

a student ceases to pursue a full-time course of study. However, if he is serving as a member of the uniformed services or as a Peace Corps volunteer during the period of repayment, he is entitled to an additional year of postponement for repayments for each full year of such service (but not to exceed 3 years). The bill would include service as a VISTA volunteer as a basis for such postponement. Up to 5 years of advanced professional training (including residencies) would also be a basis for such postponement.

This amendment provides (1) an inducement for health professional personnel to serve in the Volunteers in Service to America program similar to the existing provision under section 741(c) of the act which provides for postponement of repayment for borrowers serving in the Peace Corps, and (2) for lengthy advanced professional training required in fields of specialization which might otherwise be deferred because of financial burden.

Section 121(a)(4)(A).—The bill would authorize a school to charge a borrower for failure to pay all or any part of an installment when it is due or, if the borrower is entitled to postpone his repayments, or to cancel his repayment, for his failure to file timely evidence of such entitlement (\$1 first month; \$2 each month thereafter).

The proposed amendment would permit participating schools to place greater emphasis on terms and conditions of repayment.

Section 121(c).—This would postpone for 4 years through September 30, 1976, the date of the capital distribution of the balance of any student loan fund.

Section 121(d)(1).—This would extend for 5 years through fiscal year 1973 the authorization of loans to schools.

Section 121(d)(2).—This would increase from \$35 million to \$45 million the total amount of loans which may be made to student loan funds from the revolving fund.

Section 121(e) (new sec. 746).—The bill would authorize a school to transfer to its scholarship funds up to 20 percent (or a higher percentage with the approval of the Secretary) of the Federal funds paid to it for its loan fund. (There is a similar provision for transfer from its scholarship program into its loan fund.) This transfer authority will provide a most desirable flexibility to the school in tailoring its financial assistance programs to meet the needs of its individual students and will improve the effectiveness of the utilization of both the scholarship and loan funds.

Section 121(f).—This provides effective dates for the amendments made by this section.

Section 122.—This would extend the health professions scholarship program for 4 years (fiscal year 1970 through fiscal year 1973).

It would add veterinary medicine students to the eligible participants.

Veterinary medicine makes significant contributions to the field of human medicine, to medical research, and to the maintenance of an abundant and safe food supply.

Section 122(d) (new sec. 781).—The bill would authorize a school to transfer to its student loan program up to 20 percent of the amount paid to it for scholarships (or a higher percentage with the approval of the Secretary). (There is a similar provision for transfer from