

RSA Scholarship

Financial Support for Undergraduate Rehabilitation Students

The Department of Rehabilitation, Social Work and Addictions, through support from the U.S. Department of Education's Rehabilitation Services Administration, has seven Scholarships available for undergraduate students majoring in rehabilitation services.

- Scholarships include:
 - a. Tuition and fees (up to \$8,000 during the academic year)
 - b. A monthly stipend

- Scholarships have been designated for students who make a commitment to pursue employment in support of State-Federal Vocational Rehabilitation Programs. Examples of qualified employment include:
 - a. Non-profit community organizations serving persons with disabilities
 - b. Rehabilitation hospitals and acute care facilities providing services to persons with disabilities
 - c. State vocational rehabilitation agencies
 - d. Independent living centers

- Awards will be based on the applicant's:
 - a. Written statement demonstrating their understanding of/interest in the State-Federal Vocational Rehabilitation Program
 - b. Academic standing and potential
 - c. Personal interview
 - d. Two letters of recommendation

For further information contact:
Dr. Zachery B. Sneed
Assistant Professor
Department of Rehabilitation, Social Work & Addictions
University of North Texas
P.O. Box 311456
Denton, Texas 76203-0919
Phone: (940) 565-2488
Fax: (940) 565-3960

RSA Scholarship Application
Department of Rehabilitation, Social Work & Addictions
College of Public Affairs and Community Service
University of North Texas

INSTRUCTIONS:

- Complete the Application Form
- Verify by your signature that you have read and agree to conditions outlined in the attached regulations (Federal Register, Vol 59, No. 115, dated 6 June, 1994)
- Submit two letters of recommendation
- Submit a one-page resume
- Submit an essay in which you discuss your (1) reason for pursuing a career in vocational rehabilitation, (2) leadership skills, and (3) perceptions on cultural diversity in relation to a career in rehabilitation. (Double-spaced, **typed, 3-5 pages**)
- Send application, letters of recommendation, resume, and essay to:
DRSWA Scholarship Committee
Attn: Dr. Zach Sneed
P.O. Box 311456
University of North Texas
Denton, TX 76203-0919
(940) 565-2488; Fax (940) 565-3960

Name: _____

Permanent Address: _____

Local Address: _____

Student ID #: _____

Phone # _____

Personal data:

- 1) Are you receiving any other education support from a federal, state, local, public, or voluntary agency (Ex: VA, DARS, etc) ? _____ If so, specify _____
- 2) Has you mother graduated from college? _____ Your father? _____
- 3) Do you have a disability? * _____ If so, specify _____

*Response to this item is optional. It is included on the application form because a major objective of this project is the recruitment of members from traditionally under represented groups into the rehabilitation profession.

REQUIREMENTS FOR AWARD:

1. Federal Regulations governing the award of this financial support are specific and comprehensive. These regulations are presented in the attached section of the Federal Register (Vol. 59, No. 115, dated: Thursday, 16 June 1994). Applicants for the RSA Scholarship are required to read and understand these regulations (attached) prior to completing this scholarship application.
2. The Federal Regulations require a recipient to enter employment, upon graduation, in a State Vocational Rehabilitation (VR) Agency or an approved related agency that provides services to individuals with disabilities under an agreement with a State VR Agency in the specialty for which the training was designed.
3. To become an/or remain eligible for this competitive scholarship, the student must:
 - a. Be enrolled on a full time basis in the Bachelor of Science in Rehabilitation Studies degree program in the Department of Rehabilitation, Social Work & Addictions at the University of North Texas;
 - b. Maintain an overall GPA of at least 2.5 and a GPA of at least 3.0 in your major;
 - c. Be enrolled in a minimum of twelve semester hours of didactic course work or six (6) semester hours in practicum during the semester in which the scholarship is awarded. The minimum allowable course work in the summer is six (6) semester hours.
4. Appointments are made on a competitive basis for one year. Recipients must maintain the required GPA and be enrolled full-time each semester in order to continue to receive the scholarship. Reappointments may be made for a period not to exceed two (2) academic years.
5. A selection committee comprised of project administrators and DRSWA faculty will review applications and make recommendations for appointments and/or reappointments of scholarships.

