

(a) Be a national of the United States or a permanent resident of the Trust Territory of the Pacific Islands or a lawful permanent resident of the United States, Puerto Rico, the Virgin Islands or Guam;

(b) Be a full-time student in a school located in the United States, the Trust Territory of the Pacific Islands, Puerto Rico, the Virgin Islands, the Canal Zone, American Samoa or Guam; and

(c) Agree to engage in the full-time practice of primary care as defined in § 57.2202(j) in accord with conditions specified in § 57.2209.

§ 57.2204 Application.

Each eligible applicant desiring a scholarship grant under this subpart shall submit an application at such time and in such form as the Secretary may prescribe.

§ 57.2205 Priority for selection of scholarship recipients.

(a) When funds determined by the Secretary to be available for scholarship grants under this subpart are insufficient to permit the awarding of scholarships to all individuals applying therefor, the Secretary shall accord priority to eligible applicants as follows:

(1) First priority for scholarship grants shall be accorded to applicants who (i) are from a low-income background as defined in § 57.2202 (i), (ii) reside in a physician shortage area and (iii) agree to return to such area and engage in the full-time practice of primary care. For purposes of this paragraph, an individual resides in a physician shortage area if he presently is residing in such an area or if he (or his parents) resided in such an area in the year prior to his admission to an institution of higher education.

(2) Second priority shall be accorded to applicants meeting the criteria in paragraphs (a)(1) (ii) and (iii) of this section.

(3) Third priority shall be accorded to applicants meeting the criterion in paragraph (a)(1)(i) of this section.

(4) Fourth priority shall be accorded to other applicants.

(b) Where there are insufficient funds available to make scholarship grants to all members of any single priority

grouping enumerated in paragraph (a) of this section, the following criteria will be used to accord priority within each affected priority group:

(1) Within the priority groupings specified in paragraphs (a) (1) and (2) of this section, the Secretary shall rank recipients according to the degree of the severity of shortage of physicians practicing primary care in such area. Scholarship grants shall be awarded within each priority group first to applicants within that grouping from physician shortage areas with the least favorable ratio of such physicians to the population to be served.

(2) Within the priority groupings specified in paragraphs (a) (3) and (4) of this section, the Secretary shall award scholarship grants within each priority group first to applicants who agree to practice primary care in a physician shortage area with a substantial portion of migratory agricultural workers in such area; second, to applicants within that grouping who agree to practice in a physician shortage area; and third, to applicants within that grouping who agree to practice in such place or places, facility or facilities, and in such manner as the Secretary finds necessary to assure that, of the patients receiving medical care in such practice, a substantial portion will consist of persons who are migratory agricultural workers or members of their families.

§ 57.2206 Grant award.

The Secretary may award scholarship grants to individuals who have been selected to receive scholarship grants in accordance with § 57.2205. Any such award under this subpart shall state the specific conditions under which the award is being made and shall indicate the distribution between funds awarded to cover the costs of tuition and fees payable to the school and funds awarded for the costs of equipment, supplies, books, and living expenses payable to the individual.

§ 57.2207 Amount of scholarship grant.

(a) The amount of the scholarship grant to any student for any academic year shall be the total of (1) the lesser of (i) \$5,000 or (ii) the amount determined by the Secretary to be the cost