

# **Arkansas Rural Medical Practice Student Loan and Scholarship Board Dispute Resolution Procedures**

The Arkansas Rural Medical Practice Student Loan and Scholarship Board is an agency of Arkansas created by Act 131 of 1949, A.S.A. § 80-2916 and Ark. Code Ann. § 6-81-701. The Legislature has delegated to the Board authority to promulgate and adopt rules which establish a dispute resolution procedure that may be used by a loan recipient, the board, or a qualified rural community to resolve any dispute arising out of or relating to a rural practice or community match loan contract, including the validity or interpretation of a contract term, contract enforcement or defenses, the occurrence of an event of default or breach, loan repayment, the assessment or imposition of contract damages or civil money penalties, or other related disputes. Ark. Code Ann. § 6-81-714. The objective of the dispute resolution procedure is to encourage and promote communications between the board, loan recipients and qualified rural communities and to provide a forum to resolve disputes as quickly and efficiently as possible with a minimum of expense to all parties involved. This dispute resolution procedure shall not be considered an “adjudication” as defined in Ark. Code Ann. § 25-15-202 (1)(A).

For the purposes of this Dispute Resolution Procedure, the following parties (“Interested Parties”) are entitled to written notice of a dispute resolution proceeding: (1) the loan recipient; (2) the qualified rural community; (3) any other party to the loan contract at issue; (4) any party who has sustained an injury to his, her or its person, business or property by a decision of the Board or the actions or omissions of a party to a loan contract; or (5) any party claiming an interest relating to the subject of the dispute resolution proceeding that may be impaired or injured as a result of the decisions made during the course of the proceeding. Upon its written request to the Board, any Interested Party will be provided with copies of all documents submitted during the course of a dispute resolution proceeding and will be given an opportunity to appear and be heard in the proceeding. Also for the purpose of this dispute resolution procedure, the address of service for the Administrator of the Arkansas Rural Medical Practice Student Loan and Scholarship Board is 4301 W. Markham #709-1, Little Rock, Arkansas, 72205.

## **Informal Settlement Conference**

The dispute resolution process shall commence upon receipt by the Administrator of a written request from a loan recipient, a qualified rural community or the Board to resolve any dispute which has arisen between the parties or that relates to the loan contract. Such requests shall be served upon the Administrator of the Board by certified mail. The request shall be in writing and shall be signed by the person or persons making said request. The written request shall contain the following information:

1. The full name, address, electronic mail address and telephone number of the loan recipient, or, in the case of a request filed by a qualified rural community, the name of the community, full name and address of the community contact representative along with a telephone number. All requests for submission to the dispute resolution process shall also contain the names and addresses of all other parties to the loan contract;
2. The written request should also include, if known, the name and contact information for any individual, partnership, corporation, association or public or private organization of any character which may have an interest in the subject matter (at issue) of the dispute resolution process
3. Identification of the Board action or decision which is being appealed and a brief description of the nature of the dispute and the issues to be resolved. In the event that the request does not involve the appeal of a Board decision, then the request shall simply contain a brief description of the nature of the dispute and the issues to be resolved; and
4. Copies of any contracts, agreements or other documentation which may be relevant to a successful resolution of the dispute in question.

Upon receipt of the written request for participation in the dispute resolution procedure, the Administrator for the Board shall mail a copy of the request for participation to all other parties to the contract (the “responding parties”) along with copies of all attachments provided by the party requesting participation in the dispute resolution process (the “requesting party”). The copy of the request received by the Board shall be mailed to the responding party (parties) by certified mail at the parties last known address. The responding party must file a written response to the request for participation in the dispute resolution process. This response must be mailed, via certified mail, to the Administrator for the Board within twenty (20) days from the date of the responding party’s receipt of the written request. The responding parties must include a brief description of the nature of the dispute and issues to be resolved in their response, along with any contracts, agreements or other relevant documentation which was not provided by the requesting party. A copy of the response shall also be mailed to all other parties to the loan contract by certified mail.

No later than twenty (20) days after the Administrator’s receipt of the responding party’s written response, the Administrator shall informally communicate with the parties and identify and request any additional documentation or information from the parties which s/he believes may be relevant to resolving the dispute. The information requested by the Administrator shall be produced by the applicable party within ten (10) days of the date of the Administrator’s written request. The Administrator will evaluate the request,

response, documentation and other information provided by all parties and communicate informally with the parties to determine whether the disputes can be satisfactorily resolved.