AGREEMENT OF UNDERSTANDING:

I have received a copy of regulations contained in the attached document (sections of Vol. 59, No. 115 of the Federal Register) and read these regulations. I agree to the provisions contained in this document and in this application regarding my obligations should I be awarded an RSA Scholarship.

If I am a recipient of an RSA Scholarship from the Department of Rehabilitation, Social Work & addictions at the University of North Texas, I hereby state my intent to pursue a career within the State/Federal Vocational Rehabilitation Program or within a program which supports the State/Federal Vocational Rehabilitation program upon completion of my bachelor's degree in rehabilitation at UNT.

Signature of Applicant

Date

Name printed or typed

Waiver of Notice of Proposed Rulemaking

In accordance with section 431(b)(2)(A) of the General Education Provisions Act (20 U.S.C. 1232(b)(2)(A)) and the Administrative Procedure Act (5 U.S.C. 553), it is the practice of the Secretary to offer interested parties the opportunity to comment on proposed regulations. However, the language added in Sec. 386.1(b)(30) merely incorporates into the regulations a statutory change made by the Technology-Related Assistance for Individuals With Disabilities Act Amendments of 1994 to the Rehabilitation Act of 1973, as amended, and does not implement substantive policy. Therefore, the Secretary has determined, pursuant to 5 U.S.C. 553(b)(B), that public comment on the change in the regulations is unnecessary and contrary to the public interest.

Intergovernmental Review

This program is subject to the requirements of Executive Order 12372 and the regulations in 34 CFR Part 79. The objective of the Executive order is to foster an intergovernmental partnership and strengthened federalism by relying on processes developed by State and local governments for coordination and review of proposed Federal financial assistance.

In accordance with the order, this document is intended to provide early notification of the Department's specific plans and actions for this program.

Assessment of Educational Impact

In the notice of proposed rulemaking, the Secretary requested comments on whether the proposed regulations would require transmission of information that is being gathered by or is available from any other agency or authority of the United States.

Based on the response to the proposed regulations and on its own review, the Department has determined that the regulations in this document do not require transmission of information that is being gathered by or is available from any other agency or authority of the United States.

List of Subjects in 34 CFR Part 386

Grant programs, Rehabilitation training. Reporting and record keeping requirements.
Dated: June 9, 1994.

(Catalog of Federal Domestic Assistance Number 84.129,
Rehabilitation Training: Rehabilitation Long-Term Training)
Judith E. Heumann, Assistant Secretary for Special Education and Rehabilitative Services.

The Secretary amends title 34 of the Code of Federal Regulations by revising part 386 to read as follows:

PART 386--REHABILITATION TRAINING: REHABILITATION LONG-TERM TRAINING

Subpart A--General
Sec.

- 386.1 What is the Rehabilitation Long-Term Training program?
- 386.2 Who is eligible for an award?
- 386.3 What regulations apply?
- 386.4 What definitions apply?

Subpart B--[Reserved]

Subpart C--How Does the Secretary Make an Award?

- 386.20 What selection criteria does the Secretary use?

Subpart D--What Conditions Must Be Met After an Award?

- 386.30 What are the matching requirements?
386.31 What are requirements for directing grant funds?
386.32 What are allowable costs?
386.33 What are the requirements for grantees in disbursing scholarships?
386.34 What assurances must be provided by a grantee that intends to provide scholarships?
386.35 What information must be provided by a grantee that is an institution of higher education to assist designated State agencies?

Subpart E--What Conditions Must Be Met by a Scholar?

- 386.40 What are the requirements for scholars?
386.41 Under what circumstances does the Secretary grant a deferral or exception to performance or repayment under a scholarship agreement?
386.42 What must a scholar do to obtain a deferral or exception to performance or repayment under a scholarship agreement?
386.43 What are the consequences of a scholar's failure to meet the terms and conditions of scholarship agreement?

Authority: 29 U.S.C. 711(c) and 774, unless otherwise noted.

Subpart A--General

Sec. 386.1 What is the Rehabilitation Long-Term Training program?

