

# ADOPTED



NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
House Bill 76

AMENDMENT NO. A3  
(to be filled in by  
Principal Clerk)

H76-ATR-4 [v.7]

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Amends Title [NO]  
First Edition

Date \_\_\_\_\_, 2023

Representative Pless

1 moves to amend the bill on page 17, lines 48-49, by inserting between the lines the following:

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3  
4 **"SECTION 2.4.(a)** Definitions. – The following definitions apply in this section:

- 5 (1) Authority. – The State Education Assistance Authority.
- 6 (2) Eligible postsecondary institution. – Any of the following:
  - 7 a. A community college, as defined in G.S. 115D-2.
  - 8 b. A postsecondary constituent institution of The University of North
  - 9 Carolina, as defined in G.S. 116-2(4).
  - 10 c. An eligible private postsecondary institution, as defined in
  - 11 G.S. 116-280(3).
- 12 (3) Eligible student. – Either of the following types of students enrolled in an
- 13 eligible postsecondary institution in the 2024-2025 academic year as a first-
- 14 year student in a program of study approved by the Authority for students to
- 15 receive funds under the Forgivable Education Loans for Service Program,
- 16 pursuant to G.S. 116-209.45, related to the following degrees:
  - 17 a. A student enrolled in a medical school for purposes of becoming a
  - 18 licensed physician.
  - 19 b. A student enrolled in an associate, bachelor, masters, or doctoral
  - 20 degree program in nursing for purposes of becoming a licensed nurse.
- 21 (4) Loan. – A forgivable loan made under the Pilot Program.
- 22 (5) Pilot Program. – The Doctors and Nurses in Rural Areas Forgivable Loan Pilot
- 23 Program.
- 24 (6) Rural area. – A county located in North Carolina that is designated by the NC
- 25 Rural Center as a rural county.

26 **SECTION 2.4.(b)** Program; Purpose. – There is established the Doctors and Nurses  
27 in Rural Areas Forgivable Loan Pilot Program to be administered by the Authority. The purpose  
28 of the Pilot Program is, to the extent funds are provided pursuant to this section, to provide  
29 forgivable loans to eligible students who agree to practice medicine or nursing on a full-time  
30 basis in a rural area.



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1           **SECTION 2.4.(c)** Eligibility. – The Authority shall establish the criteria for initial  
2 and continuing eligibility to participate in the Pilot Program, including at least the following:

- 3           (1) All loan recipients shall be residents of North Carolina and shall attend an  
4 eligible postsecondary institution.  
5           (2) Standards necessary to ensure only qualified persons receive a loan under the  
6 Pilot Program, including priority for applicants from rural areas. These  
7 standards may also include minimum grade point average and satisfactory  
8 academic progress.  
9           (3) To the extent funds provided pursuant to this section are insufficient to award  
10 forgivable loans to all interested, eligible students, the Authority may establish  
11 a lottery process for selection of loan recipients from among qualified  
12 applicants within criteria established by this section.

13           **SECTION 2.4.(d)** Loan Terms and Conditions. – To the extent funds are made  
14 available to provide loans pursuant to the Pilot Program, the following terms and conditions shall  
15 apply to each loan made pursuant to this section:

- 16           (1) Promissory note. – All loans shall be evidenced by promissory notes made  
17 payable to the Authority.  
18           (2) Interest. – All promissory notes shall bear an interest rate established by the  
19 Authority that does not exceed ten percent (10%) and is in relation to the  
20 current interest rate for non-need-based federal loans made pursuant to Title  
21 IV of the Higher Education Act of 1965, as amended. Interest shall accrue  
22 from the date of disbursement of the loan funds.  
23           (3) Loan amount. – Loans shall be awarded to eligible students each academic  
24 year, per eligible student, for up to four academic years, based on the degree  
25 the student is pursuing in the amounts provided in the below table.

| <b>Degree</b>        | <b>Award Amount Per Year</b> |
|----------------------|------------------------------|
| Doctor of Medicine   | \$28,000                     |
| Doctor in Nursing    | \$28,000                     |
| Masters in Nursing   | \$20,000                     |
| Bachelor in Nursing  | \$14,000                     |
| Associate in Nursing | \$6,000                      |

