**Section 594.210 Limitations on Use of Loan Repayment Funds**

a) Funds shall be used for the repayment of educational loans of primary care physicians, dentists, psychiatrists, physician assistants, and advanced practice nurses who agree to serve in designated shortage areas.

b) Payments may be used for the principal, interest and related expenses of government and commercial loans received by the individual and used for tuition expenses, and all other reasonable educational expenses incurred by the individual. The loans must have been incurred in pursuit of the recipient's professional education and may include undergraduate and graduate educational programs.

c) Applicants who agree to practice at a Department approved site in an underserved area for 2 years are eligible for up to $25,000 annually; however, if the total amount of the applicant's qualifying educational loans is less than $50,000, the applicant will receive one-half of the total qualifying educational loan amount annually.

d) Applicants who agree to practice in an underserved area for 3 years are eligible for up to $25,000 for each of the first 2 years and up to $35,000 for the third year of service; if the balance of the applicant's qualifying educational loans after the first 2 years of service is less than $35,000, however, the applicant will receive payment for the remaining qualifying educational loans in the third year.

e) Applicants who agree to practice in an underserved area for 4 years are eligible for up to $25,000 annually for the first and second years of service and $35,000 annually for the third and fourth years of service. If the balance of the applicant's qualifying educational loans after the first 2 years of service is less than $70,000, however, the applicant will receive one-half of the remaining qualifying educational loans annually in the third and fourth years.

f) An additional amount of not more than 39 percent of the total amount of loan repayments made for each tax year in which these payments were made may be paid to the loan repayment program recipient in those years when National Health Service Corps State Loan Repayment Grant Program funds are available.

g) Funds may not be used to monetarily repay any practice obligation resulting from educational loans or scholarships.

(Source: Amended at 25 Ill. Reg. 14507, effective November 1, 2001)