

dispute to demonstrate that there is cause for a hearing. These issues must be both substantive and relevant. The hearing will be held in the Washington, DC metropolitan area. The Secretary will deny a hearing if:

(1) The request for a hearing is untimely (i.e., fails to meet the 30-day requirement);

(2) The school does not provide a statement of material, factual issues in dispute within the 90-day required period; or

(3) The statement of factual issues in dispute is frivolous or inconsequential. In the event that the Secretary denies a hearing, the Secretary will send a written denial to the school setting forth the reasons for denial. If a hearing is denied, or if as a result of the hearing, termination is still determined to be necessary, the school will be terminated from participation in the program and will be required to return the Federal share of the revolving fund to the Department. A school terminated for failure to comply with the provisions of paragraph (c)(3) of this section must continue to pursue collections and may reapply for participation in the program only when it has attained a default rate of 5 percent or less.

(Approved by the Office of Management and Budget under control number 0915-0047)

[50 FR 34423, Aug. 23, 1985, as amended at 52 FR 20988, June 3, 1987; 53 FR 46550, Nov. 17, 1988; 56 FR 19294, Apr. 26, 1991]

§ 57.217 Additional conditions.

The Secretary may with respect to any agreement entered into with any school under § 57.205, impose additional conditions prior to or at the time of any award when in his or her judgment these conditions are necessary to assure or protect the advancement of the purposes of the agreement, the interest of the public health, or the conservation of funds awarded.

§ 57.218 Noncompliance.

Wherever the Secretary finds that a participating school has failed to comply with the applicable provisions of the Act or the regulations of this subpart, he or she may, on reasonable notice to the school, withhold further

payment of Federal capital contributions, and take such other action, including the termination of any agreement, as he or she finds necessary to enforce the Act and regulations. In this case no further expenditures shall be made from the health professions student loan fund or funds involved until the Secretary determines that there is no longer any failure of compliance.

Subpart D—Nursing Student Loans

AUTHORITY: Sec. 215 of the Public Health Service Act, 58 Stat. 690, 67 Stat. 631 (42 U.S.C. 216); secs. 835-842 of the Public Health Service Act, 77 Stat. 913-916, as amended by 99 Stat. 397-400, 536-537, and 102 Stat. 3160-3161 (42 U.S.C. 297 a-i).

SOURCE: 50 FR 34434, Aug. 23, 1985, unless otherwise noted.

§ 57.301 Applicability.

The regulations in this subpart apply to the Federal capital contributions made by the Secretary to public or other nonprofit schools of nursing for the establishment of nursing student loan funds and to loans made to students from these funds.

§ 57.302 Definitions.

As used in this subpart:

Academic year means the traditional, approximately 9-month September to June annual session. For the purpose of computing academic year equivalents for students who, during a 12-month period, attend for a longer period than the traditional academic year, the academic year will be considered to be of 9 months' duration.

Act means the Public Health Service Act, as amended.

Community health center means an entity as defined under section 330(a) of the Public Health Service Act, and in regulations at 42 CFR 51c.102(c).

Date upon which a student ceases to be a full-time or half-time student means the first day of the month which is nearest to the date upon which an individual ceases to be a full-time or half-time student, as defined in this section.

Default means the failure of a borrower of a loan made under this subpart to make an installment payment when due, or comply with any other term of the promissory note for such