

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND TENTH LEGISLATURE
4

5 **Legislative Document**

No. 1739

7 H. P. 1749 Office of the Clerk of the House
8 Approved for introduction by the Legislative Council pursuant to
Joint Rule 26.

Reference to the Committee on Education suggested and 1,400
Ordered Printed.

9 EDWIN H. PERT, Clerk
10 Presented by Representative Beaulieu of Portland.
11

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-TWO
16

17 AN ACT to Provide an In-state Practice Option
18 as a Loan Forgiveness Factor of the
19 Osteopathic Student Loan Program.
20

21 Be it enacted by the People of the State of Maine as follows:

22 20 MRSA §2244, sub-§2, as enacted by PL 1981, c. 316,
23 Pt. 0, is repealed and the following enacted in its place:

24 2. Agreement for osteopathic loan students; 1981. Any
25 osteopathic loan student commencing his professional educa-
26 tion on or after July 1, 1981, shall be governed by the
27 terms of this section. Each student contracting for loan
28 assistance shall enter into a contract with the Commissioner
29 of Educational and Cultural Services stating that, following
30 the completion of his professional education, including
31 internship, residency and obligated public health service,
32 he will enter upon the practice of osteopathic medicine in
33 this State for a period of one year for each \$5,000 or 25%,

1 whichever is greater, of the total loan funds granted by the
2 State and utilized by the student.

3 If a recipient of a loan provided in this chapter fails to
4 perform his agreement with the Commissioner of Educational
5 and Cultural Services for reasons other than death, he shall
6 pay the State an amount of money equal to the loan amount
7 granted to and utilized by him as a student of osteopathic
8 medicine. This amount shall be payable at 9% simple annual
9 interest in not more than 10 annual equal installments.
10 These installment payments shall commence at such time as
11 the student loan contractor concludes his professional edu-
12 cation under rules promulgated by the commissioner.

13 If a recipient of loan funds provided for in this chapter
14 practices osteopathic medicine in a community of Maine for
15 only a part of his total compensatory practice agreement, he
16 shall be liable to the State for the amount granted him
17 under that loan agreement, plus payment of 9% simple annual
18 interest, reduced by a credit of \$5,000 or 25% of the total
19 amount loaned, whichever is the greater amount, and the
20 interest thereon per year, or portion thereof, for the time
21 he practiced osteopathic medicine in Maine.

22 STATEMENT OF FACT

23 This bill seeks to restore a provision for forgiveness
24 of indebtedness for Maine resident osteopathic medical stu-
25 dents who contract for professional education loans through
26 Title 20, chapter 302-B. The forgiveness feature would pro-
27 vide an option for the Osteopathic Student Loan Program par-
28 ticipants to repay the principal and interest of loans con-
29 tracted with the Department of Educational and Cultural Ser-
30 vices during a 10-year period following completion of their
31 internship, residency or obligated public service, or to
32 receive a credit defraying 1/4 of his indebtedness to the
33 State up to the total amount of his obligation to the
34 Department of Educational and Cultural Services for each
35 year of continuous practice as a licensed physician serving
36 a Maine community, which service shall begin upon completion
37 of his internship, residency or obligated public service.

38 Physician services to a Maine community as a repayment
39 option was utilized by more than half of the Maine residents
40 who contracted during the last decade for physician training
41 loans through Title 20, chapter 302-B.

1 Legislative action which funded the continuation of the
2 Osteopathic Student Loan Program for the current biennium
3 eliminated the practice option incentive as a loan payment
4 provision for Maine residents entering osteopathic medical
5 colleges after September, 1981.

6 This bill would restore such a provision and amend the
7 forgiveness factor to equate to a portion of the doctor of
8 osteopathy's indebtedness.

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