

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS)
PUBLIC HEALTH SERVICE (PHS)
HEALTH RESOURCES AND SERVICES ADMINISTRATION
BUREAU OF HEALTH PROFESSIONS**

**PRIMARY CARE LOAN PROGRAM
MASTER PROMISSORY NOTE
FOR LOANS MADE ON OR AFTER MARCH 23, 2010**

I, _____ hereinafter called the Borrower, promise to pay to NEOMED hereinafter called the Institution, located at 4209 St. Rt. 44, Rootstown, OH 44272, the sum of such amounts as may from time to time be advanced to me with **interest at the rate of Five (5) percent** per annum except as specified in #3, together with all attorney's fees, collection agent costs, and other related costs and charges for the collection of any amount not paid when in default according to the terms of this Promissory Note.

The Borrower and Institution further understand and agree that:

1. Agreement to enter and practice primary health care (Section 723 Public Health Service Act):

- a. enter and complete a residency training program in primary health care not later than 4 years after the date on which the Borrower graduates from the Institution;
- b. practice in primary health care in a State (as defined in 42 USC 295) for 10 years (including the years spent in residency training) or through the date on which the loan is repaid in full, whichever occurs first (P.L. 111-148, Section 5201 (a)(1)(B)), and certify to the Institution on an annual basis until the loan is repaid in full that he/she is practicing in primary health care.
- c. not enter any subspecialty training (i.e. non-primary care residency, fellowships, etc. that could lead to board certification in a subspecialty) from the time of graduation until the loan is repaid in full.

2. Definitions (Section 723 Public Health Service Act):

- a. Primary Health Care is defined as family medicine, general internal medicine, general pediatrics, preventive medicine or osteopathic general practice.
- b. Residency Training Program in Primary Health Care is defined as a 3-year residency program in allopathic or osteopathic family medicine, internal medicine, pediatrics, combined medicine/pediatrics, or preventive medicine, approved by the Accreditation Council on Graduate Medical Education (ACGME) or the American Osteopathic Association (AOA) or a general practice residency program approved by the AOA. This may include participation in a rotating or primary health care internship approved by the AOA.

3. **Non-Compliance By Borrower (Section 723 Public Health Service Act):**

a. This loan will accrue interest continuously at a rate of seven (7) percent per annum beginning on the date of noncompliance, and ending when the loan is paid in full (P.L. 111-148, Section 5201(a)(3)).

b. The Borrower is not eligible for the deferment provisions outlined in #7 of this Note.

4. **Prohibition Against Consolidation:** This Loan may not be consolidated as part of a Federal Consolidation Loan under the Higher Education Act of 1965.

5. **Repayment (Section 722 Public Health Service Act, 42 CFR 57.210):**

a. Repayment shall be made in equal or graduated periodic installments within the repayment period, except that the Institution may require repayment to be made in an amount equal to **not less than \$40 per month.** The repayment period **begins one year after the Borrower ceases to be a full-time student** at a school eligible to participate in the Primary Care Loan program. The **repayment period shall not be less than ten years, nor more than 25 years.** at the discretion of the Institution. Periods of authorized deferment are not included as part of the repayment period.

b. The terms and conditions of repayment shall be set forth in a separate repayment schedule which is approved by the Institution and agreed to by the Borrower. Payments under the repayment schedule shall to the Institution or its representative no less often than quarterly, except that if the Borrower is more than 60 days past due on a payment, the remaining balance of the loan shall be repaid on a monthly basis.

6. **Interest (Section 722 Public Health Service Act, 42 CFR 57.208):** Interest shall accrue from the beginning of the repayment period, except as specified in #3.

7. **Deferment (Section 722, 42 CFR 57.210):** In accordance with #1. above, periodic installments of principal and interest need not be paid, and interest shall not accrue while the Borrower: (a) serves on active duty as a member of a uniformed service of the United States, for up to three years; (b) serves as a volunteer under the Peace Corps Act, for up to three years; (c) pursues advanced professional training in primary care, including internships and residencies; (d) pursues a full-time course of study at a health professions school eligible for participation in the Primary Care Student Loan program; (e) leaves the Institution, with the intent to return to the Institution as a full-time student, to engage in a full-time educational activity which is directly related to the health profession for which the Borrower is preparing, as determined by the Secretary of Health and Human Services (the Secretary), for up to two years; and

