RULES AND REGULATIONS

PHARMACY REWARD PROGRAM

I. PREAMBLE

Studies have shown that Rhode Island is facing a shortage of pharmacists. In an effort to encourage individuals to consider a career in pharmacy the Rhode Island Student Loan Authority (RISLA) has developed its Pharmacy Reward Program whereby eligible persons will receive an interest benefit on their Stafford student loans financed by RISLA on or after July 1, 2002. The criteria for eligibility are set forth in these Rules and Regulations.

The Rhode Island Student Loan Authority, pursuant to Chapter 62 of Title 16 of the General Laws of Rhode Island, as amended, hereby promulgates the following Rules and Regulations for the Rhode Island Pharmacy Reward Program (the "Program").

A. PURPOSE

The Pharmacy Reward Program is intended to reduce the growing shortage of pharmacists in the state by providing pharmacists in Rhode Island relief from interest payments during the first four years of repayment on their Stafford Loans.

B. BASIC ELIGIBILITY

To be eligible to participate in the Program an individual:

1. Must be a pharmacy major at an eligible postsecondary school.

2. Must have a Stafford Loan to finance his or her pharmacy education from the Rhode Island Student Loan Authority or one of its 21 affiliated lenders obtained on or after July 1, 2002.

C. ELIGIBILITY FOR INTEREST FORGIVENESS

To be eligible for interest forgiveness on Stafford Loans obtained from Rhode Island Student Loan Authority or its Affiliated Lenders on or after July 1, 2000 an individual:

1. Must be a licensed pharmacist in the State of Rhode Island.

2. Must work as a licensed pharmacist in Rhode Island at least 20 hours per week.

D. INTEREST FORGIVENESS

Any individual eligible for interest forgiveness under the criteria specified herein shall obtain an application from the Rhode Island Student Loan Authority and shall complete and submit such application to the Authority. Based on such application and such other supporting documentation that may be requested, the Authority shall determine whether the applicant satisfies the eligibility criteria for interest forgiveness. If the Authority determines that the applicant meets all eligibility requirements, the Authority shall notify the applicant that he or she shall be relieved of the obligation to pay interest on his or her Stafford Loan(s) up to the first four years of repayment provided the applicant continues to satisfy the eligibility requirements set forth herein. If the applicant is at any time deemed by the Authority to be no longer eligible for interest forgiveness on his or her Stafford Loan(s), the Authority shall notify the applicant in which event the applicant's eligibility for loan forgiveness shall terminate.

Any individual deemed eligible by the Authority for interest forgiveness shall submit to the Authority each year such information as the Authority may prescribe to determine the individual's continued eligibility.

Any individual no longer deemed eligible for interest forgiveness on his or her loan(s) shall forthwith pay to the holder of such loan all accrued interest accrued during the period of ineligibility.

E. APPEALS

Any applicant who is aggrieved by any determination with respect to his or her eligibility for loan forgiveness may appeal such determination in writing to the Executive Director of the Rhode Island Student Loan Authority, 560 Jefferson Boulevard, Warwick, RI 02886 within twenty (20) days of said determination. The decision of the Executive Director on all appeals shall be final.

F. AFFILIATED LENDERS

The following financial institutions shall be considered Affiliated Lenders for purpose of this program:

Bank of Newport
Bank of Rhode Island
Bayside Federal Credit Union
Borrowsmart-Trust
Bostitch Employees Credit Union
Centreville Savings Bank
Coastway Credit Union
Columbus Credit Union
Cottrell Credit Union
Coventry Credit Union
Credit Union Central Falls
First Bank & Trust Co.
Federal Employees Credit Union
Greenwood Credit Union
Narragansett. Elec. Employee Cred.Union
Newport Federal Savings Bank
People's Credit Union
RI State Employees Credit Union
Sovereign Bank
Teachers & Community Credit Union
Warwick Municipal Employees Crdit. Union
Washington Trust Company
Westerly Community Credit Union

G. Termination and suspension of program

Notwithstanding anything to the contrary herein, the interest benefits under this program is subject to being terminated or suspended by RISLA for any year for which there is not available funding for the Program.