- (a) The Rehabilitation Long-Term Training program provides financial assistance for--
- (1) Projects that provide basic or advanced training leading to an academic degree in one of those fields of study identified in paragraph (b) of this section;
 - (2) Projects that provide a specified series of courses or program of study leading to award of a certificate in one of those fields of study identified in paragraph (b) of this section; and
 - (3) Projects that provide support for medical residents enrolled in residency training programs in the specialty of physical medicine and rehabilitation.
- (b) The Rehabilitation Long-Term Training program is designed to provide academic training in areas of personnel shortages identified by the Secretary and published in a notice in the Federal Register. These areas may include--
- (1) Vocational rehabilitation counseling;
 - (2) Rehabilitation technology;
 - (3) Rehabilitation medicine;
 - (4) Rehabilitation nursing;
 - (5) Rehabilitation social work;
 - (6) Rehabilitation psychiatry;
 - (7) Rehabilitation psychology;
 - (8) Rehabilitation dentistry;
 - (9) Physical therapy;
 - (10) Occupational therapy;
 - (11) Speech pathology and audiology;
 - (12) Physical education;
 - (13) Therapeutic recreation;
 - (14) Community rehabilitation program personnel;
 - (15) Prosthetics and orthotics;
 - (16) Specialized personnel for rehabilitation of individuals who are blind or have vision impairment;
 - (17) Rehabilitation of individuals who are deaf or hard of hearing;
 - (18) Rehabilitation of individuals who are mentally ill;
 - (19) Undergraduate education in the rehabilitation services;
 - (20) Independent living;
 - (21) Client assistance;
 - (22) Administration of community rehabilitation programs;
 - (23) Rehabilitation administration;
 - (24) Vocational evaluation and work adjustment;

(25) Services to individuals with specific disabilities or specific impediments to rehabilitation, including individuals who are members of populations that are unserved or underserved by programs under this Act;

(26) Job development and job placement services to individuals with disabilities;

(27) Supported employment services, including services of employment specialists for individuals with disabilities;

(28) Specialized services for individuals with severe disabilities;

(29) Recreation for individuals with disabilities;

(30) The use, applications, and benefits of assistive technology devices and assistive technology services; and

(31) Other fields contributing to the rehabilitation of individuals with disabilities.

(Authority: 29 U.S.C. 711 and 771a)

Sec. 386.2 Who is eligible for an award?

Those agencies and organizations eligible for assistance under this program are described in 34 CFR 385.2.

(Authority: 29 U.S.C. 771a(a))

Sec. 386.3 What regulations apply?

The following regulations apply to the Rehabilitation Training:
Rehabilitation Long-Term Training program:

(a) The regulations in this part 386.

(b) The regulations in 34 CFR part 385.

(Authority: 29 U.S.C. 771a)

Sec. 386.4 What definitions apply?

The following definitions apply to this program:

(a) Definitions in 34 CFR 385.4.

(b) Other definitions. The following definitions also apply to this part:

Academic year means a full-time course of study--

(1) Taken for a period totaling at least nine months; or

(2) Taken for the equivalent of at least two semesters, two trimesters, or three quarters.

Certificate means a recognized educational credential awarded by a grantee under this part that attests to the completion of a specified series of courses or program of study.

Professional corporation or professional practice means--

(1) A professional service corporation or practice formed by one or more individuals duly authorized to render the same professional service, for the purpose of rendering that service; and

(2) The corporation or practice and its members are subject to the same supervision by appropriate State regulatory agencies as individual practitioners.

Related agency means--

(1) An American Indian rehabilitation program; or

(2) Any of the following agencies that provide services to individuals with disabilities under an agreement with a designated State agency in the area of specialty for which training is provided:

(i) A Federal, State, or local agency.

(ii) A nonprofit organization.

(iii) A professional corporation or professional practice group.

Scholar means an individual who is enrolled in a certificate or degree granting course of study in one of the areas listed in Sec. 386.1(b) and who receives scholarship assistance under this part.

Scholarship means an award of financial assistance to a scholar for training and includes all disbursements or credits for student stipends, tuition and fees, and student travel in conjunction with training assignments.

State rehabilitation agency means the designated State agency.

