

**ARKANSAS RURAL MEDICAL PRACTICE STUDENT LOAN
AND SCHOLARSHIP PROGRAM**

STUDENT APPLICANT

For Contracts Effective for the 2022-2023 Academic Year

University of Arkansas for Medical Sciences College of Medicine
4301 West Markham, Little Rock, Arkansas 72205

PROMISSORY NOTE AND CONTRACT

This Promissory Note and Contract is made by and between the Arkansas Rural Medical Practice Student Loan and Scholarship Board ("the Board") and the student whose name appears hereinafter (referred to herein as "I" or "me" or "maker") for the purpose of loaning funds to the student on the terms and conditions set forth hereinafter.

Date: _____ **Amount Loaned: \$12,000.00** **SSN#:** _____

For value received, I, _____, of _____, Arkansas, agree to repay to the Arkansas Rural Medical Practice Student Loan and Scholarship Board the sum of twelve thousand dollars (\$12,000.00) which I am receiving as a student loan under Act 131 of 1949, as amended (Ark. Code Ann. § 6-81-701, et seq.), having been most recently amended by Acts 1114 and 1257 of 1995, Act 676 of 2003, Act 1058 of 2007, Act 708 of 2009 and Act 132 of 2017, (collectively referred to hereinafter as "the Statutes") the loan fund shall be disbursed in installments and dates as follows:

\$6,000.00 on or about **August 9, 2022**; and
\$6,000.00 on or about **January 6, 2023**;

I acknowledge and understand that this loan is governed by the conditions provided in the Statutes which are applicable to this loan and those conditions are hereby incorporated by reference and made a part of this promissory note and contract. I further recognize this loan is subject to the provisions of Ark. Code Ann. § 6-64-406.

I, also, acknowledge and understand that by signing this agreement, I am agreeing to the following terms and conditions; that repayment of this loan as required shall be deemed sufficient if my performance is in accordance with the following terms and conditions of this written loan contract; and that any disregard on my behalf to the following terms and conditions may be deemed by the Board a breach of contract as set forth hereinafter.

(1) In consideration of this loan being made to me as a student accepted to the University of Arkansas College of Medicine ("College of Medicine"), I agree and bindingly contract to abide by each of the following:

- (A) I will enroll in the medically underserved and rural practice curriculum of the College of Medicine; and
 - (B) I will engage in the full time practice of primary care in a “qualified rural community” as defined in the Statutes within six (6) months of my completion of:
 - (i) My medical internship of one (1) year which I will undertake immediately following my earning of the degree of Doctor of Medicine at the College of Medicine; or
 - (ii) My four (4) additional years of medical training beyond my internship, but only if the training has been approved in advance by the Board, and includes practice experience in a qualified rural community.
- (2) I recognize that IF
- (A) I reside in a qualified rural community (unless waived by the Board), and
 - (B) I practice full time primary care medicine in the qualified rural Community in accordance with paragraph (1)(B), THEN
 - (C) The Board shall cancel, by converting to a scholarship grant, the full amount of one year's loan plus accrued interest for each continuous whole year of full time primary care medical practice under the terms of this contract. The continuous whole year may be subject to reasonable leave periods, including without limitation, vacation, sick leave, continuing medical education, jury duty, funerals, holidays, or military service. Loans made for subsequent years will be converted in like manner, one year of service for one year of assistance, until the loan obligation is retired.
- (3) I agree that the Board may withhold from this loan, and pay to the College of Medicine, any tuition, fees, housing or other service, or charges I may owe as a medical student, paying me the difference between amounts withheld and the full amount of this loan.
- (4) I also recognize, at my request, the Board may approve practice in more than one (1) qualified rural community to meet my obligation to practice full time if the Board determines, according to the guidelines provided by the Board, that the physician need in the rural communities cannot sustain a full time medical practice, or other compelling circumstances exist.
- (5) However, in the event I withdraw from the Arkansas Rural Medical Practice Student Loan and Scholarship Program or do not engage in or do not remain engaged in the full time practice of primary care medicine for the time period for which I am obligated under the terms of this contract in order to have the loan contract recognized as a scholarship, I shall be obligated to

repay the loan or loans received, together with interest, at the maximum rate allowed by Arkansas law, or the federal discount rate plus five (5%) percent per annum, whichever is the lesser, the interest to accrue from the date each payment of funds was received.

