

**NATIONAL INSTITUTES OF HEALTH  
UNDERGRADUATE SCHOLARSHIP PROGRAM FOR  
INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS  
SCHOOL YEAR [ - ]**

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
NATIONAL INSTITUTES OF HEALTH  
OFFICE OF LOAN REPAYMENT  
AND SCHOLARSHIP**

Section 487D of the Public Health Service Act ("Act") (42 U.S.C. 288-4) authorizes the Secretary of the Department of Health and Human Services ("Secretary"), acting through the Director of the National Institutes of Health (NIH), to provide individuals selected to be participants in the NIH Undergraduate Scholarship Program for Individuals from Disadvantaged Backgrounds ("UGSP") with scholarships. In return for these scholarships, applicants must agree to: (a) serve full time as an NIH employee, for a period of 12 months for each academic year of scholarship assistance, and (b) serve full time as an NIH employee for 10 consecutive weeks of each year during which the individual received a scholarship.

The scholarship may consist of payments, in whole or in part, for tuition, and an amount for all other reasonable educational expenses incurred by the student, as determined by the Secretary, and a monthly stipend for up to a 9-month period beginning with the first month of each school year in which the applicant is a participant in the UGSP, the total not to exceed \$20,000 per academic year.

Section 487D of the Act requires applicants to submit with their application such agreements as the Director of NIH determines to be necessary. This contract is one of those agreements. The Director of NIH shall sign only those contracts submitted by applicants who are selected for participation ("Participant"). The terms and conditions for participating in the UGSP for the [ - ] school year are set forth below.

**Section A - Obligations of the Secretary**

Subject to the availability of funds appropriated by the U.S. Congress, the Secretary agrees to:

1. Provide the participant with a scholarship for the school year [ - ] if the participant:
  - a. Is enrolled, or is accepted for enrollment, as a full-time student in an accredited (as determined by the Secretary) educational institution in one of the several states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, Guam, or American Samoa, and
  - b. Is pursuing an approved program of study for the academic year appropriate for a career in a profession determined to be needed by the NIH.
2. If applicable, enter into a contract with the participant's educational institution under which the amounts provided in the scholarship for tuition and other reasonable educational and living expenses are paid directly to the educational institution.
3. Once the UGSP contract is signed by both parties, the Secretary shall obligate such funds as will be necessary to ensure that sufficient funds will be available to award a scholarship in an amount not to exceed \$20,000.
4. If applicable, the NIH will provide employment of at least 10 consecutive weeks during each scholarship year.

**Section B - Obligations of the Participant**

The participant agrees to:

1. Maintain full-time enrollment until completion of the undergraduate course of study for which the scholarship is provided.
2. Maintain an acceptable level of academic standing, as determined by the academic institution in accordance with regulations issued by the Secretary, in each academic year for which a scholarship is provided.
3. Submit to the Secretary, for approval, a course listing for the academic year.

4. Obtain approval from the Secretary before altering the approved course listing.
5. a. Serve full time, as an NIH employee for 10 consecutive weeks during each scholarship year.
  - b. Serve 1 year of service, in a manner to be determined by the Secretary, as a full-time NIH employee for each year of scholarship assistance;
    - (i) Such service will begin within 60 days of obtaining the undergraduate educational degree involved unless deferred by the NIH Director. If a deferral is granted, service will begin upon expiration of the deferral period.
6. Comply with the policies of the UGSP and the provisions of Title 42, Code of Federal Regulations, Part 62.

**Section C - Breach of Scholarship Contract**

1. A participant who has entered into a written contract with the Secretary and who-
  - a. fails to maintain an acceptable level of academic standing in the approved course of study for which the scholarship is awarded; or
  - b. is dismissed from the educational institution for academic or disciplinary reasons; or
  - c. voluntarily terminates such enrollment or is dismissed from such educational institution before completion of such course of study; in lieu of any service obligation arising under such contract shall be liable to the United States for the amount that has been paid on behalf of the participant under the contract.
2. After completing the undergraduate degree program for which the scholarship was awarded, in accordance with the guidelines of the UGSP, if the participant fails to either begin his or her service obligation or to complete the obligation, the United States shall be entitled to recover an amount equal to the sum of-
  - a. In the case of contracts totaling a 2-year period or less of obligated service-
    - (i) The total of the amounts paid by the Secretary on behalf of the participant for any period of obligated service; and
    - (ii) An amount equal to the unserved obligation penalty.
  - b. In the case of contracts totaling a period of obligated service greater than 2 years, and the breach occurs before the end of the first 2 years of such period-
    - (i) The total of the amounts paid by the Secretary on behalf of the participant for any period of obligated service; and
    - (ii) An amount equal to the unserved obligation penalty.
  - c. In the case of contracts totaling a period of obligated service greater than 2 years, and the breach occurs after the first 2 years of such period-
    - (i) The total of the amounts paid by the Secretary on behalf of the participant for any period of obligated service not served; and
    - (ii) If the participant breaching the contract failed to give the Secretary notice that the participant intended a breach of the contract, at least 1 year (or such shorter time as the Secretary determines adequate for finding a replacement) prior to the breach, \$10,000.
3. For purposes of Paragraph 2, above, the term "unserved obligation penalty" means the amount equal to the product of the number of months of obligated service that were not completed by a participant, multiplied by \$1,000.00, except that in any case in which the participant fails to serve 1 year, the unserved obligation penalty shall be equal to the full period of obligated service multiplied by \$1,000.00.

