

42 C.F.R. § 57.214

Repayment of loans made after November 17, 1971, for failure to complete a program of study.

In the event that the Secretary undertakes to repay educational loans under section 722(k) of the Act, he or she will use the following criteria to make a determination as to each applicant's eligibility:

- (a) An applicant will be considered to have failed to complete the course of study leading to the first professional degree for which an eligible education loan was made upon certification by a health professions school that the individual ceased to be enrolled in the school subsequent to November 17, 1971;
- (b) An applicant will be considered to be in exceptionally needy circumstances if, upon comparison of the income and other financial resources of the applicant with his or her expenses and financial obligations, the Secretary determines that repayment of the loan would constitute a serious economic burden on the applicant. In making this determination, the Secretary will take into consideration the applicant's net financial assets, his or her potential earning capacity, and the relationship of the income available to the applicant to the low-income levels published annually by the Secretary under paragraph (c) of this section;

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