



CHAPTER 116
ARTICLE 23 - STATE EDUCATION ASSISTANCE

N.C.G.S. § 116-209.45.

Forgivable Education Loans for Service Program and Fund.

SOURCE	LAST AMENDMENT IN THIS TEXT	RETRIEVED	SOURCE FINGERPRINT
General Statutes of North Carolina, as published by the General Assembly	No amendment history on record	21 September 2026, 02:05 UTC	20b150d3b98cc369faf3c735 - 64a6f96f89ff6adfe52deec5 - 2014053d2f9ce8ef

§ 116-209.45(a) Policy. - The General Assembly finds that it is in the public interest to provide financial assistance in the form of forgivable loans for service to qualified students who are committed to working in the State in order to respond to critical employment shortages.

§ 116-209.45(b) Definitions. - The following definitions apply in this section:

(1) Eligible county. - A county designated as a development tier one or development tier two area in the annual ranking performed by the Department of Commerce pursuant to G.S. 143B-437.08.

(1a) Eligible institution. - Notwithstanding G.S. 116-201(b)(5) and G.S. 116-201(b)(6) and for purposes of this section only, an institution of higher education that is any of the following:

a.A postsecondary constituent institution of The University of North Carolina as defined in G.S. 116-2(4).

b.A community college as defined in G.S. 115D-2(2).

c.through e. Repealed by Session Laws 2012-142, s. 9.2(a), effective July 1, 2012.

f.Another public or nonprofit postsecondary institution offering a program of study not otherwise available in North Carolina that is deemed to be eligible under rules promulgated by the Authority.

g. An eligible private postsecondary institution as defined in G.S. 116-280(3).

(2) Fund. - The Forgivable Education Loans for Service Fund.

(2a) Healthcare facility. - Any hospital, clinic, or other medical practice of any size that provides in-person healthcare services to patients in an eligible county. It is the intent of the General Assembly that a majority of the services provided by a healthcare facility are in-person services to residents of eligible counties.

(3) Loan. - A forgivable loan made under the Program.

(3a) Primary Care Medicine and Psychiatry Targeted Assistance Program. - A targeted assistance program administered through the Forgivable Education Loans for Service Program to provide forgivable loans to certain students who agree to practice primary care medicine or psychiatry on a full-time basis at healthcare facilities located in eligible counties, as set forth in subsection (c1) of this section.

(4) Program. - The Forgivable Education Loans for Service Program.

§ 116-209.45(c)

Establish Forgivable Education Loans for Service Program. - There is established the Forgivable Education Loans for Service Program to be administered by the Authority. The purpose of the Program is to facilitate and promote the making, insuring, and collection of loans from the Forgivable Education Loans for Service Fund. The Program shall target future teachers, nurses, and allied health professionals, including the professionals described in subsection (c1) of this section, to further the purposes of the Program in responding to high-need employment shortages in the State.

§ 116-209.45(c1)

Loans for Students in the Primary Care Medicine and Psychiatry Targeted Assistance Program. - The Primary Care Medicine and Psychiatry Targeted Assistance Program is established for the purpose of addressing the critical demand for physicians practicing primary care medicine and psychiatry in the rural and highest-need areas of the State through a forgivable loan for service program. Unless otherwise provided under this subsection, the Authority shall administer the Primary Care Medicine and Psychiatry Targeted Assistance Program in the same manner as the Forgivable Education Loans for Service Program as set forth in this section and in accordance with the following criteria:

(1) Loan amount. - To the extent funds are made available for the Primary Care Medicine and Psychiatry Targeted Assistance Program, the Authority shall award loans to students as follows:

a.Students enrolled in a medical school at an institution of higher education that is an eligible institution pursuant to sub-subdivision a. or g. of subdivision (1a) of subsection (b) of this section for the purpose of obtaining licensure as a physician under Article 1 of Chapter 90 of the General Statutes to practice either primary care medicine or psychiatry may qualify for an award of loans in an amount of up to twenty-five thousand dollars (\$25,000) per academic year, per student, for a total amount of loans of up to one hundred thousand dollars (\$100,000) per student.

b.The Authority shall give priority for the award of loans under this subsection to qualified applicants residing in eligible counties.

c.To the extent funds provided for the Primary Care Medicine and Psychiatry Targeted Assistance Program are insufficient to award forgivable loans to qualified applicants, the Authority may establish a lottery process for selection of loan recipients in accordance with the requirements established by this subsection.

(2) Repayment through service. - The Authority shall forgive a loan awarded under this subsection through service repayment according to the following:

a.The total amount of any loan awarded in one academic year, and any interest accrued on the loan, shall be forgiven if the loan recipient serves in one year of full-time employment as a licensed physician practicing primary care medicine or psychiatry in a healthcare facility located in an eligible county. The Authority may verify compliance with all or a portion of the requirements of this sub-subdivision by requiring the loan recipient, his or her employer, or both to complete an attestation of qualifying employment.

b.If the loan recipient is practicing primary care medicine or psychiatry in a healthcare facility located in a county that loses its status as an eligible county before the recipient completes his or her service obligation for the total amount of loans awarded under this subsection, the loan recipient's employment as a physician practicing primary care medicine or psychiatry shall continue to be deemed qualifying for the purposes of loan forgiveness in accordance with this section as long as the recipient is employed in a healthcare facility located in that county without a break in service.

c.The Authority may provide for accelerated repayment and less than full-time employment options.