(6) Repayment of principal with interest and penalties shall be due and payable in full at the earliest to occur of the following events which may constitute breach of this contract:

- (i) Failure to remain enrolled in the medically underserved and rural practice curriculum;
- (ii) Failure to remain in enrollment status in the College of Medicine continuously to completion of the degree of Doctor of Medicine for any reason other than temporary personal illness;
- (iii) Failure to complete internship;
- (iv) Failure to establish a full time primary care practice approved by the Board in a Qualified Rural Community within six (6) months, unless otherwise deferred by approval of the Board, following either internship or four (4) additional years of medical education continuously beyond my internship where approved by the Board; or
- (v) Failure to engage or remain engaged in full time primary care medicine while residing in the qualified rural community, provided however, that the Board may waive the residency requirement.

(7) Repayment of this loan, as to principal and accrued interest, is to be made to the Treasurer, University of Arkansas for Medical Sciences, Little Rock, Arkansas, in lawful money of the United States.

(8) I also fully recognize and understand, in addition to the aforementioned monetary obligations and penalties, a breach of contract due to my failure to engage in the practice of full-time primary care medicine in accordance with this written loan contract may result in the suspension of my license to practice medicine in the State of Arkansas. My license may be suspended for a period of years equivalent to the number of years that I am obligated to practice medicine in a qualified rural community, but did not so practice, and until the loan with interest together with any civil money penalties, as reduced by each full year of medical practice according to the terms of this written loan contract, is paid in full.

- (A) I, _____, hereby acknowledge and attest that the possible suspension of my license to practice medicine in the State of Arkansas as a consequence of my breach of this written loan contract, as described herein was explained to me both orally and in writing. I further attest to the fact that I was allowed to ask the Board any questions I had regarding the terms of the contract and any consequences of a breach of said contract. I was further encouraged and allowed, by the Board, to consult with an attorney of my choosing regarding the terms of this contract before I executed the same.
- (B) I acknowledge and understand that any communication from the College of Medicine with any state medical licensing Board shall include a notation that I, as a recipient of a rural medical practice loan, have a contract with the State of Arkansas to practice primary care medicine in a qualified rural community and breach of that contract may result in suspension of my Arkansas medical license. I further acknowledge and understand that the Board may notify or provide information to any medical licensing boards within the United States regarding my obligations under this contract, any breach on my part of the terms of this contract and any penalties, interest or suspensions of my license which may have been assessed as a result of my failure to complete the obligations I have agreed to under this contract.

(9) I understand that in the event of a breach that I may apply to the Dean of the College of Medicine for a waiver of the contractual provisions. If the Dean, in his/her sole discretion, as chair of the Board determines that exigent circumstances warrant a waiver, I will be notified in writing. The Dean of the College of Medicine shall thereby immediately notify the Arkansas Medical Board of such determination. If the Dean, in his/her sole discretion, determines that exigent circumstances do not warrant a waiver, then I understand that I will remain fully obligated to the terms of this contract.

(10) No interest shall accrue, nor shall I be obligated to repay the principal sums accrued, during any one (1) period of time I involuntarily serve on active duty in the United States armed forces.

(11) As a student of the College of Medicine by virtue of signing this written rural practice loan contract, I shall be guaranteed participation in the program for four years of medical school provided I continue to meet the eligibility requirements for renewal of a loan. Subject to the availability of funds, an initial rural medical practice loan shall be renewable annually (up to a total of four years of assistance), for the number of years required to complete studies leading to the Doctor of Medicine degree or for additional amounts, not to exceed \$16,500 per year. All subsequent rural medical practice loans shall be granted only upon application by me, the recipient, and a finding by the Board that I, the applicant:

- (A) Have completed successfully the medical studies of the preceding academic year and remain in good standing as an enrolled student in the College of Medicine;

- (B) Am enrolled or participating in a medically underserved and rural practice curriculum;
- (C) Continue to be a resident of Arkansas; and
- (D) Continue to have a financial situation warranting financial assistance.

(12) As maker of this contract and note, I waive presentment, demand, notice, protest, and all other demands and notices in connection with the delivery, acceptance, performance, default, or enforcement of this note and contract. No party to this contract shall by any act, omission, or otherwise be deemed to have waived any of its rights and/or remedies hereunder unless such waiver be in writing and signed by the other party, and then only to the extent set forth in writing. A waiver on any one occasion shall not be construed as a bar to or waiver of any such rights and/or remedies on any future occasion. This note and contract may be amended in writing at any time prior to full performance of the recipient's contractual obligations. It is further agreed that any action for breach of this contract shall be maintained solely in Pulaski County, Arkansas.

(13) I understand and agree if further loan or loans under this program shall not be made to me that my obligation to engage in the full time practice of primary care in a qualified rural community in accordance with this contract to repay this loan as stated in lieu thereof, shall not be diminished in any way.

