

STATE OF ALABAMA  
BOARD OF OPTOMETRIC SCHOLARSHIP AND LOAN AWARDS  
ADMINISTRATIVE CODE

CHAPTER 635-X-9  
REPAYMENT WITH SERVICE

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635-X-9-.01      Repayment Terms.

Repayment of loans with service will be in accordance with Code of Ala. 1975, § 34-22-63(c), and terms of the contract signed by the loan recipients and the chair of the Board. (635-X-5-.01)

**Author:** Board of Optometric Scholarship and Loan Awards

**Statutory Authority:** Code of Ala. 1975, §§ 34-22-60, et seq.

**History:** Filed September 7, 1984. **Amended:** Published June 30, 2025; effective August 14, 2025.

635-X-9-.02      Application To Repay With Service.

A loan recipient who wishes to repay his/her loan with service shall file an application for approval with the Board prior to the anticipated date to enter the practice of optometry.

(a) The application must name the area and give the approximate date the practice will begin.

(b) The application should present a resume of the conditions in the area which warrant classifying the area as critically in need of additional optometric service.

(c) The Board shall review and evaluate all available information to determine whether or not the area, in the Board's judgement, qualifies as an area critically in need of additional optometric service.

(d) A loan recipient who accepts a position in Alabama public health or serves as an optometrist in a state institution is

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eligible to apply to repay his/her loan with service rather than cash.

(e) The Board will notify the applicant promptly when a decision has been reached.

**Author:** Board of Optometric Scholarship and Loan Awards

**Statutory Authority:** Code of Ala. 1975, §§ 34-22-60, et seq.

**History:** Filed September 7, 1984. **Amended:** Published June 30, 2025; effective August 14, 2025.

### 635-X-9-.03      Stipulations To Receive Repayment Credit For Service.

(1) Recipient must limit his/her practice to the approved area, to the approved position in Alabama public health or to the approved position in a state institution. No repayment credit will be allowed if the recipient engages in the practice of optometry in a location outside the approved area, the approved position in Alabama public health or state institution.

(2) Recipients must practice optometry in the approved area, in the approved position in Alabama public health or the approved position in a state institution for a period of one (1) year from the date practice was initiated to receive credit for repayment-with-service. No repayment credit will be earned if practice in the approved area, the approved employment in Alabama public health or state institution is discontinued before the lapse of one (1) year. Interest will be charged on the debt outstanding at the beginning of that year and the cash repayment schedule will resume in accordance with Chapter 635-X-7.

**Author:** Board of Optometric Scholarship and Loan Awards

**Statutory Authority:** Code of Ala. 1975, §§ 34-22-60, et seq.

**History:** Filed September 7, 1984. **Amended:** Published June 30, 2025; effective August 14, 2025.

### 635-X-9-.04      Agreement To Repay With Service.

(1) A formal agreement stipulating the community or the position in Alabama public health or state institution, years of service, and other pertinent facts shall be signed by the chair of the Board and each recipient who receives approval to repay his or her loan with service.

(2) Repayment with service credit will be prorated in the amount of twenty-five percent (25%) of the total outstanding principal plus interest per year for each of four (4) years of exclusive optometric practice in an approved community of less than five thousand (5,000) population.

(3) Repayment with service credit will be prorated in the amount of twenty percent (20%) of the total outstanding principal plus interest per year for each of five (5) years of exclusive optometric practice in an approved community of more than five thousand (5,000) and less than fifteen thousand (15,000) population.

(4) Repayment with service credit will be prorated in the amount of ten percent (10%) of the total outstanding principal plus interest per year for each of five (5) years of exclusive optometric practice in an approved community of more than fifteen thousand (15,000) and less than one hundred thousand (100,000). Repayment, in cash, of one-half (1/2) the principal plus interest annually will be prorated in five (5) annual payments beginning at the end of the first year of practice.

(5) Repayment with service credit will be prorated in the amount of twenty-five percent (25%) of the total outstanding principal plus interest per year for each year of service in a position in Alabama in public health or as an optometrist in any state institution approved by the Board.

(6) Repayment with service credit is available for part-time service in an approved community that is one of the top 50 percent (50%) of areas with the highest rank of need under the most recent Optometric Shortage Index. The loan recipient shall spend an average of 20 hours per week, per month, on an annual basis practicing direct patient care in the designated area to receive partial forgiveness up to 50 percent (50%) of his or her annual loan amount.

(7) For loans of less than four years of study, service repayment may be prorated on the basis of one-fourth of the above requirements for each loan.

**Author:** Board of Optometric Scholarship and Loan Awards

**Statutory Authority:** Code of Ala. 1975, §§ 34-22-60, et seq.

**History:** Filed September 7, 1984. **Amended:** Published June 30, 2025; effective August 14, 2025.

**635-X-9-.05      Alabama Optometric Service Agreement Program.**

Loans issued under the Alabama Optometric Service Agreement shall be repaid under terms of a contract by working in full-time clinical practice as a licensed optometrist in an area of critical need in the state of Alabama, approved by the Board, for six (6) years. Optometrist must participate in the state Medicaid program.

(1) If the optometrist demonstrates to the Board's satisfaction that a qualifying percentage of his or her active patients

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were indigent or covered by Medicaid during the previous year, additional service credit may be given based on the following:

- a. Three (3) months service credit may be given if twenty percent (20%) of the active patients served were indigent or covered by Medicaid.
- b. Six (6) months service credit may be given if thirty percent (30%) of the active patients were indigent or covered by Medicaid.
- c. One (1) year service credit may be given if fifty percent (50%) of the active patients were indigent or covered by Medicaid.

(2) A participant in the program may change the area of critical need where he or she practices, subject to the Board's approval. However, the optometrist must work in a full-time clinical practice for at least four (4) years in the new area of critical need to receive credit for repayment with service.

- a. An area of critical need shall be any county in the state of Alabama that is considered in the top thirty percent (30%) of areas with the highest rank of need under the most recent Optometric Shortage Index.
- b. The number of optometrists over the age of sixty-five (65) practicing in each county may be considered in determining if an area is an area of critical need.

(3) A participant in the Alabama Optometric Service Program may be allowed to work part time in an area of critical need that is considered one of the top eight percent (8%) of areas with the highest rank of need under the most recent Optometric Shortage Index.

- a. If approved by the Board, the optometrist must work an average of twenty (20) hours per week per month on an annual basis practicing direct patient care.
- b. The optometrist must practice in the designated area for a minimum of six (6) years to qualify for full forgiveness of the loan. A part-time participant in the Alabama Optometric Service Program will not be eligible for service credit as described in (635-X-9-.05 (1)a-c.

**Author:** Board of Optometric Scholarship and Loan Awards

**Statutory Authority:** Code of Ala. 1975, §§ 34-22-60, et seq.

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