

§ 620.5 Discharge of agreement to serve or repay.

(a) *Discharge conditions.* The Director may provide for the partial or total waiver or suspension of any service or repayment obligation by a scholarship recipient under the SFS program, including but not limited to the following circumstances:

(1) *Death.* If a scholarship recipient dies, the Director discharges the obligation to complete the agreement to serve or repay based on a certified copy of the death certificate or verification of the scholarship recipient's death through an authoritative Federal or state electronic database approved for use by the Director.

(2) *Total and permanent disability.* A scholarship recipient's agreement to serve or repay is discharged if the scholarship recipient becomes totally and permanently disabled. This is the condition of an individual who:

(i) Is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that—

(A) Can be expected to result in death;

(B) Has lasted for a continuous period of not less than 60 months; or

(C) Can be expected to last for a continuous period of not less than 60 months; or

(ii) Has been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected disability.

(3) *Extreme hardship.* Whenever compliance by the scholarship recipient with the obligation is impossible or would involve extreme hardship to the scholarship recipient, or if enforcement of such obligation with respect to the scholarship recipient would be unconscionable. Extreme hardship could include but is not limited to financial or economic burden, medical situations, or other situations as determined by the Director of NSF.

(b) *Written request.* (1) A scholarship recipient must submit a written application to the SFS program office, requesting a discharge from the Director of NSF in accordance with this section. Requests to discharge and refund amounts already repaid or referred to Treasury will not be considered or granted.

(2) A scholarship recipient who applies for discharge must provide the Director with documentation supporting the request as well as current contact information including home address, email address, and telephone number.

(3) The Director, or other official designated by the Director, will notify the scholarship recipient on the outcome of the application for discharge. If the discharge is denied, the scholarship recipient may submit a written request for reconsideration to the SFS program office. The request must be received no later than 30 calendar days after NSF sent notice of the denial to the recipient. The request must explain why the recipient believes the denial is based on an error or

mistake of fact or law, or if there are any new facts or law that should be considered. The Director's determination on the request shall be final, with no further reconsideration.