(14) I understand that the College of Medicine is required to track graduates who are recipients of rural medical practice loans for the length of their contractual obligations and make an annual report to the Governor regarding the compliance of those graduates. I will keep the UAMS Treasurer's Office, the Student Financial Services Office, and the Rural Practice Programs Administrator advised of any name or address changes, and/or changes in my medical training status.

(15) The parties agree that this agreement shall be governed by and enforced in accordance with the laws of the State of Arkansas. The parties agree that jurisdiction and venue for any action to recover under this contract shall be in Pulaski County, Arkansas, and that in the event of a breach by either party, attorney's fees are recoverable by the prevailing party.

By and through my signature, I attest that I have fully read the provisions of this written loan contract; that I fully understand the terms and conditions herein; and that I agree and bindingly contract my performance will be in accordance thereof or I will be subject to the aforementioned consequences set forth in this contract.

Applicant's Signature

Date

ARKANSAS RURAL MEDICAL PRACTICE STUDENT LOAN AND SCHOLARSHIP BOARD:

The Arkansas Rural Medical Practice Student Loan and Scholarship Board hereby covenants and agrees to make the loan which is represented by the Promissory Note and Contract of the borrower, shown herein. We agree to administer this loan, its collection, and/or its conversion into a scholarship grant in lieu of repayment in money, according to the terms and conditions in the Statutes.

**ARKANSAS RURAL MEDICAL PRACTICE
STUDENT LOAN AND SCHOLARSHIP BOARD**

Signature of the Chair, Rural Practice Board Date

Countersigned:

Signature of the Secretary, Rural Practice Board Date

Approved: 1-13, 3-17

CONSUMER CREDIT PROTECTION ACT DISCLOSURES IN CONNECTION WITH A STUDENT LOAN:

For Enrolled STUDENTS Accepted for Admission under the **Arkansas Rural Medical Practice Program**

A completed copy of this form shall be given to each person to whom student loan credit is extended, AT THE TIME A LOAN IS MADE. Execute in Duplicate.

1. AMOUNT OF LOAN: **\$12,000**
2. Applicable delinquency and default charges are as follows: The maximum rate allowed by Arkansas law, or the federal discount rate plus five percent (5%), whichever is the lesser, the interest to accrue from the date each payment of funds was received by the borrower.
3. Provisions for acceleration of payment are as follows:
 - a. Earlier to occur of the following:
 - Failure to remain enrolled in the medically underserved and rural practice curriculum;
 - Withdrawal from the Arkansas Rural Medical Student Loan and Scholarship Program;
 - Failure to remain in enrollment status in the College of Medicine continuously to completion of the degree of Doctor of Medicine for any reason other than temporary personal illness;
 - Failure to complete internship;
 - Failure to establish a full time medical practice in a Rural Community within (6) months, unless otherwise deferred by approval of the Board, following either internship or four (4) additional years of medical education continuously beyond my internship where approved by the Board; or
 - Failure to engage in the full-time practice of medicine on a regularly sustained basis while residing in the Rural Community provided however, that the Board may waive the residency requirement on a case by case basis.
 - b. If the Board is required to take any action to enforce payment of said loan, the borrower shall be responsible to reimburse the Board for all attorney's fees and related costs and charges for the collection of any amount not paid when in default according to the terms of this note.
4. Maker/Borrower has been advised orally that that his/her failure to engage in the practice of medicine in accordance with the loan contract may result in automatic suspension of his/her license to practice medicine in the state of Arkansas. The suspension shall be for a period of years equivalent to the number of years that he/she is obligated to practice medicine in a rural area and the suspension shall continue until the loan with interest and penalties thereon is paid in full. Any communication from the University of Arkansas College of Medicine with any state medical licensing board shall include a notation that the recipient of a rural medical practice loan has a contract with the state of Arkansas to practice primary care medicine in a rural community and breach of that contract may result in suspension of the recipient's Arkansas medical license.

These disclosures relate to a loan transaction entered into between the Arkansas Rural Medical Practice Student

Loan and Scholarship Board, as lender, and _____, Promisor/maker, which is
(Name)

evidenced by the maker's note of _____ in the face amount of
\$12,000. (Date)

THE MAKER ACKNOWLEDGES RECEIPT OF AN EXACT COPY OF THIS STATEMENT FULLY COMPLETED PRIOR TO THE CONSUMMATION OF THE TRANSACTION IDENTIFIED ABOVE.

Signature of Borrower

Date

Signature of Board Secretary
Arkansas Rural Medical Practice
Student Loan and Scholarship Board

Date