

Physician Loan Guarantee



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City Council	July 15, 2002	8	1	6
Subsection	Repeals By-Law Number		Policy Number	
Loan Guarantees			CC-8-1	

Purpose

To attract Physicians to the Kenora area in conjunction with the Underserved Area Program from the Ministry of Health by providing new Doctors with a grant.

Responsibility

The City of Kenora guarantees the loans through the Kenora District Credit Union Limited.

The Program provides new Doctors with \$10,000 per year for a maximum of four (4) years, representing a total grant of \$40,000. The interest free loan is structured to provide the new Doctor with the grant upfront on an interest free basis. The grant will be paid by annual installments through the Doctor from the funding received from the Ministry of Health.

An agreement, processed by municipal by-law, shall be entered into between the City and the applicable Physician to provide security to the City to offset the guarantee.

Samples of the by-law, agreement and Ministry eligibility criteria form part of this policy.

Effective Date
July 15, 2002

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This Agreement made this day of , 2002.

B e t w e e n

of the City of Kenora,
(hereinafter called "Physician")

of the First Part

- and -

The Corporation of the City of Kenora,
a Company incorporated under the Laws of the
Province of Ontario (hereinafter called "City")

of the Second Part

Whereas the Physician is entitled to receive an Ontario Ministry of Health Underserviced Area Incentive Grant of \$40,000.00 paid by the Province of Ontario over a four-year period;

And whereas it is in the interest of the City to have the Physician practice medicine in the City of Kenora;

Now therefore this Agreement witnesseth that in consideration of the premises and the sum of One Dollar (\$1.00) now paid by the City to the Physician, the parties hereto covenant and agree as follows:

- 1) The City has arranged for the Physician to obtain an interest free (to the Physician) loan of \$40,000.00 from the Kenora District Credit Union Limited.
- 2) The Physician shall repay the loan in annual payments of \$10,000.00 with the first payment being one year from the date of when the \$40,000.00 was advanced, and thereafter annual payments of \$10,000.00 shall be made on or before the same day in each of the following three years.

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- 3) The City shall guarantee the said loan.
- 4) The parties agree that the said loan shall immediately become due and payable in full in the event of one of the following:
 - a) the Physician fails to make a payment on the loan as required;
 - b) the Physician is not eligible to receive the Ontario Ministry of Health Underserved area Incentive Grant. The legibility requirements for the grant are attached hereto as Schedule "A";
 - c) the Physician no longer practices full time in the City of Kenora;
 - d) The City is called upon the make payment to the Kenora District Credit Union Limited pursuant to the City's guarantee.
- 5) In the event that the loan must be repaid immediately as a result of one of the events outlined in clause 4, the Physician shall be responsible for all interest pertaining to the loan as charged by the Kenora District Credit Union Limited together with all costs incurred by the City with regard to having the Physician paying the said loan in full. In the event that the City's guarantee is called and the city repays the loan to the Kenora District Credit Union Limited, the City shall also be entitled to receive from the Physician, in addition to it's other costs, interest at the rate of the Kenora District Credit Union Limited's prime rate plus 1% per annum from the date the City pays the loan to the date that the Physician has paid the City the outstanding amount.
- 6) This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrator and assigns.

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In witness whereof the party of the first part have set his / her hand and seal and the party of the second part has affixed its corporate seal attested to by its proper officers, the day and year first above written.

Signed, Sealed and Delivered)
)
)
 in the presence of:)
)
)
 _____)
 Witness) _____, Physician
)
)
)
)The Corporation of the City of Kenora
)
)Per: _____
)
)Per: _____

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Schedule A

Ontario Ministry of Health And Long-Term Care
Health Care Programs, North Region
Underserviced Area Program

Incentive Grant Program for Physicians Guidelines

Objective

To attract physicians to establish full-time practice in areas of the province designated as underserviced.

Definition

The incentive grant program offers grants of up to \$10,000 per eligible year to a maximum of \$40,000 paid over a four-year period to physicians who relocate to practice full-time in an approved underserviced area.

Eligibility

In order to be eligible for an incentive grant, the Underserviced Area Program (UAP) must approve the application before the applicant establishes his/her practice. The choice of where a physician establishes a practice is his/hers, taken from the UAP's current List of Areas Designated as Underserviced (LADAU) for General/Family Practitioners (CP/FPs) or Specialists. The applicant must meet all of the following requirements:

1. Hold a valid certificate of registration to practice medicine from the College of Physicians and Surgeons of Ontario.
2. Hold a valid certificate from the College of Physicians and Surgeons of Canada in a specialty (if applicable).
3. Hold an OHIP billing number and billing privileges (if required).
4. Hold Canadian citizenship or landed immigrant status.
5. Have accepted a full-time practice opportunity in an eligible underserviced community.
6. Hold hospital privileges in the community, or, if there is no hospital in the community, in an adjacent community (as required by the community contact and approved by UAP).
7. Have not previously received an incentive grant through this program.