If the parties are unable to resolve a dispute through communications facilitated by the Administrator, all parties will be required to attend at least one (1) informal settlement conference moderated by the Administrator in a location agreed upon by the participants. The informal settlement conference shall be held no later than sixty (60) days from the date when the Administrator receives the initial written request for participation in the dispute resolution process. At their option, the parties and the Board may be represented by counsel or any representative. The purpose of the informal settlement conference will be to facilitate an environment where the parties may meet in person to resolve the dispute informally with the assistance of the Administrator; the conference is not a hearing and no witnesses, arguments from counsel and submission of evidence will be permitted.

### **Procedures for Referral to the Full Board**

In the event that the parties do not successfully reach an agreed upon resolution during the initial informal conference in this process, the matter shall be referred to the Arkansas Rural Medical Practice Student Loan and Scholarship Board. Alternatively, if a party fails to cooperate with the Administrator or fails to appear for the informal settlement conference, the remaining party (parties) shall then be eligible to request referral of the matter to the Arkansas Rural Medical Practice Student Loan and Scholarship Board. These referrals shall only occur under the following circumstances:

1. After the parties have had the opportunity to attend no less than one (1) informal settlement conference, or after one or more of the parties has refused to attend the conference or cooperate in the initial phase of the dispute resolution process. In the event that one or more parties has either failed or refused to attend the informal settlement conference, the requirement of attending no less than one (1) informal settlement conference will not be a pre-requisite before the matter can be referred to the Arkansas Rural Medical Practice Student Loan and Scholarship Board; and
2. Upon written notice to the Board by one or more parties to the loan contract stating that the parties have made a good faith effort to resolve the issues without success. This notice shall be served upon the Administrator of the Board by certified mail.

The notice must: (1) contain a brief description of the nature of the dispute and the issues to be resolved; and (2) present the requesting party's suggestions for a resolution. The notice must be submitted to all parties simultaneously with its submission to the Administrator of the Board. The notices shall be sent to the Administrator and opposing parties via certified mail. Each responding party shall have

ten (10) days from the date of receipt of the request for referral to mail a written response to the Board containing its response to the arguments made by the party seeking referral of the dispute and presenting any suggestions for an alternative resolution it deems acceptable. The Board shall send each party a notice within twenty (20) days of receipt of the notice of request for referral, via certified mail, which shall contain the following information:

- a. The date, time and place of the meeting of the Board during which the loan contract dispute matter will be considered. If possible, the matter will be considered during the next scheduled Board meeting at the time of the notice. In any event, the matter shall be heard no less than sixty (60) days following the receipt of the request for referral to the Board;
- b. All parties have the right to appear and participate and to be represented by counsel, or other representative;
- c. All parties may submit documentary evidence and written arguments supporting their position within twenty (20) days of the receipt of the notice from the Board and no later than ten (10) days prior to the meeting of the full Board scheduled to consider the dispute. This information may supplement that which was previously submitted during the informal settlement conference portion of this process;
- d. The documents which may be submitted may include documentary evidence, affidavits, depositions and pleadings and orders from previous matters related to the loan contract in question; and
- e. Any and all correspondence, documents and/or arguments submitted to the Board by any party shall also be simultaneously provided to all other parties to the dispute.

The Chair of the Board shall serve as the presiding officer for the meeting on the appeal before the Board. The Board shall make a final written recommendation for a resolution of the dispute within ten (10) days of the meeting with the parties. The recommendation shall be mailed, in letter form, to each party via certified mail. The letter shall contain the Board's final recommendation for a resolution of the dispute and notice that, if the parties have not reached a resolution of the dispute within thirty (30) days of the Board's recommendation, the loan recipient's license to practice medicine may be suspended under the provisions of Ark. Code Ann. § 6-81-708(c)(2) should the Board obtain an order from a Circuit Court of competent jurisdiction in the State of Arkansas finding the loan recipient in breach of their rural medical practice loan.

### **Application to Chairman of the Board for Waiver**

A rural medical practice loan recipient may seek a waiver of the requirements of Ark. Code Ann. § 6-81-708(c)(2) by making written application to the Chairman of the

Board with a statement explaining the exigent circumstances the loan recipient believes justify a waiver. The waiver request must be submitted within thirty (30) days of the date the Board's final recommendation and cannot be requested unless the loan recipient has participated in the entire dispute resolution process in good faith. The waiver request must be sent by certified mail to the Chairman, care of the Administrator for the Board. The waiver request will be considered in accordance with Ark. Code Ann. § 6-81-708(e)(1) and the loan recipient shall be notified in writing of the decision.