**Section 577.340 Loan Repayment Award Terms and Obligations**

a) Each psychiatrist selected for educational loan repayment shall enter into a written grant agreement with the Department prior to receiving loan repayment funds. The agreement shall contain terms and conditions that ensure compliance with this Part and the laws of the State of Illinois and enforcement of the contract.

1) The grant agreement shall contain, at a minimum, the following:

A) Identifying information of the grantee, including name, mailing address, phone number and e-mail address;

B) A description of the grant's purpose;

C) Specific information on how payments to the grantee will be made;

D) Details on what constitutes permissible expenditure of grant funds;

E) Financial controls applicable to the grant;

F) The time frame within which the grant is valid, including the time frame during which grant funds can be expended;

G) A *provision that* a grantee *receiving grant funds* is *required to permit the* Department, the Illinois *Auditor General or the* Illinois *Attorney General to inspect and audit any books, records, or papers related to the project.* (Section 4(b)(4) of the Illinois Grant Funds Recovery Act); and

H) A *provision in which the grantee certifies under oath that all information in the grant agreement is true and correct to the best of the grantee's knowledge, information, and belief; that the funds shall be used only for the purposes described in the grant agreement; and that the award of grant funds is conditioned upon such certification*. (Section 4(b)(6) of the Illinois Grant Funds Recovery Act)

2) The agreement is in effect on the date it is executed between the Department and the recipient.

A) The agreement is valid for the time frame referenced.

B) The Department will deem an agreement null and void if the recipient does not fulfill the requirements stipulated.

b) Recipients shall complete three years of service in a designated service area in Illinois. Recipients who were awarded a grant based on geographical preference and who wish to move their practice from the location described in the original application and retain status as a grantee shall receive approval from the Department prior to relocating and shall relocate to a designated shortage area in Illinois.

c) Time in a practice location shall not meet the recipient's service obligation if the recipient relocates his or her practice from the location described in the original application without first receiving Department approval.

d) Every quarter, the recipient shall provide documentation to the Department that the amount of money paid for educational loan debt is greater than or equal to the amount of money paid by the Department under this program. Cancelled checks or documentation from the lending institution will be accepted for this purpose. Failure to provide required information shall result in the withholding or suspension of funds and the recovery of previously disbursed funds (see Section 4.1 of the Illinois Grant Funds Recovery Act).

e) The program administered under this Part will allow for initial three-year grants and subsequent one-year grants. Recipients will be given priority for additional years of funding provided that they continue to meet the eligibility requirements described in Section 15 of the Act.

f) If the recipient is disabled or is otherwise unable for reasons beyond the recipient's control to perform the loan repayment obligations, these obligations shall be suspended until the recipient is able to resume the loan repayment obligation. However, the suspension shall not exceed two years.

1) To request a suspension of the loan repayment obligation, a recipient shall submit a suspension request in writing to the Department. This request shall detail the reasons for the suspension and, if temporary, the duration of the suspension and shall be supported by clear and convincing documentation.

2) The Department shall approve a request for suspension if the request is supported by a letter from the recipient's licensed physician fully explaining and attesting to the recipient's inability (either temporarily or permanently) to continue the loan repayment obligation.

3) If the recipient suffers total and permanent disability, is adjudicated as incompetent, or dies, the recipient shall be discharged from all obligations to the Department in connection with this Part and the Act.

4) If the Department denies the suspension request, the recipient shall fulfill the loan repayment obligation.

5) Based on the information contained in the suspension request, the Department's acceptance or denial of the request will be provided in writing, under the Director's signature.

g) Misrepresentation of any material facts presented in the recipient's loan repayment application shall be considered a breach of contract. If the Department determines that a breach of contract occurred, the grant agreement shall be terminated and all funds provided by the Department to the grantee shall be due in full as required in the Act and Section 577.350(b). Any amount the Department is entitled to recover shall be paid within one year after the date the Director determines that the grantee is in breach of the grant agreement.