

11 KAR 19:030. Deferment of Repayment of Coal County Scholarships for Pharmacy Students.

RELATES TO: KRS 164.740, 164.7890

STATUTORY AUTHORITY: KRS 164.744(2), 164.748(4), 164.753(3), 174.7890(9)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.744(2) authorizes the authority to provide scholarships. KRS 164.748(4) and 164.753(3) require the authority to promulgate administrative regulations pertaining to the awarding of scholarships as provided in KRS 164.740 to 164.7891. KRS 164.7890(9) requires the authority to promulgate administrative regulations establishing the terms and conditions for the award, cancellation, and repayment of coal county scholarships for pharmacy students including deferments. This administrative regulation establishes conditions for deferment of the repayment obligation.

Section 1. Definitions. (1) "Authority" is defined by KRS 164.740(1).

(2) "Coal-producing county" is defined in KRS 164.7890(2).

(3) "Default" means the status of an obligation under this program that has entered repayment and upon which no payment has been made for a cumulative period of 180 days following the repayment begin date for the obligation.

(4) "Deferment" means a temporary waiver of the obligation of a recipient of a coal county scholarship for pharmacy students to make payments to the authority, pursuant to one (1) or more promissory notes executed between the recipient and the authority, which is granted by the authority, for a specified period of time, upon a showing of cause by the recipient.

(5) "Full-time practice" means providing services as a pharmacist in a coal-producing county for a minimum of 2,000 hours per calendar year.

(6) "Qualified service" is defined in KRS 164.7890(3)(e).

Section 2. Request for Deferment. (1) The recipient shall request a deferment in writing by submitting to the Authority complete and accurate information verifying the recipient's circumstances that qualify for deferment in accordance with this administrative regulation.

(2) The recipient's submission of a request for deferment shall constitute authorization for the authority to request and receive the verification of facts represented by the recipient as may be deemed necessary by the Authority.

Section 3. Effect on Repayment. (1) During a deferment, principal or interest payments shall not be required. Interest shall:

(a) Continue to accrue on the unpaid principal balance owed by the recipient during a period specified in Section 4(1), (4), and (5) of this administrative regulation; and

(b) Not accrue during a period specified in Section 4(2) or (3) of this administrative regulation.

(2) The authority shall not grant a deferment that legally impairs the ultimate recovery of the principal and accrued interest otherwise owed by the recipient.

Section 4. Types of Deferment. Except as provided in Section 5 of this administrative regulation, if the requirements established in this section are met, the authority shall grant an enrollment deferment, disability deferment, unemployment deferment, hardship deferment, military service deferment or residency deferment.

(1) Enrollment deferment.

(a) An enrollment deferment shall be granted to a recipient who is enrolled on at least a half-

time basis at an eligible institution in the United States.

(b) Each semester, the recipient shall provide to the Authority written certification from the recipient's institution of current enrollment.

(c) The Authority shall grant deferment of repayment upon this basis for a period not to exceed an aggregate of forty-eight (48) months.

(2) The Authority shall grant deferment of repayment for periods not to exceed an aggregate of thirty-six (36) months for any one (1) or combination of the following circumstances, unless a documented extenuating circumstance is approved by the executive director of the authority:

(a) Disability deferment.

1. A disability deferment shall be a deferment granted to a recipient who is:

a. Temporarily totally disabled and, therefore, unable to obtain full-time employment or attend school; or

b. Unable to obtain full-time employment or attend school due to the temporary total disability of the recipient's spouse who:

(i) Requires continuous (twenty-four (24) hour) nursing or similar care by the recipient; and

(ii) Is not confined to a hospital, nursing home, intermediate care facility, or similar institution.

2. For purposes of a disability deferment, a recipient, or the spouse of a recipient, shall be considered temporarily totally disabled if the person suffers an injury or illness which necessitates an extended or indefinite period of recovery which can be expected to preclude gainful employment or school attendance.

3. The recipient shall provide to the authority a statement from a licensed physician certifying that the recipient or spouse is temporarily totally disabled in accordance with subparagraphs 1 and 2 of this paragraph. The recipient shall be solely responsible for securing the physician's certification.

4. The authority shall grant a disability deferment subject to an annual review of the physician's certification.

5. After the third year of a disability deferment, the authority shall cancel the debt if it appears that the disability is expected to continue for an indefinite time.

(b) Unemployment deferment. An unemployment deferment shall be granted to a recipient seeking, but unable to obtain, a service-creditable position as a pharmacist in a coal-producing county within six (6) months following completion of a pharmacy program at a participating institution. The recipient shall:

1. Be eligible to begin practice as a pharmacist;

2. Have applied for a service-creditable position with at least three (3) employers within Kentucky coal-producing counties;

3. Not have refused an offer of employment in a service-creditable pharmacy position within a Kentucky coal-producing county to which the recipient applied; and

4. Provide the authority with a signed statement which sets forth:

a. The recipient's current address;

b. The names of the employers to which the recipient has applied for qualified service-creditable employment as a pharmacist; and

c. The recipient's agreement to notify the authority if the recipient obtains full-time employment in a service-creditable position.

(c) Hardship deferment. The authority shall determine that a hardship exists and grant a hardship deferment if:

1. Enrollment in a pharmacy program or employment in a service-creditable pharmacy position is temporarily interrupted due to circumstances beyond the recipient's control, including

major illness, accident or death in the family, after which the recipient intends to resume enrollment in a pharmacy program or a full-time pharmacy practice; or

2. The recipient is insolvent due to circumstances beyond his control, including natural disaster, involuntary unemployment, or unforeseen medical expenses.

(3) Military service deferment. The authority shall grant a military service deferment to a recipient upon proof of current active duty status in the United States Armed Forces, subject to annual review and verification by the authority.

(4) Residency deferment. The authority shall grant a deferment for a maximum of twenty-four (24) months to a recipient who provides proof of participation in a qualified pharmacy residency program.

(5) Pharmacy service deferment. A deferment shall be granted to a recipient who, due to verified current employment in a service-creditable position as a pharmacist in a coal-producing Kentucky county, is reasonably expected, on an annual basis, to qualify for cancellation benefits pursuant to 11 KAR 19:020.

Section 5. Upon default of a repayment obligation under this program, a recipient shall be permanently barred from eligibility for the deferment options provided for in this administrative regulation unless the obligation is rehabilitated as provided in 11 KAR 19:020, Section 6. (37 Ky.R. 1927; 2153; eff. 4-1-2011; TAm 3-11-2016; Crt eff. 9-28-2018.)