
HOUSE BILL 1763

State of Washington

68th Legislature

2023 Regular Session

By Representatives Eslick and Leavitt

1 AN ACT Relating to ensuring completion of conditional scholarship
2 obligations and reducing penalties for excusable incomplete
3 obligations; and amending RCW 28B.115.120.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 28B.115.120 and 2019 c 302 s 11 are each amended to
6 read as follows:

7 (1) Participants in the Washington health corps who are awarded
8 scholarships incur an obligation to repay the scholarship, with
9 penalty and interest, unless they serve the required service
10 obligation in a health professional shortage area in the state of
11 Washington.

12 (2) The interest rate (~~shall be~~), determined by the office and
13 established by rule, may not exceed two percent. Participants who
14 fail to complete the service obligation shall incur an equalization
15 fee based on the remaining unforgiven balance. The equalization fee
16 shall be added to the remaining balance and repaid by the
17 participant.

18 (3) The period for repayment shall coincide with the required
19 service obligation, with payments of principal and interest
20 commencing no later than six months from the date the participant
21 completes or discontinues the course of study or completes or

1 discontinues the required postgraduate training. Provisions for
2 deferral of payment shall be determined by the office.

3 (4) The entire principal and interest of each payment shall be
4 forgiven for each payment period in which the participant serves in a
5 health professional shortage area until the entire repayment
6 obligation is satisfied or the borrower ceases to so serve. Should
7 the participant cease to serve in a health professional shortage area
8 of this state before the participant's repayment obligation is
9 completed, payment of the unsatisfied portion of the principal and
10 interest is due and payable immediately.

11 (5) Participants who are unable to pay the full amount due shall
12 enter into a payment arrangement with the office for repayment
13 including interest not to exceed two percent. The office shall set
14 the maximum period for repayment by rule.

15 (6) The office is responsible for collection of repayments made
16 under this section and shall exercise due diligence in such
17 collection, maintaining all necessary records to ensure that maximum
18 repayments are made. Collection and servicing of repayments under
19 this section shall be pursued using the full extent of the law,
20 including wage garnishment if necessary, and shall be performed by
21 entities approved for such servicing by the Washington student loan
22 guaranty association or its successor agency. The office is
23 responsible to forgive all or parts of such repayments under the
24 criteria established in this section and shall maintain all necessary
25 records of forgiven payments.

26 (7) Receipts from the payment of principal or interest or any
27 other subsidies to which the office as administrator is entitled,
28 which are paid by or on behalf of participants under this section,
29 shall be deposited with the office and shall be used to cover the
30 costs of granting the scholarships, maintaining necessary records,
31 and making collections under subsection (6) of this section. The
32 office shall maintain accurate records of these costs, and all
33 receipts beyond those necessary to pay such costs shall be used to
34 grant scholarships to eligible students.

35 (8) Sponsoring communities who financially contribute to the
36 eligible financial expenses of eligible medical students may enter
37 into agreements with the student to require repayment should the
38 student not serve the required service obligation in the community as
39 a primary care physician. The office may develop criteria for the

1 content of such agreements with respect to reasonable provisions and
2 obligations between communities and eligible students.

3 (9) To the extent reasonably practicable, the office shall
4 reduce, or help to reduce, barriers that threaten a participant's
5 ability to complete their service obligations under this chapter by
6 offering wraparound services including, for example, navigation
7 support for public benefits, financial coaching, and access to food,
8 housing, and child care resources and referrals.

9 (10) The office ((may)) shall make exceptions to the conditions
10 for participation and repayment obligations should substantial
11 circumstances beyond the control of individual participants warrant
12 such exceptions. The office shall establish an appeal process by
13 rule. Substantial circumstances include, but are not limited to:

14 (a) The participant is a service member of the armed forces,
15 including the national guard and armed forces reserves, or is a
16 spouse or dependent of a service member, who receives permanent
17 change of station or deployment orders to move out-of-state or to a
18 location that would create a hardship to complete the participant's
19 service obligations under this chapter. The participant shall provide
20 the office with a copy of the official military orders or a signed
21 letter from the service member's commanding officer confirming change
22 of station orders;

23 (b) The participant is experiencing unforeseen emergencies or
24 hardships that substantially affect the participant's ability to
25 complete the participant's service obligations under this chapter.

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