§ 116-209.45(d)

Establish Forgivable Loans for Service Fund. - There is established the Forgivable Education Loans for Service Fund to be administered by the Authority. The purpose of the Fund is to provide financial assistance to qualified students to enable them to

obtain the requisite education beyond the high school level to work in North Carolina in certain high-need professions as identified by the General Assembly and to respond to current as well as future employment shortages in North Carolina. The Authority shall reserve any funds made available for the Primary Care Medicine and Psychiatry Targeted Assistance Program for the purpose of administering the award of loans pursuant to subsection (c1) of this section.

§ 116-209.45(e)

Eligibility for Loans. - The Authority shall establish the criteria for initial and continuing eligibility to participate in the Program. All loan recipients shall be residents of North Carolina and shall attend an eligible institution.

The Authority shall adopt standards deemed appropriate by the Authority to ensure that only qualified, potential recipients receive a loan under the Program. The standards may include minimum grade point average and satisfactory academic progress.

§ 116-209.45(f)

Loan Terms and Conditions. - Except as otherwise provided in subsection (c1) of this section, [the] following terms and conditions shall apply to each loan made pursuant to this section:

- (1) Promissory note. - All loans shall be evidenced by promissory notes made payable to the Authority.
- (2) Interest. - All promissory notes shall bear an interest rate established by the Authority that does not exceed ten percent (10%) and is in relation to the current interest rate for nonneed-based federal loans made pursuant to Title IV of the Higher Education Act of 1965, as amended. Interest shall accrue from the date of disbursement of the loan funds.
- (3) Loan amount. - The Authority shall establish the amount of the loan based on funds available and factors such as the recipient's educational program, enrollment status, and field of study.
- (4) Repayment. - The Authority shall establish the criteria for loan forgiveness for employment in a designated field in North Carolina. These criteria may provide for accelerated repayment and less than full-time employment options. The Authority shall collect cash repayments when service repayment is not completed. The Authority shall establish the terms for cash repayment, including a minimum monthly repayment amount and maximum period of time to complete repayment.

- (5) Death and disability. - The Authority may forgive all or part of a loan if it determines that it is impossible for the recipient to repay the loan in cash or service because of the death or disability of the recipient.
- (6) Hardship. - The Authority may grant a forbearance, a deferment, or both in hardship circumstances when a good faith effort has been made to repay the loan in a timely manner.
- (7) Other. - The Authority may establish other terms and conditions that are necessary or convenient to effectuate the Program.

§ 116-209.45(g) Advisory Group. - The Authority shall appoint an advisory group composed of, at minimum, appropriate representatives from higher education institutions and health and labor departments, agencies, or commissions to make recommendations to the Authority regarding the Authority's future apportionment and distribution of Program loans based on projected labor market shortages, higher education enrollment projections, and other relevant information.

§ 116-209.45(h) Use of Fund Monies. - All funds appropriated to or otherwise received by the Authority to provide loans through the Program, all funds received as repayment of loans, and all interest earned on these funds shall be placed in the Fund. The Fund shall be used only for loans made pursuant to this section and for administrative costs of the Authority, including costs of administering the former Teaching Fellows Program transferred to the Authority under G.S. 116-209.27.

§ 116-209.45(i) Rulemaking Authority. - The Authority may adopt rules necessary to implement, administer, and enforce the provisions of this section.

§ 116-209.45(j) Report to the General Assembly. - The Authority shall report no later than December 1, 2013, and annually thereafter to the Joint Legislative Education Oversight Committee regarding the Fund and loans awarded from the Fund. (2011-74, s. 1; 2012-142, s. 9.2(a); 2014-100, s. 11.10(g); 2023-134, s. 8A.14(a).)

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS II
7 AUTHORITIES

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 143B-437.08	(b)(1)	"the Department of Commerce pursuant to"
G.S. 116-201(b)(5)	(b)(1a)	"Eligible institution. - Notwithstanding"
G.S. 116-201(b)(6)	(b)(1a)	"institution. - Notwithstanding G.S. 116-201(b)(5) and"
G.S. 116-2(4)	(b)	"of North Carolina as defined in"
G.S. 115D-2(2)	(b)	"A community college as defined in"
G.S. 116-280(3)	(b)	"private postsecondary institution as defined in"
G.S. 116-209.27	(h)	"Program transferred to the Authority under"

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 116-209.45 (2026).

PINPOINT

N.C. Gen. Stat. § 116-209.45(a) (2026).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

COLOPHON

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