

74-3260. Same; failure to maintain eligibility; repayment, interest rate; alternative service. (a) Upon the failure of any person, who as an eligible student qualified for and received payments under an ROTC service scholarship, to remain eligible and qualified or to satisfy the obligation to accept a commission and serve as an officer in the Kansas national guard for the required period of time under an agreement entered into pursuant to this act, such person shall pay to the state of Kansas an amount equal to the total amount of payments received by such person plus accrued interest from the date such payments were received at a rate which is equivalent to the interest rate applicable to loans made under the federal PLUS program at the time such person first entered into an agreement plus five percentage points. Such payment shall commence within 30 days, and be completed within five years, after the date of the act or circumstance that causes the failure of the person to remain eligible and qualified or to satisfy the obligation of such agreement. Payments under this section shall be installment payments and each such installment shall be not less than an amount equal to 1/5 of the total amount which would be required to be paid if paid in five equal annual installments. If an installment payment becomes 91 days overdue, the entire amount outstanding shall become immediately due and payable, including all interest at the rate prescribed. Amounts paid under this section shall be deposited in the state treasury and credited to the ROTC service scholarship repayment fund as provided in K.S.A. 74-3260a, and amendments thereto.

(b) The state board of regents is authorized to turn any repayment account arising under the ROTC service scholarship program over 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. 1979, ch. 302, § 6; Revived and amend., L. 1996, ch. 181, § 6; L. 2001, ch. 151, § 38; July 1.