

RCW 28B.115.120 Participant obligation—Scholarships—Wraparound services—Appeals.

(1) Participants in the Washington health corps who are awarded scholarships incur an obligation to repay the scholarship, with penalty and interest, unless they serve the required service obligation in a health professional shortage area or an underserved behavioral health area in the state of Washington.

(2) The interest rate, determined by the office and established by rule, may not exceed two percent. Participants who fail to complete the service obligation shall incur an equalization fee based on the remaining unforgiven balance. The equalization fee shall be added to the remaining balance and repaid by the participant.

(3) The period for repayment shall coincide with the required service obligation, with payments of principal and interest commencing no later than six months from the date the participant completes or discontinues the course of study or completes or discontinues the required postgraduate training. Provisions for deferral of payment shall be determined by the office.

(4) The entire principal and interest of each payment shall be forgiven for each payment period in which the participant serves in a health professional shortage area until the entire repayment obligation is satisfied or the borrower ceases to so serve. Should the participant cease to serve in a health professional shortage area or an underserved behavioral health area of this state before the participant's repayment obligation is completed, payment of the unsatisfied portion of the principal and interest is due and payable immediately.

(5) Participants who are unable to pay the full amount due shall enter into a payment arrangement with the office for repayment including interest not to exceed two percent. The office shall set the maximum period for repayment by rule.

(6) The office is responsible for collection of repayments made under this section and shall exercise due diligence in such collection, maintaining all necessary records to ensure that maximum repayments are made. Collection and servicing of repayments under this section shall be pursued using the full extent of the law, including wage garnishment if necessary, and shall be performed by entities approved for such servicing by the Washington student loan guaranty association or its successor agency. The office is responsible to forgive all or parts of such repayments under the criteria established in this section and shall maintain all necessary records of forgiven payments.

(7) Receipts from the payment of principal or interest or any other subsidies to which the office as administrator is entitled, which are paid by or on behalf of participants under this section, shall be deposited with the office and shall be used to cover the costs of granting the scholarships, maintaining necessary records, and making collections under subsection (6) of this section. The office shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant scholarships to eligible students.

(8) Sponsoring communities who financially contribute to the eligible financial expenses of eligible medical students may enter into agreements with the student to require repayment should the student not serve the required service obligation in the community as a primary care physician. The office may develop criteria for the

content of such agreements with respect to reasonable provisions and obligations between communities and eligible students.

(9) To the extent reasonably practicable, the office shall reduce, or help to reduce, barriers that threaten a participant's ability to complete their service obligations under this chapter by offering wraparound services including, for example, navigation support for public benefits, financial coaching, and access to food, housing, and child care resources and referrals.

(10) The office shall make exceptions to the conditions for participation and repayment obligations should substantial circumstances beyond the control of individual participants warrant such exceptions. The office shall establish an appeal process by rule. Substantial circumstances include, but are not limited to:

(a) The participant is a service member of the armed forces, including the national guard and armed forces reserves, or is a spouse or dependent of a service member, who receives permanent change of station or deployment orders to move out-of-state or to a location that would create a hardship to complete the participant's service obligations under this chapter. The participant shall provide the office with a copy of the official military orders or a signed letter from the service member's commanding officer confirming change of station orders;

(b) The participant is experiencing unforeseen emergencies or hardships that substantially affect the participant's ability to complete the participant's service obligations under this chapter. [2024 c 369 s 5; 2023 c 159 s 1; 2019 c 302 s 11; 2011 1st sp.s. c 11 s 211; 2011 c 26 s 3; 1993 c 423 s 2; 1991 c 332 s 25.]

Effective date—2011 1st sp.s. c 11 ss 101-103, 106-202, 204-244, and 301: See note following RCW 28B.76.020.

Intent—2011 1st sp.s. c 11: See note following RCW 28B.76.020.