Keep a copy for your records. Please sign and return the one original contract. If you receive an award, a copy of your contract, signed by a designee of the Secretary, DHHS, will be returned to you.

4. The amount the United States is entitled to recover shall be paid within 1 year (or such longer period beginning on such date as specified by the Secretary) of the date the Secretary determines that the applicant has failed to begin or complete the period of obligated service.
5. If damages described in paragraph (4) above, are delinquent for 3 months, the Secretary may, for the purposes of recovering such damages-
  - a. Utilize collection agencies contracted with by the Secretary; or
  - b. enter into contracts for the recovery of such damages with collection agencies selected by the Secretary, or
  - c. collect said damages through deductions in Medicare payments pursuant to section 1892 of the Social Security Act.
6. Any obligation of a participant for payment of damages may be released by a discharge in bankruptcy under Title 11 of the United States Code only if such discharge is granted after the expiration of the 5-year period beginning on the first date that payment of such damages is required, and only if the bankruptcy court finds that nondischarge of the obligation would be unconscionable.

2. The Secretary may waive or suspend the participant's service or payment obligation, in whole or in part, incurred under this contract if compliance by the participant with the obligation is impossible, or would involve substantial hardship; and if enforcement of such obligation would be unconscionable.
3. The Secretary may defer performance of a participant's period of obligated service if appropriate, e.g., if the participant:
  - a. Pursues and ultimately obtains, within a reasonable period of time, as determined by the Secretary, a degree from an accredited school of medicine, osteopathy, dentistry or other school or program approved by the Secretary; or
  - b. Requests a period of deferment to complete residency or other advanced clinical training which the Secretary determines is consistent with the needs of the Department. Deferments will not be granted for postgraduate medical education conducted or sponsored by a branch of the Armed Forces of the United States.

**Section D - Credibility of Graduate Training Toward the Period of Obligated Service**

1. No period of residency will be counted toward satisfying the period of obligated service incurred under this contract.

**Section E - Cancellation, Suspension, Deferrment and Waiver of Obligation**

1. Any service or payment obligation incurred by the participant under this contract will be canceled upon the participant's death.

**Section F - Contract Extension**

1. The participant may annually request extension of this contract, for a period not to exceed 12 months, if the request is submitted in accordance with procedures established by the Secretary.
2. Subject to the availability of funds appropriated by the U.S. Congress, the Secretary may approve a request for contract extension if:
  - a. The request does not extend the total period of scholarship beyond 4 years, and
  - b. The applicant is otherwise eligible for continued participation in the UGSP.

The Secretary or his/her authorized representative must sign this contract before it becomes effective

Applicant's Name <i>(Please Print)</i>	Applicant's Signature	Date
Secretary of Health and Human Services, or designee		Date

**AMENDMENTS**

This Undergraduate Scholarship Program for Individuals from Disadvantaged Backgrounds Scholarship Contract for the [     -     ] school year is hereby amended by the Secretary of Health and Human Services and the participant to provide the participant with additional scholarship support for the school years indicated below, under the same terms and conditions set forth in the Scholarship Program contract for the [     -     ] school year except to the extent that the terms set forth in the [     -     ] school year contract may be subsequently amended by statute or regulation. Disbursements for each school year will begin at the start of that school year.

[   -   ] SCHOOL YEAR	Participant's Signature	Date	Secretary of Health and Human Services	Date
[   -   ] SCHOOL YEAR	Participant's Signature	Date	Secretary of Health and Human Services	Date
[   -   ] SCHOOL YEAR	Participant's Signature	Date	Secretary of Health and Human Services	Date

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