

## §12507. Repayment and return service provisions

Each student who receives a loan may cancel the total amount of the loan by completing one year of return service in a public school, publicly supported secondary school, special education facility as defined in section 7001, subsection 6 or private school approved for tuition purposes in the State for each year the individual receives a loan. An individual who received that individual's first program loan after January 1, 2000 may also cancel the total amount of the loan by completing one year of return service by working in a child care facility. The return service requirement is one year for every 2 years or less that the individual receives a loan if return service is performed in an underserved subject area or an underserved geographic area. Return service for this purpose must be performed within 10 years of graduation from the institution of higher education. If the chief executive officer grants a deferment, the time period for performance of return service may be extended for the same period as the deferment. Return service may not be credited for the same semester for which an individual receives a loan pursuant to this chapter. Pro rata loan forgiveness may be granted for part-time return service as determined by rule of the authority. Failure to fulfill the return service option necessitates repayment to the authority as follows. [PL 2019, c. 303, §8 (AMD).]

**1. Debt calculation.** The debt must include the total amount of the loan and interest at the rate established by rule of the authority, less the amount, if any, that has been cancelled by return service. [PL 1997, c. 489, §8 (AMD).]

**2. Time for repayment.** The total debt must be repaid to the authority within 11 years of graduation from the institution of higher education according to a schedule established by the chief executive officer. Due dates for repayments are set by the chief executive officer and may be extended for the same period of any deferment granted by the chief executive officer. [PL 2003, c. 427, §10 (AMD).]

**3. Deferment.** A recipient of a loan may seek a deferment of the annual payments for a period or periods as established by rule of the authority. A request for deferment must be made to the chief executive officer who shall make a determination on a case-by-case basis. The chief executive officer may grant a deferment in the event that a recipient of a loan evidences intent to teach and inability to secure employment necessary to obtain forgiveness of the loan at the time the deferment is sought. The chief executive officer shall require certification of the intent annually and grant a deferment for each successful request for deferment for a period not to exceed one year. The chief executive officer may establish limits to the number of deferments that may be granted to any recipient by rule of the authority. [PL 2003, c. 427, §10 (AMD).]

**4. Child development students.**  
[PL 2003, c. 427, §10 (RP).]

**5. Death or disability.** The authority may forgive loans of loan recipients who have died or who have become permanently disabled, as determined by the chief executive officer. [PL 2003, c. 427, §10 (NEW).]

### SECTION HISTORY

PL 1983, c. 859, §§F1,F2 (NEW). PL 1985, c. 819, §C2 (AMD). PL 1989, c. 698, §§37-39 (AMD). PL 1991, c. 612, §16 (AMD). PL 1991, c. 664, §2 (AMD). PL 1995, c. 117, §E9 (AMD). PL 1995, c. 117, §E13 (AFF). PL 1997, c. 489, §8 (AMD). PL 1999, c. 441, §10 (AMD). PL 1999, c. 783, §5 (AMD). PL 2003, c. 427, §10 (AMD). PL 2019, c. 303, §8 (AMD).

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