**Section 582.105 Use of Funds**

a) Loan repayment funds shall be used:

1) To repay qualifying educational loans of health care professionals who agree to serve in HPSAs for a specified period of time;

2) For educational loans that were obtained prior to the date the recipient submits an application for loan repayment assistance;

3) To retire qualifying educational loans if the loans are the result of consolidated or refinanced debt. To qualify, the consolidated or refinanced loans shall:

A) Be from a government (federal, State or local) or commercial lender; and

B) Include only qualifying educational loans of the health care professional.

b) Loan repayment funds shall not be used:

1) To repay a practice obligation resulting from educational loans or scholarships, whether from Illinois-based institutions or governments or those in other states;

2) To fulfill practice obligations to the federal government or the State or other entity under an agreement with the federal, State or other entity; or

3) To retire qualifying educational loans if the consolidated or refinanced debt is:

A) Commingled with non-qualifying debt; or

B) Consolidated with loans owed by another person, such as a spouse or child.

c) The following types of debt are ineligible for loan repayment assistance through this Part:

1) Loans for which the associated documentation does not identify the loan as applicable to undergraduate or graduate education;

2) Loans not obtained from a government entity or commercial lending institution;

3) Parent PLUS loans;

4) Co-signed loans;

5) Loans currently in default;

6) Loans currently in forbearance;

7) Personal lines of credit;

8) Residency relocation loans; and

9) Credit card debt.

d) Loan repayment funds cannot be used by the recipient to reimburse himself or herself for loans that have been repaid.

e) Under the provisions of the federal Treasury Offset Program and the State Comptroller Act, recipients will have their loan repayment assistance funds offset to fulfill a delinquent federal or State debt. The offset of loan repayment assistance funds will not reduce, waive or suspend a recipient's service obligation under this Part.