying for, receiving, and  
6 repaying the loan, the student shall be deemed to have full  
7 legal capacity to act and shall have all rights, powers,  
8 privileges, and obligations of an adult with respect thereto.

9           **§304A-D Rules governing Hawaii medical doctor loan**  
10 **program.** The university may adopt rules to implement the Hawaii  
11 medical doctor loan program. The rules shall be adopted  
12 pursuant to chapter 91 but shall be exempt from the public  
13 notice and public hearing requirements.

14           **§304A-E Hawaii medical doctor loan program revolving fund.**  
15 There is established a revolving fund to be known as the Hawaii  
16 medical doctor loan program revolving fund. The fund shall be a  
17 revolving fund and all interest and payments received on account  
18 of principal shall be credited to the fund. The fund shall be  
19 administered by the board of regents and shall be disbursed to  
20 qualified students who meet eligibility requirements under  
21 section 304A-A pursuant to rules 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 2009-2010 and  
4 the same sum or so much thereof as may be necessary for fiscal  
5 year 2010-2011 for deposit into the Hawaii medical doctor loan  
6 program revolving fund established by this Act.

7 SECTION 3. There is appropriated out of the Hawaii medical  
8 doctor loan program revolving fund the sum of \$ or so  
9 much thereof as may be necessary for fiscal year 2009-2010 and  
10 the same sum or so much thereof as may be necessary for fiscal  
11 year 2010-2011 for the purposes of this Act.

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

14 SECTION 4. In codifying the new subpart added to chapter  
15 304A, Hawaii Revised Statutes, by section 1 of this Act, the  
16 revisor of statutes shall substitute appropriate section numbers  
17 for the letters used in designating the new sections in this  
18 Act.

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



**Report Title:**

UH; Loan Repayments

**Description:**

Establishes the Hawaii Medical Doctor Loan Repayment Program for University of Hawaii medical school graduates and medical school graduates with training from Hawaii based medical program working in rural areas of the state. (HB991 HD1)