(Authority: 29 U.S.C. 711(c))

Subpart B--[Reserved]

Subpart C--How Does the Secretary Make an Award?

Sec. 386.20 What selection criteria does the Secretary use?

The Secretary uses the following criteria to evaluate an application:

(a) Plan of operation. (30 points) The Secretary evaluates each application on the basis of the criterion in Sec. 385.32(a).

(b) Quality of key personnel. (10 points) The Secretary evaluates each application on the basis of the criterion in Sec. 385.32(b).

(c) Budget and cost effectiveness. (10 points) The Secretary evaluates each application on the basis of the criterion in Sec. 385.32(c).

(d) Evaluation plan. (5 points) The Secretary evaluates each application on the basis of the criterion in Sec. 385.32(d).

(e) Adequacy of resources. (5 points) The Secretary evaluates each application on the basis of criterion in Sec. 385.32(e).

(f)(1) Evidence of need. (10 points) The Secretary reviews each application for information that shows that the need for the training project has been adequately justified.

(2) The Secretary looks for information that shows that the need for the training project has been established in terms of rehabilitation supply and demand for qualified rehabilitation personnel and includes an assessment of how the project will respond to personnel needs established in local, State, or national studies.

(g)(1) Relevance to State-Federal rehabilitation service program. (10 points) The Secretary reviews each application for information that shows that the proposed project appropriately relates to the mission of the State-Federal rehabilitation service program.

(2) The Secretary looks for information that shows that the project can be expected either to increase the supply of trained personnel available to State and other public or nonprofit agencies involved in the rehabilitation of individuals with physical or mental disabilities through degree or certificate granting programs, or to improve the skills and quality of professional personnel in the rehabilitation field in which the training is to be provided through the granting of a degree or certificate.

(h)(1) Nature and scope of curriculum. (20 points) The Secretary reviews each application for information that demonstrates the adequacy of the proposed curriculum.

(2) The Secretary looks for information that shows--

(i) The scope and nature of the coursework reflect content that can be expected to enable the achievement of the established project objectives;

(ii) The curriculum and teaching methods provide for an integration of theory and practice relevant to the educational objectives of the program;

(iii) There is evidence of educationally focused practical and other field experiences in settings that ensure student involvement in the provision of vocational rehabilitation, supported employment, or independent living rehabilitation services to individuals with disabilities, especially individuals with severe disabilities;

(iv) The coursework includes student exposure to vocational rehabilitation, supported employment, or independent living rehabilitation processes, concepts, programs, and services; and

(v) If applicable, there is evidence of current professional accreditation by the designated accrediting agency in the professional field in which grant support is being requested.

(Approved by the Office of Management and Budget under control number 1820-0018.)

(Authority: 29 U.S.C. 711(c) and 771a)

Subpart D--What Conditions Must Be Met After an Award?

Sec. 386.30 What are the matching requirements?

The Federal share may not be more than 90 percent of the total cost of a project under this program. The Secretary may waive part of the non-Federal share of the cost of the project after negotiations if the applicant demonstrates that it does not have sufficient resources to contribute the entire match.

(Authority: 29 U.S.C. 711(c))

Sec. 386.31 What are the requirements for directing grant funds?

(a) A grantee must use at least 75 percent of the total award for scholarships as defined in Sec. 386.4.

(b) The Secretary may award grants that use less than 75 percent of the total award for scholarships based upon the unique nature of the project, such as the establishment of a new training program or long-term training in an emerging field that does not award degrees or certificates.

(c) For multi-year projects in existence on October 1, 1994, the requirements of paragraph (a) of this section do not apply for the remainder of the project period.

(Authority: 29 U.S.C. 711(c) and 771a)

Sec. 386.32 What are allowable costs?

In addition to those allowable costs established in the Education Department General Administrative Regulations in 34 CFR 75.530 through 75.562, the following items are allowable under long-term training projects:

- (a) Student stipends.
- (b) Tuition and fees.
- (c) Student travel in conjunction with training assignments.

(Authority: 29 U.S.C. 711(c) and 771a)

Sec. 386.33 What are the requirements for grantees in disbursing scholarships?

