

74-32,154. Failure to satisfy obligation; repayment obligation terms and interest; delinquent payments. (a) Except as otherwise provided in K.S.A. 74-32,155, and amendments thereto, upon the failure of any person to satisfy an obligation incurred under the loan agreement as provided in K.S.A. 74-32,152, and amendments thereto, such person shall repay to the state treasurer an amount equal to the total of (1) the amount of money received by such person pursuant to such agreement, plus (2) accrued interest, calculated at the interest rate on the state idle funds plus 3%, from the date such money was received.

(b) Each person required to repay any amount under this section shall repay an amount totaling the entire amount to be repaid under all such agreements for which obligations are not satisfied, including all amounts of interest at the rate prescribed in subsection (a). Except as otherwise provided in this section, such repayment shall be made in installment payments determined by the state board of regents as provided in subsection (c) of the K.S.A. 74-32,152, and amendments thereto.

(c) All installment payments under this section shall commence six months after the date of the action or circumstance that causes the failure of the person to satisfy the obligations of such agreements, as determined by the state board of regents based upon the circumstances of each individual case. If an installment payment becomes 91 days overdue, the entire amount outstanding shall become immediately due and payable, including all amounts of interest at the rate prescribed.

(d) The total repayment obligation imposed under all agreements entered into as provided in K.S.A. 74-32,152, and amendments thereto, may be satisfied at any time prior to graduation by making a single lump-sum payment equal to the total of (1) the entire amount to be repaid under all such agreements upon failure to satisfy the obligations under such agreements to practice in Kansas, plus (2) all amounts of interest accrued thereon at the rate prescribed in subsection (a).

(e) The state board of regents is authorized to turn any delinquent repayment account arising under the workforce development loan program to a designated loan servicer or collection agency, the state not being involved other than to receive payments from the loan servicer or collection agency at the interest rate prescribed under this section.

History: L. 2002, ch. 127, § 4; July 1.