

or part of the amount otherwise payable to—

(1) Expand or improve its provision of health services;

(2) Increase the number of individuals served;

(3) Renovate or modernize facilities for its provision of health services;

(4) Improve the administration of its health service programs; or

(5) Establish a financial reserve to assure its ability to continue providing health services;

(c) Where the Secretary determines that a National Health Service Corps site is eligible for a waiver under paragraph (a) (1) or (2) of this section, the Secretary may waive the application of the reimbursement requirements of section 334(a)(3) of the Act and apply the reimbursement requirements of section 334(f)(1) of the Act. The Secretary may waive in whole or in part the reimbursement requirements of section 334(f)(1) for such a site if he or she determines that the National Health Service Corps site meets the requirements of paragraph (a)(1) of this section. Funds retained by a National Health Service Corps site as a result of such waiver must be used for the purposes set forth in paragraphs (b) (1) through (5) of this section.

(d) Requests for a prospective or retrospective waiver must be made at the time and in the manner and contain the documentation prescribed by the Secretary.

[45 FR 12790, Feb. 27, 1980, as amended at 51 FR 31948, Sept. 8, 1986]

§ 23.11 Under what circumstances may the Secretary sell equipment or other property of the United States used by the National Health Service Corps site?

(a) Upon expiration of the assignment of all Corps personnel to a health manpower shortage area, the Secretary may sell equipment and other property of the United States used by the assigned personnel. The equipment may be sold at the fair market value or less than the fair market value to any entity providing health services in or to a health manpower shortage area if the Secretary determines that an entity is unable to pay the fair market value. In determining whether an entity is fi-

nancially unable to purchase equipment or property at fair market value, the Secretary will consider (1) the present financial resources of the entity available to purchase the equipment or property based upon its current liabilities, and (2) the entity's ability to obtain the funds necessary to purchase the equipment or property. However, the Secretary will not sell the equipment or property for less than fair market value to a profitmaking organization unless the organization gives reasonable assurance that it will use the equipment or property to provide health services in or to the health manpower shortage area.

(b) The Secretary will give priority to sales to an entity providing reasonable assurance that it will use the equipment or property for the purpose of retaining within the health manpower shortage area National Health Service Corps personnel who have completed their assignments.

§ 23.12 Who will supervise and control the assigned personnel?

Assigned National Health Service Corps personnel will at all times remain under the direct supervision and control of the Secretary. Observance of institutional rules and regulations by the assigned personnel is a mere incident of the performance of their Federal functions and does not alter their direct professional and administrative responsibility to the Secretary.

§ 23.13 What nondiscrimination requirements apply to National Health Service Corps sites?

National Health Service Corps sites are advised that in addition to complying with the terms and conditions of this regulation, the following laws and regulations are applicable—

(a) Title VI of the Civil Rights Act of 1964 (43 U.S.C. 2000d *et seq.*) and its implementing regulations, 45 CFR part 80 (prohibiting discrimination in federally assisted programs on the grounds of race, color, or national origin); and

(b) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and its implementing regulations, 45 CFR part 84 (prohibiting discrimination in federally assisted programs on the basis of handicap).

§ 23.21

(c) The Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq.*) and its implementing regulations, 45 CFR part 91 (prohibiting nondiscrimination on the basis of age in HHS programs or activities receiving Federal financial assistance).

[45 FR 12790, Feb. 27, 1980, as amended at 49 FR 38109, Sept. 27, 1984]

Subpart B—Private Practice Special Loans for Former Corps Members

SOURCE: 51 FR 31948, Sept. 8, 1986, unless otherwise noted.

§ 23.21 Definitions.

As used in this subpart, terms have the same meanings as those given to them in subpart A, § 23.2. In addition:

National Health Service Corps scholarship recipient means an individual receiving a scholarship under the Public Health and National Health Service Corps Scholarship Training Program authorized by section 225 of the Act as in effect on September 30, 1977, and repealed on October 1, 1977, or a scholarship under the NHSC Scholarship Program authorized by section 338A of the Act, formerly section 751 of the Act.

Private full-time clinical practice means the provision of ambulatory clinical services for a minimum of 40 hours per week for at least 45 weeks a year, including the provision of hospital coverage services appropriate to meet the needs of patients treated and to assure continuity of care. The 40 hours per week must be performed in no less than 4 days per week with no more than 12 hours of work being performed in any 24-hour period.

§ 23.22 What is the purpose of a private practice loan?

The purpose of the private practice loan is to assist NHSC scholarship recipients in establishing private full-time clinical practices in designated health manpower shortage areas.

§ 23.23 Who is eligible to receive a private practice option loan?

(a) Eligibility for loans is limited to NHSC scholarship recipients who have completed at least 2 years of their serv-

42 CFR Ch. I (10–1–12 Edition)

ice obligations at a NHSC site. NHSC scholarship recipients remain eligible for loans under this subpart for 1 year after they have completed their service obligations at a NHSC site.

(b) Scholarship recipients who are in arrears 31 days or more on a Health Professions Student Loan (42 U.S.C. 294m *et seq.*), Health Education Assistance Loan (42 U.S.C. 294, *et seq.*), Nursing Student Loan (42 U.S.C. 297a *et seq.*), or any other Federally guaranteed or direct student loan are ineligible for this loan program.

(c) NHSC scholarship recipients who have received loans under either this subpart or subpart C of this part are ineligible for loans under this subpart.

§ 23.24 In what amounts are loans made?

The Secretary may make loans either in the amount of \$12,500, if the recipient agrees to practice in accordance with the loan agreement for a period of at least 1 year but less than 2 years, or \$25,000, if the recipient agrees to practice in accordance with the loan agreement for a period of at least 2 years.

§ 23.25 How will interest rates for loans be determined?

Interest will be charged at the Treasury Current Value of Funds (CVF) rate in effect on April 1 immediately preceding the date on which the loan is approved and will accrue from the date the loan funds are disbursed to the borrower.

§ 23.26 How is the loan repaid?

Payments shall be made at monthly intervals, beginning 1 month from the date of the loan disbursement, in accordance with the repayment schedule established by the Secretary and set forth in the loan agreement. Only interest payments are required during the first 2 years. The repayment schedule may be extended in accordance with § 23.31(a).

§ 23.27 What happens if scheduled payments are late?

(a) Failure to make full payment of principal and/or interest when due will subject the borrower to the assessment of administrative costs and penalty