

## 2012 Kansas Statutes

**74-3267. Same; failure to satisfy obligation; repayment; interest rate.** (a) (1) Except as otherwise provided in K.S.A. 74-3268, and amendments thereto, upon the failure of any person to satisfy the obligation to engage in the full-time or part-time practice of medicine and surgery within the state of Kansas for the required period of time under an agreement entered into as provided in K.S.A. 74-3266, and amendments thereto, such person shall repay to the state board of regents an amount equal to the total of (1) the amount of money received by such person pursuant to such agreement plus (2) accrued interest from the date such money was received at a rate which is equivalent to the interest rate applicable to loans made under the federal PLUS program at the time such person first entered into an agreement plus five percentage points.

(2) Any person who applies for and enters a postgraduate residency training program that is not an approved program as provided in this section shall be required to repay all moneys received as provided in an agreement entered into under K.S.A. 74-3266, and amendments thereto, plus accrued interest from the date such moneys were received at a rate which is equivalent to the interest rate applicable to loans made under the federal PLUS program at the time such person first entered into an agreement plus five percentage points and shall commence such repayment in accordance with subsection (b) within 90 days of graduation from the school of osteopathic medicine or upon termination or completion of a residency training program which does not comply with the provisions of this act, whichever is later.

(3) Any person who enters and completes an approved postgraduate residency training program but fails to satisfy the obligation to engage in the full-time or part-time practice of medicine and surgery for the required period of time shall be required to repay all money received pursuant to an agreement entered into under K.S.A. 74-3266, and amendments thereto, plus accrued interest from the date such money was received at a rate which is equivalent to the interest rate applicable to loans made under the federal PLUS program at the time such person first entered into an agreement plus five percentage points and shall commence such repayment in accordance with subsection (b) within 90 days of failure to satisfy the obligation.

(b) Each person required to repay any amount under this section shall repay an amount totaling the entire amount to be repaid under all such agreements for which obligations are not satisfied, including all amounts of interest at the rate prescribed. Except as otherwise provided in this section, such repayment shall be in installment payments and each such installment shall be not less than an amount equal to 1/5 of the total amount which would be required to be paid if repaid in five equal annual installments.

(c) Except as otherwise provided in subparts (2) and (3) of subsection (a), all installment payments under this section shall commence six months after the date of the action or circumstance that causes the failure of the person to satisfy the obligations of such agreements, as determined by the state board of regents based upon the circumstances of each individual case. If an installment payment becomes 91 days overdue, the entire amount outstanding shall become immediately due and payable, including all amounts of interest at the rate prescribed.

(d) The total repayment obligation imposed under all agreements entered into as provided in K.S.A. 74-3266, and amendments thereto, may be satisfied at any time prior to graduation from the accredited school of osteopathic medicine by making a single lump sum payment equal to the total of (1) the entire amount to be repaid under all such agreements upon failure to satisfy the obligations under such agreements to practice in Kansas, plus (2) all amounts of interest accrued thereon at the rate prescribed under this section.

(e) The state board of regents is authorized to turn any repayment account arising under the osteopathic medical service scholarship program over to a designated loan servicer or collection agency, the state not being involved other than to receive payments from the loan servicer or collection agency at the interest rate prescribed under this section.

**History:** L. 1982, ch. 378, § 3; L. 1993, ch. 184, § 3; L. 2001, ch. 151, § 3; July 1.