

TITLE 5 POST-SECONDARY EDUCATION
CHAPTER 7 TUITION AND FINANCIAL AID
PART 38 VETERINARY MEDICAL LOAN REPAYMENT PROGRAM

5.7.38.1 ISSUING AGENCY: State of New Mexico Higher Education Department.
[5.7.38.1 NMAC - N, 7/15/2025]

5.7.38.2 SCOPE: Provisions of 5.7.38 NMAC apply to all participants of the loan repayment program described in this rule.
[5.7.38.1 NMAC - N, 7/15/2025]

5.7.38.3 STATUTORY AUTHORITY: Sections 9-25-8 NMSA 1978.
[5.7.38.3 NMAC - N, 7/15/2025]

5.7.38.4 DURATION: Permanent
[5.7.38.4 NMAC - N, 7/15/2025]

5.7.38.5 EFFECTIVE DATE: July 15, 2025, unless a later date is cited at the end of a section.
[5.7.38.5 NMAC - N, 7/15/2025]

5.7.38.6 OBJECTIVE: The objective and purpose of 5.7.38 NMAC is to increase the number of veterinarians in rural parts of the state through an educational loan repayment program. The program provides for repayment of the principal and reasonable interest accrued on federal and commercial loans obtained for a veterinary medical education.
[5.7.38.6 NMAC - N, 7/15/2025]

5.7.38.7 DEFINITIONS:

- A. “Award” means the loan repayment award granted to a recipient.
- B. “Board” means the board of veterinary medicine.
- C. “Committee” means the veterinarian selection committee.
- D. “Department” means the higher education department.
- E. “Designated underserved area” means a municipality or county designated by the committee that does not have a sufficient number of food-animal veterinarians for the needs of the veterinary medical service area.
- F. “Food animal veterinarian” means a veterinarian who provides medical care for animals that are raised to provide agricultural products.
- G. “Loan” means a grant of money to defray the cost of tuition and fees for a veterinary medical education under a contract between the federal government or a commercial lender and a veterinary medical student requiring repayment of principal and interest.
- H. “Recipient” means a veterinarian selected to participate in the veterinary medical loan repayment program.
- I. “Veterinarian” means a person who graduated from an accredited school of veterinary medicine and is licensed as a veterinarian in New Mexico.

[5.7.38.7 NMAC - N, 7/15/2025]

5.7.38.8 RESPONSIBILITIES OF THE DEPARTMENT:

- A. The department may promulgate rules as necessary to carry out the provisions of the program.
- B. The department shall:
 - (1) coordinate a standard application process including preparation of application forms and facilitation of the application review by the committee;
 - (2) maintain contracts;
 - (3) verify location and time recipient is employed as a food animal veterinarian;
 - (4) process disbursement of awards to the lenders of recipients in annual or other periodic installments;
 - (5) submit required reports; and

(6) appoint an ongoing committee composed of the following members who all serve ex officio:

- (a) the state veterinarian;
- (b) the New Mexico state university extension veterinarian; and
- (c) the chair of the board of veterinary medicine.

C. The department may delegate to other agencies or contract for the performance of services required by the program.

D. The department or its delegated agency or contractor shall participate in any federal programs that support the repayment of education loans incurred by veterinarians and agree to the conditions of a federal program. [5.7.38.8 NMAC - N, 7/15/2025]

5.7.38.9 RESPONSIBILITIES OF THE BOARD: The board shall:

A. maintain a database of employment opportunities for veterinarians in designated underserved areas.

B. assist the department with making a full and careful investigation of the training, ability, character and other pertinent qualifications of each applicant and determine fitness to be a recipient.

[5.7.38.9 NMAC - N, 7/15/2025]

5.7.38.10 RESPONSIBILITIES OF THE COMMITTEE: The committee shall:

A. select up to ten qualified applicants per year to participate in the program;

B. designate food-animal veterinarian underserved areas of the state and rank them as to need; and

C. assist the department in determining eligibility and selection criteria for applicants and recipients.

[5.7.38.10 NMAC - N, 7/15/2025]

5.7.38.11 RECIPIENT ELIGIBILITY: An applicant shall be:

A. a citizen or lawful permanent resident of the United States;

B. a resident of New Mexico;

C. licensed as a veterinarian in New Mexico; and

D. employed full time in a private practice providing food-animal veterinary medical services in a

designated underserved area.

