



Academic Year
2004-2005

NIH Undergraduate Scholarship Program for Individuals from Disadvantaged Backgrounds

THE FINE PRINT

Before you apply for an NIH Undergraduate Scholarship, you and your parents or guardians should read the enclosed contract and be aware of all the conditions and obligations that apply to the award. This page summarizes the most important issues.

Discrimination prohibited

Title VI of the Civil Rights Act of 1964 (42 U.S.C.A. 2000d) states:

No person in the United States shall, on the basis of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination, under any program or activity receiving Federal financial assistance.

Title IX of the Education Amendments of 1972 and its implementing regulations (45 Code of Federal Regulations Part 86) provide that no person in the United States shall, based on his/her sex, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving Federal financial assistance.

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C.A. 794), as amended, provides that no otherwise qualified handicapped individual in the United States shall, solely by reason of his/her handicap, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance.

On December 6, 1993, the Secretary of the Department of Health and Human Services (DHHS) stated:

To foster an atmosphere of continuous improvement in our products and services, we must create an environment that fully utilizes the talents and capabilities of each and every one of us, from all backgrounds.... And to do this, we must strengthen our commitment to a workplace that is free of discrimination... a workplace where no one is denied the opportunity to contribute fully because of race, color, religion, gender, national origin, age, disability, or sexual orientation.

Other requirements

In addition to the application requirements, there are several other requirements that you should consider before making an application.

You must be eligible for Federal employment.

As a scholarship recipient, you will fulfill your service obligation as a salaried employee of the Federal Government at the NIH. Therefore, you must be eligible to hold an appointment for Federal civil service with the NIH. (Prior to fulfilling your service requirements, you will receive current information about Federal civil service appointment mechanisms and benefits.)

To fulfill the service obligation after graduation, you must have obtained the skills, education, experience, certificates, and licenses necessary to satisfy requirements of the specific NIH position of interest.

You must have no conflicting service obligations. Applicants who are already obligated to a Federal, State, or other entity for professional practice, or for an extended period of service after academic training, are not eligible for UGSP awards. An exception may be made if the obligating entity provides documentation that there is no conflict in fulfilling the service obligation and that the NIH UGSP service obligation will be served first.

Scholarship recipients who subsequently enter into other service obligations, or who otherwise are not immediately available after authorized training deferments to fulfill their scholarship service obligations, or who interrupt NIH UGSP service to satisfy other service, will be subject to the breach-of-contract provisions described below.

Scholarship recipients should not expect to be assigned for service in a State, community, NIH grantee institution, or other entity to which they may already owe an obligation for service. All service obligations will be fulfilled at the NIH.

You must be free of Federal judgment liens. Applicants who have a lien against their property arising from a court judgment entered against them for a debt owed to the United States or arising from a civil or criminal proceeding regarding a debt are not eligible for a scholarship until the judgment lien has been paid in full or otherwise satisfied. A State court judgment relating to a Federal debt will also disqualify an applicant. The *Applicant Information* form includes a statement of certification that the applicant is free of such a judgment lien against his or her property.

You must be free of delinquent Federal loans.

The application also includes a certification that the applicant is not delinquent on repayment of any Federal debt. Delinquent borrowers are not eligible to apply. Delinquency in repaying Federal debts includes, but is not limited to, federally guaranteed or federally sponsored student loans that are more than 31 days past due on a scheduled payment.

Breach of contract: Defaulting on the scholarship obligation

What circumstances can lead to default?

Failure to complete academic training.

Scholarship recipients who are dismissed from school for academic or disciplinary reasons, or who voluntarily terminate academic training before graduation from the educational program for which the scholarship was awarded, will be declared in breach of contract and held liable to the United States for repayment of all scholarship funds paid to them and to the school on their behalf. The amount owed must be paid in full within 3 years from the date of default. No interest will be charged on any part of this debt to the United States within the 3-year period. If payment in full is not made within the 3-year period, interest at the prime rate level on the date of execution of the contract will be assessed thereafter.

Failure to begin or complete the service obligation or meet the terms and conditions of deferment. Scholarship recipients who, for any reason, fail to comply with the terms and conditions of deferment described earlier or fail to begin or complete their service obligations after completion of academic training will be in breach of their contracts. When recipients breach their contracts for these reasons, the United States shall be entitled to recover damages, in accordance with the following formulas:

Regardless of your number of years of scholarship support, if you fail to complete at least 1 year of service to the NIH, then you owe the full amount of scholarship support provided to you, plus \$1,000 for every month of obligated service—even if you completed some of those months.

If you received 2 years or less of scholarship support and you complete at least 1 year of service to the NIH, then you owe the full amount of scholarship support provided to you, plus \$1,000 for each month of obligated service that is not completed.

If you received more than 2 years of scholarship support and fail to complete at least 2 years of service to the NIH (but completed at least 1 year—see above), then you owe the full amount of scholarship support provided to you, plus \$1,000 for each month of obligated service that is not completed.

If you received more than 2 years of scholarship support and complete at least 2 years of service to the NIH, then you owe the amount of scholarship support provided to you for the period of obligated service that is not completed, plus \$10,000, if you fail to provide at least 1 year notice of your intention to breach the contract.

The damages that the United States is entitled to recover shall be paid within 1 year of the date of default.

How are delinquent debts collected?

Litigation. If the debt is not repaid in 1 year and subsequent collection efforts are unsuccessful, the case will then be referred to the Department of Justice for litigation. All delinquent debts must be reported to a commercial credit bureau and are subject to charges for the administrative and court costs of collection.

IRS tax refund offsets and Medicare offset agreements and exclusions. The Public Health Service is authorized by Section 2653 of the Deficit Reduction Act to request the Internal Revenue Service to offset income tax refunds due to delinquent defaulters, crediting the refunds to their UGSP financial debts.

Under what circumstances can there be a waiver or suspension of the service or payment obligation?

Scholarship recipients seeking a waiver or suspension of the service or payment obligation must submit a written request to the Director, NIH UGSP. The request must state the underlying circumstances and be supported by documentation.

Suspensions or waivers of the service or payment obligation will be considered and may be granted by the Director, NIH UGSP, whenever compliance by the individual would be impossible or would involve extreme hardship to the individual, and if enforcement of the service or payment obligation would be against equity and good conscience.

Compliance would be considered *impossible* if the Director, NIH UGSP, determined that the participant suffered from a physical or mental disability resulting in the total and permanent inability of the recipient to perform the service or other activities that would be necessary to comply with the obligation. To determine whether the performance of the obligation would impose an undue hardship and be against equity and good conscience, the NIH UGSP Director will consider:

1. The recipient's present financial resources and obligations.
2. The recipient's estimated future financial resources and obligations.
3. The extent to which the recipient has problems of a personal nature, such as physical or mental disability, or terminal illness in the immediate family, which so intrude on the recipient's present and future ability to perform as to raise a presumption that the individual will be unable to perform the obligation incurred.

All obligations are canceled in the event of a scholarship recipient's death.