**Section 2749.310 Repayment of Scholarship**

a) *Any* recipient who defaults on the terms of the Grant Agreement *shall pay to the Department an amount equal to the amount of scholarship funds received per year for each unfulfilled year of the nursing employment obligation* or *nurse educator employment obligation, together with interest at 7% per year on the unpaid balance.* (Sections 6 and 6.5(d) of the Law)

b) A default of the scholarship shall include, but not be limited to:

1) Misstatements in reporting information to the Department;

2) Misrepresentation to the Department for the purpose of obtaining a scholarship;

3) Failure to maintain the continuous attendance requirement;

4) Failure to complete nursing school, voluntary withdrawal from school or dismissal from school due to academic failure (as defined by the school);

5) Failure to become a licensed nurse in Illinois; and

6) Failure to fulfill the nursing employment obligation or nurse educator employment obligation.

c) Repayment *must begin within 6 months following the date* of the default action *initiating the repayment.* (Sections 6 and 6.5(d) of the Law)

d) Recipients in default shall enter into a Contract for Repayment with the Department as soon as the reason for default has been established. The Contract for Repayment shall specify the amount due, the repayment schedule and all other terms of the cash repayment. Interest charges shall be completely waived if the recipient repays the total scholarship amount prior to the first payment due date.

e) If a recipient fails to pay monies owed to the Department, *the Department may require a recipient to reimburse the State for expenses,* legal *fees* and costs*, incurred by the Department or other agent of the State for a successful legal action against the recipient for a breach of any provision of the* Grant Agreement and refer the recipient to the Illinois Attorney General or to a collection agency. The total 6-year interest shall be due if the recipient fails to fulfill the repayment requirements and the case is settled through authorized agencies outside the Department. (Section 4 of the Law)

f) *All* cash *repayments must be completed within 6 years from the date of the* first annual cash payment. (Sections 6 and 6.5(d) of the Law)

g) *The Department may allow a nurse educator employment obligation fulfillment alternative if the nurse educator scholarship recipient is unsuccessful in finding work as a nurse educator. The Department shall maintain a database of all available nurse educator positions in this State.* (Section 6.5(d) of the Law) The Department shall utilize the following Internet address to ascertain all available nurse educator positions in Illinois: http://nursing.illinois.gov/ads.asp.

(Source: Recodified from 77 Ill. Adm. Code 597.310 (Department of Public Health) pursuant to P.A. 102-699, at 47 Ill. Reg. 7031)