[5.7.38.11 NMAC - N, 7/15/2025]

5.7.38.12 AWARD CRITERIA; INELIGIBLE EDUCATIONAL DEBT; AND CONTRACT TERMS:

A. Award criteria:

(1) amounts are dependent on the location and characteristics of the medical practice and the applicant's total veterinary medical school indebtedness;

(2) preference in making awards shall be to persons who have graduated from a post-secondary educational institution that gives preferential enrollment to New Mexico residents;

(3) award amounts may be modified based on available funding or other special circumstances; and

(4) an award shall not exceed the total veterinary medical education indebtedness of the recipient.

(5) The annual award shall be established by the department but shall not exceed fifteen thousand dollars (\$15,000) for each of the first two years and twenty-five thousand dollars (\$25,000) for each of the second two years, for a total not to exceed eighty thousand dollars (\$80,000).

B. Ineligible educational debt:

(1) amounts incurred as a result of participation in state loan-for-service programs or other state financial aid programs that require that service be provided in exchange for financial assistance;

(2) scholarships;

(3) personal loans from friends or relatives; and

(4) loans that exceed individual standard school expense levels.

C. Contract:

(1) The award shall be evidenced by a contract between the recipient and the department acting on behalf of the state. The general form of the contract required shall be approved by the attorney general and signed by the recipient and the department or the designated representative of the department on behalf of the state.

(2) The contract shall provide for the payment by the state of a stated sum to the recipient's debtors and shall state the obligations of the recipient under the program, including a minimum four-year period of service, quarterly reporting requirements and other rules established by the department.

(3) Recipients shall serve a complete year in order to receive credit for that year.

(4) If a recipient does not comply with the terms of the contract, the department shall assess a penalty of up to three times the amount of the award disbursed plus eighteen percent interest, unless the department finds acceptable extenuating circumstances, including those that require release of contract, as to why the recipient cannot serve or comply with the terms of the contract. If the department does not find acceptable extenuating circumstances for the recipient's failure to comply with the contract, the department shall require immediate repayment plus the amount of the penalty. A decision not to release a recipient from the contract without penalty is a final department decision and may be appealed to the district court as provided in Section 39-3-1.1 NMSA 1978.

(5) The department, with recommendation from the committee, may cancel a contract made between the department and a recipient for the recipient's failure to comply with provisions of the contract, the Veterinary Medical Loan Repayment Act, rules promulgated in accordance with that Act or any other reasonable cause deemed sufficient by the department. The department shall release a recipient from the contract without penalty if:

(a) the recipient has completed the service requirements of the contract;

(b) the recipient is unable to complete the service requirements of the contract due to serious illness or disability; or

(c) the recipient demonstrates extreme hardship or other good cause to the department justifying the release from contract.

(6) The department is vested with full and complete authority and power to sue in its own name for the balance due the state from any recipient on a loan repayment contract.
[5.7.38.12 NMAC - N, 7/15/2025]

5.7.38.13 REPORTS: The department shall make annual reports to the governor and the legislature prior to each regular legislative session of the department's activities, including cohort data and annual and total program data that shows:

A. the number and amount of awards given;

B. the completion rate of recipients in the program, the number of recipients who completed the program and stayed in New Mexico and the number of those recipients who are practicing in a designated underserved area;

C. the amounts repaid and amounts owed on educational loans and the total number and total amount of penalties assessed against recipients who left the program;

D. the service locations of current and former recipients in New Mexico;

E. for each designated underserved area in the state, the number of recipients who are serving or have served in the area and whether there are recipients who are not employed or not employed full time in the area; and

F. other information determined by the department.

[5.7.38.13 NMAC - N, 7/15/2025]

History of 5.7.38.13 NMAC: [RESERVED]