

MICHIGAN NURSING SCHOLARSHIP ACT (EXCERPT)
Act 591 of 2002

390.1187 Agreement; provisions; disclosure of terms and conditions; noncompliance; deferred or excused repayment.

Sec. 7.

(1) An individual shall not receive a scholarship under this act unless he or she enters into a written agreement with the authority, in which he or she agrees to all of the following:

(a) To obtain a license from this state as a registered professional nurse or licensed practical nurse within 1 year after completing the nursing program for which the scholarship was awarded.

(b) Beginning within 1 year after completing the nursing program for which the scholarship was awarded, to serve for the period of eligible employment applicable to the individual under section 4(d) in this state.

(c) To provide the authority evidence of compliance with section 6 as required by the authority.

(d) Except as provided in subsection (4), (5), (6), or (7), if the conditions in subdivisions (a) and (b) are not satisfied, to repay all or part of a scholarship award received under this act plus interest and, if applicable, reasonable collection fees, in compliance with rules promulgated by the authority.

(2) The agreement described in subsection (1) must fully disclose the terms and conditions under which scholarship assistance under this act is provided and under which repayment may be required. The agreement must include a description of both of the following:

(a) The appeals procedures established by the authority under which a recipient may appeal a determination of noncompliance with any provision under this act.

(b) The procedures under which a recipient of assistance received under this act who serves in eligible employment in this state for less than the period required under subsection (1) may have the repayment requirements extended under subsection (4) or excused under subsection (5), (6), or (7).

(3) The authority shall require recipients found by the authority to be in noncompliance with the agreement entered into under this section to repay the scholarship awards received, plus interest, but in no event at an interest rate higher than the rate applicable to other student loans guaranteed by the authority in that time period and, where applicable, reasonable collection fees, on a schedule and at a rate of interest to be prescribed by the authority by rule.

(4) A recipient is not in violation of the agreement entered into pursuant to subsection (1) and any repayment obligation is deferred during any period in which the recipient meets 1 of the following:

(a) Is pursuing a full-time course of study related to the field of nursing at an eligible institution.

(b) Is serving as a member of the armed services of the United States for a period of 3 years or less.

(c) Is temporarily totally disabled for a period of 3 years or less, as established by sworn affidavit of a qualified physician.

(d) Satisfies the provisions of any other repayment exceptions prescribed by the authority by rule.

(5) A recipient is not in violation of the agreement entered into pursuant to subsection (1), and the recipient may be excused from repayment of any scholarship assistance received under this act, if the recipient is employed providing part-time nursing care and all of the following are met:

(a) The department by rule has established a minimum average number of hours per week a recipient must be employed providing nursing care to qualify as providing part-time nursing care for the purposes of this subsection, and the recipient meets this requirement.

(b) The recipient is engaged in eligible employment in this state.

(c) The recipient provides part-time nursing care for not less than 1 of the following periods:

(i) Two years if the recipient received a \$4,000.00 scholarship under this act for 1 academic year of full-time enrollment in a nursing program. If the recipient received a partial scholarship for 1 academic year of part-time enrollment, this 2-year time period is reduced to a time period determined by multiplying 2 years by a fraction, the numerator of which is the dollar amount of the partial scholarship and the denominator of which is \$4,000.00.

(ii) Four years if the recipient received two \$4,000.00 scholarships under this act for 2 academic years of full-time enrollment in a nursing program. If the recipient received partial scholarships for 2 academic years of part-time enrollment, this 4-year time period is reduced to a time period determined by multiplying 4 years by a fraction, the numerator of which is the dollar amount of the partial scholarships and the denominator of which is \$8,000.00.

(iii) Six years if the recipient received three \$4,000.00 scholarships under this act for 3 academic years of full-time enrollment in a nursing program. If the recipient received partial scholarships for 3 academic years of part-time enrollment, this 6-year time period is reduced to a time period determined by multiplying 6 years by a fraction, the numerator of which is the dollar amount of the partial scholarships and the denominator of which is \$12,000.00.

(iv) Eight years if the recipient received four \$4,000.00 scholarships under this act for 4 academic years of full-time enrollment in a nursing program. If the recipient received partial scholarships for 4 academic years of part-time

enrollment, this 8-year time period is reduced to a time period determined by multiplying 8 years by a fraction, the numerator of which is the dollar amount of the partial scholarships and the denominator of which is \$16,000.00.

(6) A recipient is not in violation of the agreement entered into pursuant to subsection (1), and the recipient may be excused from repayment of any scholarship assistance received under this act, if the recipient meets both of the following:

(a) Received 1 or more partial scholarships under this act for part-time enrollment in a nursing program.

(b) Is engaged in full-time, eligible employment in this state for not less than 1 of the following time periods:

(i) If the recipient received a partial scholarship for 1 academic year of part-time enrollment, a time period determined by multiplying 1 year by a fraction, the numerator of which is the dollar amount of the partial scholarship and the denominator of which is \$4,000.00.

(ii) If the recipient received partial scholarships for 2 academic years of part-time enrollment, a time period determined by multiplying 2 years by a fraction, the numerator of which is the dollar amount of the partial scholarships and the denominator of which is \$8,000.00.

(iii) If the recipient received partial scholarships for 3 academic years of part-time enrollment, a time period determined by multiplying 3 years by a fraction, the numerator of which is the dollar amount of the partial scholarships and the denominator of which is \$12,000.00.

(iv) If the recipient received partial scholarships for 4 academic years of part-time enrollment, a time period determined by multiplying 4 years by a fraction, the numerator of which is the dollar amount of the partial scholarships and the denominator of which is \$16,000.00.

(7) A recipient is excused from repayment of any scholarship assistance received under this act if the recipient becomes permanently and totally disabled as established by sworn affidavit of a qualified physician or dies or if circumstances occur that the authority considers as a compelling reason to excuse repayment.

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002