

## § 62.75

scholarship amount will not be credited to service but will be credited toward the monetary debt owed by the Program participant under section 338E(b) of the Act or section 225(f)(1) of the Act, as in effect on September 30, 1977. The scholarship amount paid upon entering this option will be forfeited.

### § 62.75 Will individuals serving under the Special Repayment Program receive credit for partial service?

(a) With respect to obligations under the Scholarship Program, a credit will be allowed for partial service under the Special Repayment Program and will result in a reduction of the Program participant's financial obligation in accordance with the following formula:

$$A = 30 \frac{[t - (s + \frac{1}{2}r)]}{t}$$

In which:

'A' is the amount the United States is entitled to recover;

'O' is the sum of the amounts paid to or on behalf of the Program participant under the Scholarship Program and the interest on such amounts which would be payable if, at the time the amounts were paid, they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States;

't' is the sum of (1) the number of months of prior approved service plus (2) the number of months of the Program participant's period of obligated service under the Program including any additional months of service incurred pursuant to section 204(c)(2) of Pub. L. 100-177;

's' is the number of months of prior approved service performed by the Program participant before commencing service under this Program; and

'r' is the number of months of service performed by the Program participant in compliance with this Program.

However, where a judgment has been entered against a Program participant, the formula will be revised such that:

'30' is the amount of the judgment representing the Program participant's liability under the Scholarship Program, including any accrued post judgment interest and excluding any monetary payments on the judgment which may have been made by the Program participant;

't' is the sum of (1) the number of months of prior approved service performed by the Program participant after entry of the judgment but before commencing service under this Program plus (2) the number of

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months of the Program participant's period of obligated service under the Program including any additional months of service incurred pursuant to section 204(c)(2) of Pub. L. 100-177; and

's' is the number of months of prior approved service performed by the Program participant after the entry of the judgment but before commencing service under this Program.

(b) With respect to obligations under the PH/NHSC Scholarship Training Program, if a Program participant fails to complete the period of obligated service under the Program (including any additional months of service incurred pursuant to section 204(c)(1) of Pub. L. 100-177), no credit for partial service under this Program will be allowed.

(c) Where participants have obligations under both the Scholarship Program and the PH/NHSC Scholarship Training Program, credit for service will be applied against the scholarship obligations in the order in which they were incurred.

### § 62.76 How will amounts of money due under the option under section 204(c)(1) of Public Law 100-177 be required to be repaid?

Program participants who elect to serve under section 204(c)(1) of Pub. L. 100-177 will be required to pay the full scholarship amount at least 60 days prior to the service start date specified in the documentation submitted to the Secretary.

## PART 63—TRAINEESHIPS

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AUTHORITY: 42 U.S.C. 216, 282(b)(13), 284(b)(1)(C), 285a-2(b)(3), 286b-3, 287c-21(a).

SOURCE: 60 FR 10719, Feb. 27, 1995, unless otherwise noted.