

§ 620.6 Obligation to repay the CyberCorps SFS scholarship.

(a) A scholarship recipient who fails to complete the service obligation, as evidenced by documentation of that service with all required information and certifications, or fails to comply with any other conditions of support set forth in 15 U.S.C. 7442(g), must repay the scholarship to the United States in an amount calculated in accordance with 15 U.S.C. 7442(i).

(b) If not repaid, the CyberCorps SFS scholarship amounts paid to the scholarship recipient, together with interest accruing from the date of the scholarship award, at the interest rate determined under 20 U.S.C. 1087e, shall be treated as a Direct Unsubsidized Loan, without regard to any annual or aggregate loan limits under 34 CFR 685.203, and subject to the repayment terms and conditions set forth in paragraph (g) of this section, unless the scholarship recipient submits required documentation to prove the qualified employment within the timeframe required by the agreement to serve or repay (or, if the recipient has violated any other conditions of support, verifiable documentation demonstrating that the recipient has not violated such conditions).

(c) The scholarship recipient remains liable for any amounts calculated in accordance with paragraph (a) that are not repaid, including any amounts treated a Direct Unsubsidized Loan as described in paragraph (b) of this section. Such amounts, if not repaid, shall be referred to the United States Department of the Treasury for collection, and, if the individual defaults on the loan, shall also include reasonable collection fees and costs (plus court costs and attorney fees, if any).

(d) During the Commitment Phase, approximately 90 days before the date that the scholarship recipient must begin performing the service obligation (employment) and approximately 90 days before the Commitment Phase is scheduled to expire, the scholarship recipient will be notified of the date by which they must submit verifiable documentation showing that they are satisfying the service obligation.

(e) At least annually during the service obligation period, the scholarship recipient shall be notified of—

(1) The terms and conditions that the scholarship recipient must meet to satisfy the service obligation;

(2) The requirement for the scholarship recipient to provide to the SFS program office, upon completion of each of the required service year, verifiable documentation of that service in a form and manner approved by that office and the need for scholarship recipients to keep copies of this information and copies of their own employment documentation; and

(3) The conditions under which the scholarship recipient may request a deferral of the period for completing the service obligation or the discharge of the service obligation.

(f) A scholarship recipient remains obligated to meet all requirements of the service obligation, even if the recipient does not receive the notices described in paragraphs (d) and (e) of this section.

(g) A scholarship recipient whose CyberCorps SFS scholarship is treated as a Direct Unsubsidized Loan—

(1) Enters a six-month grace period prior to entering repayment, and

(2) Is eligible for all other benefits of and subject to all other terms and conditions of the Direct Unsubsidized Loan Program.

(h) If a scholarship recipient's repayment obligation is treated as a Direct Unsubsidized Loan under this part, the loan may not be converted back to a CyberCorps SFS scholarship if it has been referred to the United States Department of the Treasury for collection.