(a) Before disbursement of scholarship assistance to an individual, a grantee--

(1)(i) Shall obtain documentation that the individual is--

(A) A U.S. citizen or national; or

(B) A permanent resident of the Republic of the Marshall Islands, Federated States of Micronesia, Republic of Palau, or the Commonwealth of the Northern Mariana Islands; or

(ii) Shall confirm from documentation issued to the individual by the U.S.

Immigration and Naturalization Service that he or she--

(A) Is a lawful permanent resident of the United States; or

(B) Is in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident; and

(2) Shall confirm that the applicant has expressed interest in a career in clinical practice, administration, supervision, teaching, or research in the vocational rehabilitation, supported employment, or independent living rehabilitation of individuals with disabilities, especially individuals with severe disabilities;

(3) Shall have documentation that the individual expects to maintain or seek employment in a designated State rehabilitation agency or in a nonprofit rehabilitation, professional corporation, professional practice group, or related agency providing services to individuals with disabilities or individuals with severe disabilities under an agreement with a designated State agency;

(4) Shall reduce the scholarship by the amount in which the combined awards would be in excess of the cost of attendance, if a scholarship, when added to the amount the scholar is to receive for the same academic year under Title IV of the Higher Education Act, would otherwise exceed the scholar's cost of attendance;

(5) Shall limit scholarship assistance to the individual's cost of attendance at the institution for no more than four academic years except that the grantee may provide an extension consistent with the institution's accommodations under section 504 of the Act if the grantee determines that an individual has a disability that seriously affects the completion of the course of study; and

(6) Shall obtain a Certification of Eligibility for Federal Assistance from each scholar as prescribed in 34 CFR 75.60, 75.61, and 75.62.

(Approved by the Office of Management and Budget under control number 1820-0018.)
(Authority: 29 U.S.C. 711(c) and 771a(b))

Sec. 386.34 What assurances must be provided by a grantee that intends to provide scholarships?

A grantee under this part that intends to grant scholarships for any academic year beginning after June 1, 1992, shall provide the following assurances before an award is made:

(a) Requirement for agreement. No individual will be provided a scholarship without entering into a written agreement containing the terms and conditions required by this section. An individual will sign and date the agreement prior to the initial disbursement of scholarship funds to the individual for payment of the individual's expenses, such as tuition.

(b) Disclosure to applicants. The terms and conditions of the agreement that the grantee enters into with a scholar will be fully disclosed in the application for scholarship.

(c) Form and terms of agreement. Each scholarship agreement with a grantee will be in the form and contain the terms that the Secretary requires, including at a minimum the following provisions:

(1) The scholar will--

(i) Maintain employment--

(A) In a nonprofit rehabilitation agency or related agency or in a State rehabilitation agency or related agency, including a professional corporation or professional practice group through which the individual has a service arrangement with the designated State agency;

(B) On a full- or part-time basis; and

(C) For a period of not less than the full-time equivalent of two years for each year for which assistance under this section was received, within a period, beginning after the recipient completes the training for which the scholarship was awarded, of not more than the sum of the number of years required in this paragraph and two additional years; and

(ii) Repay all or part of any scholarship received, plus interest, if the individual does not fulfill the requirements of paragraph

(c)(1)(i) of this section, except as the Secretary by regulations may provide for repayment exceptions and deferrals.

(2) The employment obligation in paragraph (c)(1) of this section as applied to a part-time scholar will be based on the accumulated academic years of training for which the scholarship is received.

(3) Until the scholar has satisfied the employment obligation described in paragraph (c)(1) of this section, the scholar will inform the grantee of any change of name, address, or employment status and will document employment satisfying the terms of the agreement.

(4) Subject to the provisions in Sec. 386.41 regarding a deferral or exception, when the scholar enters repayment status under Sec. 386.43(e), the amount of the scholarship that has not been retired through eligible employment will constitute a debt owed to the United States that--

(i) Will be repaid by the scholar, including interest and costs of collection as provided in Sec. 386.43; and

(ii) May be collected by the Secretary in accordance with 34 CFR Part 30, in the case of the scholar's failure to meet the obligation of Sec. 386.43.

(d) Executed agreement. The grantee will provide an original executed agreement upon request to the Secretary.