- (f) participates in a fellowship training program or a full-time educational activity which is directly related to the health profession for which the Borrower prepared at the Institution, and is engaged in by the Borrower within 12 months after the completion of the Borrower's participation in advanced professional training (described in #7(c) above) or prior to the completion of the Borrower's participation in such training, for up to two years.
8. **Prepayment (Section 722 Public Health Service Act):** The Borrower may, at his or her option and without penalty, prepay all or any part of the principal and accrued interest at any time.
 9. **Exit Interview (42 CFR 57.210):** The Borrower agrees to attend an exit interview prior to completing or terminating full-time student status at the Institution.
 10. **Default (Section 721, 42 CFR 57.208):** If the Borrower fails to make an installment payment when due or fails to comply with any other term of this Promissory Note, except for #1 above, the loan will be considered in default.
 11. **Late Charge (Section 721 Public Health Service Act, 42 CFR 57.210):** The Institution shall assess a late penalty charge for failure of the Borrower to pay all or any part of an installment, or for failure to file satisfactory evidence of entitlement to deferment, if so entitled, at a rate, not to exceed an amount equal to 6 percent as determined by the Institution of the amount of such installment, on loans more than 60 days past due.
 12. **Acceleration (42 CFR 57.208):** If the Borrower fails to make a scheduled repayment or fails to comply with any other term of this Promissory Note, except as specified in #3 above, the entire unpaid balance of the loan, including interest due and accrued and any applicable penalty charges, will, at the option of the Institution, become immediately due and payable.
 13. **Credit Bureaus (42 CFR 57.210):** The Institution may disclose the Borrower's loan, and any other relevant information, to credit bureaus. If the Borrower is more than 120 days past due in making a scheduled repayment, the Institution will disclose the Borrower's delinquent status, and any other relevant information, to credit bureaus.
 14. **Collection Agents, Litigation, and Withholding of Services (Section 722 Public Health Service Act, 42 CFR 57.210):**
If the Borrower fails to make a scheduled repayment, or fails to comply with any other term of this Promissory Note, except for #1 above, the Institution may: (a) refer the Borrower's loan to a collection agent for further collection efforts; (b) initiate legal proceedings against the Borrower; (c) withhold Institutional services, such as transcripts and letters of recommendation, from the Borrower; (d) refer the Borrower's loan to the Secretary for collection assistance, including offset of Federal salaries; and (e) obtain the Borrower's address from the Internal Revenue Service through the Secretary, if the Institution has no current address for the Borrower.

15. **Death or Disability (42 CFR 57.211):** In the event of the Borrower's total and permanent disability or death, the unpaid indebtedness remaining on the Promissory Note shall be canceled. Subject to the regulations of the Secretary, the Institution may assess a charge on the Borrower's loan to cover the costs of insuring against death or disability cancellations.
16. **Waiver or Suspension of Service Obligation (Section 723):**
- a. If the Borrower does not graduate from a school of medicine or osteopathic medicine, the agreement set forth in #1 above and the noncompliance provisions set forth in #3 above shall be waived upon approval by the Secretary.
 - b. If the Borrower terminates his or her studies before graduating from a school of medicine or osteopathic medicine, but later resumes studies and graduates from a school of medicine or osteopathic medicine, the agreement set forth in #1 above and the noncompliance provisions set forth in #3 above shall be considered to have been suspended for the period during which the Borrower was not in attendance at a school of medicine or osteopathic medicine and the original loan terms reinstated.
 - c. This section may not be construed as authorizing the waiver or suspension of the obligation of the Borrower to repay this loan in accordance with the terms of this Promissory Note.
17. **General:** The Borrower will promptly inform the Institution of any change in name or address after he or she ceases to be a full-time student at the Institution. The terms of this Promissory Note shall be construed according to the Federal statute and regulations governing the administration of the Health Professions Student Loan and Primary Care Loan programs, copies of which shall be kept by the Institution.

Notice About Subsequent Loans Made Under This Master Promissory Note:

This Note authorizes the Institution to disburse multiple loans during the multi-year term of this Note upon the Borrower's request and upon the Institution's determination of the Borrower's loan eligibility.