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32           (4) Forgiveness and repayment. – The Authority shall forgive loans based on the  
33 amount received by the eligible student per year pursuant to the table listed in  
34 subdivision (3) of this subsection for each year that the recipient works as a  
35 licensed physician or nurse practicing on a full-time basis in a rural area, up  
36 to the total amount initially awarded to the recipient pursuant to subdivision  
37 (3) of this subsection. The Authority shall establish any other necessary  
38 criteria for loan forgiveness for qualifying employment. The criteria may  
39 provide for accelerated repayment and less than full-time employment  
40 options. The Authority shall collect cash repayments when service repayment  
41 is not completed. The Authority shall establish the terms for cash repayment,  
42 including a minimum monthly repayment amount and maximum period of  
43 time to complete repayment.

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- 1 (5) Death and disability. – The Authority may forgive all or part of a loan if it  
2 determines that it is impossible for the recipient to repay the loan in cash or  
3 service because of the death or disability of the recipient.  
4 (6) Hardship. – The Authority may grant a forbearance, a deferment, or both in  
5 hardship circumstances when a good-faith effort has been made to repay the  
6 loan in a timely manner.  
7 (7) Other. – The Authority may establish other terms and conditions that are  
8 necessary or convenient to effectuate the Pilot Program.

9 **SECTION 2.4.(e)** Rulemaking Authority. – The Authority may adopt rules  
10 necessary to implement, administer, market, and enforce the provisions of this section.

11 **SECTION 2.4.(f)** Report to the General Assembly. – The Authority shall report no  
12 later than December 1, 2024, and annually thereafter while loans are held or forgiven by the  
13 Authority, to the Joint Legislative Education Oversight Committee and the Joint Legislative  
14 Oversight Committee on Health and Human Services regarding the Pilot Program and loans  
15 awarded pursuant to the Pilot Program, including at least the following information:

- 16 (1) Forgivable loans awarded by the Authority, including the following:  
17 a. Demographic information regarding loan recipients.  
18 b. Number of loan recipients by degree and eligible postsecondary  
19 institution.  
20 (2) Placement and repayment rates, including the following:  
21 a. Number of loan recipients who have been employed on a full-time  
22 basis in a rural area within two years of graduation.  
23 b. Number of loan recipients who have elected cash repayment in lieu of  
24 service repayment and their years of service, if any, prior to beginning  
25 cash repayment.  
26 (3) Recommendations to expand the Pilot Program and increase the number of  
27 licensed physicians and nurses practicing in rural areas.

28 **SECTION 2.4.(g)** There is appropriated from the General Fund to the Board of  
29 Governors of The University of North Carolina for the 2023-2024 fiscal year the sum of fourteen  
30 million four hundred thousand dollars (\$14,400,000) in nonrecurring funds to be allocated to the  
31 State Education Assistance Authority to provide forgivable loans to an estimated 200 eligible  
32 students in accordance with the Doctors and Nurses in Rural Areas Forgivable Loan Pilot  
33 Program established pursuant to subsection (a) of this section. Except as provided in subdivision  
34 (4) of subsection (d) of this section, these funds shall not revert to the General Fund at the end of  
35 the 2023-2024 fiscal year but shall remain available until expended. The Authority may use up  
36 to two hundred thousand dollars (\$200,000) of these funds for administrative costs related to the  
37 Pilot Program.

38 **SECTION 2.4.(h)** Subsections (a) through (g) of this section are effective the later  
39 of July 1, 2023, or the date the Current Operations Appropriations Act for the 2023-2024 fiscal  
40 year becomes law.

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1                   **SECTION 2.4.(i)** Effective when this act becomes law, the provisions of G.S. 143C-  
2 5-2 do not apply to this act."  
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SIGNED \_\_\_\_\_  
Amendment Sponsor

SIGNED \_\_\_\_\_  
Committee Chair if Senate Committee Amendment

ADOPTED \_\_\_\_\_ FAILED \_\_\_\_\_ TABLED \_\_\_\_\_

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and vote information, is available in the  
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