

(3) *Default penalties.* The PH/NHSC Scholarship Training Program default penalty will apply to a participant who fails to begin or complete the active duty service obligation incurred under that Program, and the §62.10 default penalties will apply to a participant who fails to begin or complete the service obligation incurred under §62.8 of these regulations. In determining which default penalty to apply when an individual who has received a Scholarship award under both the PH/NHSC Scholarship Training Program and the Scholarship Program fails to begin or complete his service obligation, the service obligations will be considered to have been served in the order in which they were incurred.

### Subpart B—National Health Service Corps Loan Repayment Program

**AUTHORITY:** Sec. 215 of the Public Health Service Act, 58 Stat. 690, as amended, 63 Stat. 35 (42 U.S.C. 216); sec. 338B of the Public Health Service Act, 101 Stat. 992 (42 U.S.C. 2541–1).

**SOURCE:** 54 FR 13462, Apr. 3, 1989, unless otherwise noted.

#### § 62.21 What is the scope and purpose of the National Health Service Corps Loan Repayment Program?

The regulations of this subpart apply to the award of health professions educational loan payments under the National Health Service Corps Loan Repayment Program authorized by section 338B of the Public Health Service Act (42 U.S.C. 2541–1). The purpose of the Program is to assure an adequate supply of trained health professionals for the National Health Service Corps. These professionals will be assigned by the Secretary to provide necessary health services to persons living in designated health manpower shortage areas.

#### § 62.22 Definitions.

The definitions in §62.2 of this part will apply for the purpose of this subpart, except for the definition of *approved graduate training*. The following definitions will also apply for purposes of this subpart:

*Approved graduate training* means a program of graduate training in allopathic or osteopathic medicine, dentistry or other health profession which (a) leads to eligibility for board certification or which provides other evidence of completion, (b) has been approved by the appropriate health professions body as determined by the Secretary and (c) is in the specialty or type of training specified by the Program participant in the Loan Repayment Program Contract or, at the Program participant's request and at the Secretary's option, is in a specialty or area of training determined by the Secretary to be consistent with the needs of the National Health Service Corps.

*Commercial loans* means loans made by banks, credit unions, savings and loan associations, insurance companies, schools, and other financial or credit institutions which are subject to examination and supervision in their capacity as lenders by an agency of the United States or of the State in which the lender has its principal place of business.

*Educational expenses* means the costs of the health professions education, exclusive of the tuition, such as fees, books, supplies, and educational equipment and materials.

*Government loans* means loans which are made by Federal, State, county or city agencies which are authorized by law to make such loans.

*Living expenses* means the costs of room and board, transportation and commuting costs and other costs incurred during an individual's attendance at a health professions school.

*Loan Repayment Program* means the National Health Service Corps Loan Repayment Program authorized by section 338B of the Act (42 U.S.C. 2541–1).

*Loan Repayment Program Contract* means the agreement, which is signed by an applicant and the Secretary, for the Loan Repayment Program wherein the applicant agrees to accept repayment of health professions educational loans and to serve in accordance with the provisions of section 338B of the Act and this subpart for a prescribed period of obligated service.

*Medically underserved area* means health manpower shortage area as defined in §62.2.