

(4) (A) Section 741 of such Act is further amended by adding at the end thereof the following new subsection:

"(j) Subject to regulations of the Secretary, a school may assess a charge with respect to a loan made under this part for failure of the borrower to pay all or any part of an installment when it is due and, in the case of a borrower who is entitled to deferment of the loan under subsection (c) or cancellation of part or all of the loan under subsection (f), for any failure to file timely and satisfactory evidence of such entitlement. The amount of any such charge may not exceed \$1 for the first month or part of a month by which such installment or evidence is late and \$2 for each such month or part of a month thereafter. The school may elect to add the amount of any such charge to the principal amount of the loan as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the school not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge."

(B) Subsection (b) (2) of section 740 of such Act is further amended by striking out "and (D)" and inserting in lieu thereof "(D) collections pursuant to section 741(j), and (E)".

(b) (1) The first sentence of subsection (a) of section 742 of such Act (42 U.S.C. 294b) is amended by striking out "and" before "\$25,000,000" and by inserting before the period at the end thereof ", and such sums as may be necessary for the fiscal year ending June 30, 1970, and each of the next three fiscal years".

(2) The third sentence of such subsection is amended by striking out "1970" and "1969" and inserting in lieu thereof "1974" and "1973", respectively.

(3) The fourth sentence of such subsection is amended by striking out "and" before "(2)" and by inserting before the period at the end thereof ", and (3) for transfers pursuant to section 746".

(c) Section 743 of such Act (42 U.S.C. 294c) is amended by striking out "1972" each place it appears therein and inserting in lieu thereof "1976".

(d) (1) Section 744(a) (1) of such Act (42 U.S.C. 294d) is amended by inserting "and each of the next five fiscal years" after "1968".

(2) Section 744(c) of such Act is amended by striking out "\$35,000,000" and inserting in lieu thereof "\$45,000,000".

(e) Part C of title VII of such Act (42 U.S.C. 294, et seq.) is further amended by adding at the end thereof the following new section:

"TRANSFER OF FUNDS TO SCHOLARSHIPS

"SEC. 746. Not to exceed 20 per centum of the amount paid to a school from the appropriations for any fiscal year for Federal capital contributions under an agreement under this part, or such larger percentage thereof as the Secretary may approve, may be transferred to the sums available to the school under part F of this title to be used for the same purpose as such sums. In the case of any such transfer, the amount of any funds which the school deposited in its student loan fund pursuant to section 740(b) (2) (B) may be withdrawn by the school from such fund."

(f) The amendments made by subsection (a) (1), (b) (3), and (e) shall apply with respect to appropriations for fiscal years ending after June 30, 1969. The amendment made by subsection (a) (3) shall apply (1) with respect to all loans made under an agreement under part (C) of title VII of the Public Health Service Act after June 30, 1969, and (2) with respect to loans made thereunder before July 1, 1969, to the extent agreed to by the school which made the loans and the Secretary (but, then, only as to years beginning after June 30, 1969). The amendment made by subsection (a) (4) shall apply with respect to loans made after June 30, 1969.

SCHOLARSHIPS

SEC. 122. (a) Subsection (a) of section 780 of the Public Health Service Act (42 U.S.C. 295g) is amended by striking out "or pharmacy" and inserting in lieu thereof "pharmacy, or veterinary medicine". The heading of such section is amended by striking out "OR PHARMACY" and inserting in lieu thereof "PHARMACY, OR VETERINARY MEDICINE".

(b) Subsection (b) of such section is amended by inserting "and each of the next four fiscal years" after "1969," in the first sentence and by striking out "1970" and "1969" and inserting in lieu thereof "1974" and "1973", respectively, in the second sentence.