Subsequent loans may be made under the Note for the same or subsequent periods of enrollment at this Institution. The Institution however, may at its discretion, close this Note at any time and require the Borrower to sign a new Note for additional disbursements. If the Institution chooses to make subsequent loans under this Note, no such loans will be made after the earliest of the following dates: (i) the date this Institution receives the Borrower's written notice that no further loans may be made disbursed under this note; (ii) the date of withdrawal from the Institution by the Borrower.

Any amendments to the Public Health Service Act governs the terms of any loans disbursed on or after the effective date of such amendment, and such amended terms are hereby incorporated into this Note.

NOTICE: The Institution must require security or endorsement if the borrower is a minor and if, under the applicable State law, the Note signed by him or her would not create a binding obligation. The Institution may not require security or endorsement in any other circumstances. The institution shall supply a copy of this Note to the Borrower.

WARNING: Any person who knowingly makes a false statement or misrepresentation in obtaining these funds is subject to penalties which may include fines and imprisonment under Federal Statute.

I agree to the terms and conditions of this Promissory Note. I accept use of this form as my Master Promissory Note for all Primary Care Loans (PCL) received under the Health Professions Student Loan (HPSL) program.

Signature of Borrower

Date

PLEASE PRINT THE FOLLOWING INFORMATION CLEARLY

Social Security #:			
Permanent Address:			
City, State, Zip:			
Date of Birth :			

Primary Healthcare Service Obligation (Dec 2011) from:
<https://bhw.hrsa.gov/sites/default/files/bhw/pcl.pdf>

Primary health care is defined as family medicine, general internal medicine, general pediatrics, preventative medicine, or osteopathic general practice.

ACCEPTABLE RESIDENCY TRAINING

Medicine/Osteopathic Medicine: Approved 3-year residencies:

- family medicine
- internal medicine
- pediatrics
- combined medicine/pediatrics
- preventive medicine
- general practice

ACCEPTABLE PRACTICE ACTIVITIES

Medicine/Osteopathic Medicine:

- Primary Care Clinical Practice
- Clinical Preventive Medicine
- Occupational Medicine
- Public Health
- Senior/Chief Resident in primary care residency program
- Faculty, Administrators, or Policy Makers certified in one of the primary health care disciplines
- Geriatrics
- Adolescent Medicine
- Adolescent Pediatrics
- Urgent Care [*Campus Based Policy Memorandum 2003-1*]
- Sports Medicine
- Training for Primary Care Faculty Career
- Training for Public Policy Career
- Masters in Public Health
- Public Policy Fellowship
- Faculty Development Training
- Primary Care Fellowship
- Hospitalist

UNACCEPTABLE RESIDENCY/PRACTICE ACTIVITIES (Non-compliance)

Medicine/Osteopathic Medicine:

- Cardiology
- Gastroenterology
- Obstetrics/Gynecology
- Surgery
- Dermatology
- Radiology
- Rehabilitation Medicine
- Physical Medicine
- Emergency Medicine
- Other Subspecialty Training or Certification

The law requires that PCL recipients practice in primary care, but does not specify that the practice be full-time or that it involve a minimum number of hours per week. Even though part-time practice is acceptable, the recipient would be in breach of the service obligation if he or she were to obtain any type of subspecialty training that would allow him or her to sub-specialize during his or her remaining service.

**Northeast Ohio Medical University
4209 State Route 44 – P.O. Box 95, Rootstown, Ohio 44272-0095**

Final Loan Disclosure

The loan packet you submitted has been received, please see the attached copies of your Truth-In-Lending statement for disclosure of your loan amount and repayment terms.

ADDITIONAL FEES:

Returned Check Charge: \$25.00

Late Fees

Foundation Loan and Alice B. Taggart Loan - \$1 for the month or part of the month by which the installment is late, and \$2 for each month or part of month thereafter.

Primary Care Loan - 6 percent on loans more than 60 days past due.

Loan for Disadvantaged Students - 6 percent on loans more than 60 days past due.

RIGHT TO CANCEL – You have a right to cancel this transaction, without penalty, within 3 days of the postmark of this mailing. No funds will be disbursed to you until after this time. You may cancel by contacting the Accounting Department at 330-325-6399, or by email at jkovach1@neomed.edu.

For immediate disbursement of funds please sign below to acknowledge receipt of your final loan disclosure.

Signature of Receipt: _____ **Date:** _____