(e) Standards for satisfactory progress. The grantee will establish, publish, and apply reasonable standards for measuring whether a scholar is maintaining satisfactory progress in the scholar's course of study. The Secretary considers an institution's standards to be reasonable if the standards--

(1) Conform with the standards of satisfactory progress of the nationally recognized accrediting agency that accredits the institution's program of study, if the

institution's program of study is accredited by such an agency, and if the agency has those standards;

(2) For a scholar enrolled in an eligible program who is to receive assistance under the Rehabilitation Act, are the same as or stricter than the institution's standards for a student enrolled in the same academic program who is not receiving assistance under the Rehabilitation Act; and

(3) Include the following elements:

(i) Grades, work projects completed, or comparable factors that are measurable against a norm.

(ii) A maximum timeframe in which the scholar shall complete the scholar's educational objective, degree, or certificate.

(iii) Consistent application of standards to all scholars within categories of students; e.g., full-time, part-time, undergraduates, graduate students, and students attending programs established by the institution.

(iv) Specific policies defining the effect of course incompletes, withdrawals, repetitions, and noncredit remedial courses on satisfactory progress.

(v) Specific procedures for appeal of a determination that a scholar is not making satisfactory progress and for reinstatement of aid.

(f) Exit certification. The grantee has established policies and procedures for receiving written certification from scholars at the time of exit from the program acknowledging the following:

(1) The name of the institution and the number of the Federal grant that provided the scholarship.

(2) The scholar's field of study.

(3) The number of years the scholar needs to work to satisfy the work requirements in Sec. 386.34(c)(1)(i)(C).

(4) The total amount of scholarship assistance received subject to the work-or-repay provision in Sec. 386.34(c)(1)(ii).

(5) The time period during which the scholar must satisfy the work requirements in Sec. 386.34(c)(1)(i)(C).

(6) All other obligations of the scholar in Sec. 386.34.

(g) Tracking system. The grantee has established policies and procedures to determine compliance of the scholar with the terms of the agreement. In order to determine whether a scholar has met the work-or-repay provision in Sec. 386.34(c)(1)(i), the tracking system must include for each employment position maintained by the scholar--

(1) Documentation of the employer's name, address, dates of the scholar's employment, and the position the scholar maintained;

(2) Documentation of how the employment meets the requirements in Sec. 386.34(c)(1)(i); and

(3) Documentation that the grantee, if experiencing difficulty in locating a scholar, has checked with existing tracking systems operated by alumni organizations.

(h) Reports. The grantee shall make reports to the Secretary that are necessary to carry out the Secretary's functions under this part.

(i) Records. The grantee shall maintain the information obtained in paragraphs (g) and (h) of this section for a period of time equal to the time required to fulfill the obligation under Sec. 386.34(c)(1)(i)(C).

(Approved by the Office of Management and Budget under control number 1820-0018.)

(Authority: 29 U.S.C. 711(c) and 771a(b))

Sec. 386.35 What information must be provided by a grantee that is an institution of higher education to assist designated State agencies?

A grantee that is an institution of higher education provided assistance under this part shall cooperate with the following requests for information from a designated State agency:

(a) Information required by section 101(a)(7) of the Act which may include, but is not limited to--

(1) The number of students enrolled by the grantee in rehabilitation training programs; and

(2) The number of rehabilitation professionals trained by the grantee who graduated with certification or licensure, or with

credentials to qualify for certification or licensure, during the past year.

(b) Information on the availability of rehabilitation courses leading to certification or licensure, or the credentials to qualify for certification or licensure, to assist State agencies in the planning of a program of staff development for all classes of positions that are involved in the administration and operation of the State agency's vocational rehabilitation program.

(Approved by the Office of Management and Budget under control number 1820-0018.)
(Authority: 29 U.S.C. 711(c) and 771a)

Subpart E--What Conditions Must Be Met by a Scholar?

Sec. 386.40 What are the requirements for scholars?

A scholar--

(a) Shall receive the training at the educational institution or agency designated in the scholarship; and

(b) Shall not accept payment of educational allowances from any other Federal, State, or local public or private nonprofit agency if that allowance conflicts with the individual's obligation under Sec. 386.33(a)(4) or Sec. 386.34(c)(1).

(c) Shall enter into a written agreement with the grantee, before starting training, that meets the terms and conditions required in Sec. 386.34;

(d) Shall be enrolled in a course of study leading to a certificate or degree in one of the fields designated in Sec. 386.1(b); and

(e) Shall maintain satisfactory progress toward the certificate or degree as determined by the grantee.

(Authority: 29 U.S.C. 711(c) and 771a(b))

Sec. 386.41 Under what circumstances does the Secretary grant a deferral or exception to performance or repayment under a scholarship agreement?

A deferral or repayment exception to the requirements of Sec. 386.34(c)(1) may be granted, in whole or part, by the Secretary as follows:

(a) Repayment is not required if the scholar--

(1) Is unable to continue the course of study or perform the work obligation because of a disability that is expected to continue indefinitely or result in death; or

(2) Has died.

(b) Repayment of a scholarship may be deferred during the time the scholar is--

(1) Engaging in a full-time course of study at an institution of higher education;

(2) Serving, not in excess of three years, on active duty as a member of the armed services of the United States;

(3) Serving as a volunteer under the Peace Corps Act;

(4) Serving as a full-time volunteer under Title I of the Domestic Volunteer Service Act of 1973;

(5) Temporarily totally disabled, for a period not to exceed three years; or

(6) Unable to secure employment as required by the agreement by reason of the care provided to a disabled spouse for a period not to exceed 12 months.

(Authority: 29 U.S.C. 771(c) and 771a(b))

Sec. 386.42 What must a scholar do to obtain a deferral or exception to performance or repayment under a scholarship agreement?

To obtain a deferral or exception to performance or repayment under a scholarship agreement, a scholar shall provide the following:

(a) Written application. A written application must be made to the Secretary to request a deferral or an exception to performance or repayment of a scholarship.

(b) Documentation.

(1) Documentation must be provided to substantiate the grounds for a deferral or exception.

(2) Documentation necessary to substantiate an exception under Sec. 386.41(a)(1) or a deferral under Sec. 386.41(b)(5) must include a sworn affidavit from a qualified physician or other evidence of disability satisfactory to the Secretary.

(3) Documentation to substantiate an exception under Sec. 386.41(a)(2) must include a death certificate or other evidence conclusive under State law.

(Approved by the Office of Management and Budget under control number 1820-0018.)

(Authority: 29 U.S.C. 711(c) and 771a)

Sec. 386.43 What are the consequences of a scholar's failure to meet the terms and conditions of a scholarship agreement?

In the event of a failure to meet the terms and conditions of a scholarship agreement or to obtain a deferral or an exception as provided in Sec. 386.41, the scholar shall repay all or part of the scholarship as follows:

(a) Amount. The amount of the scholarship to be repaid is proportional to the employment obligation not completed.

(b) Interest rate. The Secretary charges the scholar interest on the unpaid balance owed in accordance with 31 U.S.C. 3717.

(c) Interest accrual. (1) Interest on the unpaid balance accrues from the date the scholar is determined to have entered repayment status under paragraph (e) of this section.

(2) Any accrued interest is capitalized at the time the scholar's repayment schedule is established.

(3) No interest is charged for the period of time during which repayment has been deferred under Sec. 386.41.

(d) Collection costs. Under the authority of 31 U.S.C. 3717, the Secretary may impose reasonable collection costs.

(e) Repayment status. A scholar enters repayment status on the first day of the first calendar month after the earliest of the following dates, as applicable:

(1) The date the scholar informs the Secretary he or she does not plan to fulfill the employment obligation under the agreement.

(2) Any date when the scholar's failure to begin or maintain employment makes it impossible for that individual to complete the employment obligation within the number of years required in Sec. 386.34(c)(1).

(f) Amounts and frequency of payment. The scholar shall make payments to the Secretary that cover principal, interest, and collection costs according to a schedule established by the Secretary.

(Authority: 29 U.S.C. 711(c) and 771a(b))

[FR Doc. 94-14594 Filed 6-15-94; 8:45 am]

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