

Chapter HEA 14

TEACHER OF THE VISUALLY IMPAIRED LOAN PROGRAM

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HEA 14.01 Purpose. To define the various aspects of the Teacher of the Visually Impaired Loan Program authorized by s. 39.398, Stats., as created by 1999 Wis. Act 9 as to the awarding of the loans; their forgiveness; or their repayment.

History: CR 01-079: Cr. Register January 2002 No. 553, eff. 2-1-02.

HEA 14.02 Definitions. (1) "Board" means the higher educational aids board

(2) "Eligible institution" means a non-profit, private institution of higher education in Wisconsin or a physically adjacent state [(as defined in s. 175.46 (1) (d), Stats.] which is accredited by a national or state accrediting agency, and which provides a program that prepares persons to be licensed as teachers of visually impaired pupils or as orientation and mobility instructors.

(3) "Forbearance" means an extension of time for making loan payments or the acceptance of smaller payments than were previously scheduled.

(4) "Grace period" means a six-month period following withdrawal or graduation during which the borrower is not responsible for interest or payment.

(5) "Loan" means a loan made under the Teacher of the Visually Impaired Loan Program.

History: CR 01-079: Cr. Register January 2002 No. 553, eff. 2-1-02.

HEA 14.03 Borrower eligibility. (1) The borrower shall be a resident of the United States, either a citizen or an alien lawfully admitted for permanent residence by the federal immigration and naturalization service.

(2) The borrower shall be a Wisconsin resident as determined by the board using the residency standards of s. 36.27, Stats.

(3) The borrower shall be enrolled at least part-time in an eligible institution in a program that prepares persons to be licensed as teachers of the visually impaired or as orientation and mobility instructors.

(4) The borrower shall not be required to show financial need.

(5) To the extent possible, preference shall be given to persons who are likely to remain or return to Wisconsin to work with visually impaired persons.

History: CR 01-079: Cr. Register January 2002 No. 553, eff. 2-1-02.

HEA 14.04 Terms of loans. (1) Eligible borrowers shall receive a minimum annual award of \$250. The maximum annual award shall not exceed \$10,000. The exact amount of the award shall not exceed the borrower's cost of education, as determined by the eligible institution using recognized federal methodology, minus the need-based aid the borrower is offered. Loans for students that are need-based may be replaced in the package of aid by the Teacher of the Visually Impaired Loan. The total the borrower receives under this program shall not exceed \$40,000 in outstanding principal.

(2) For loans that are not forgiven but must be repaid, the interest rate shall be 5% annually on the unpaid principal balance with accrual beginning upon the initial date of repayment. Interest shall not accrue during periods of at least half-time enrollment;

grace period; employment that qualifies for forgiveness; or during board authorized periods of deferment from repayment.

(3) The initial date of repayment shall be determined by the board in each instance beginning no sooner than 6 months after the borrower withdraws or graduates from the eligible institution. There shall be a six-month grace period that will start the day after the person withdraws or graduates from the eligible institution. The borrower shall not be required to make payment during the grace period.

History: CR 01-079: Cr. Register January 2002 No. 553, eff. 2-1-02.

HEA 14.05 Application process. (1) A borrower seeking a loan shall contact the eligible institution's financial aid office.

(2) The eligible institution's financial aid office shall determine the borrower's cost of education within the requirements set by the board. The board shall decide if the borrower shall receive a loan under this program.

(3) The eligible institution's financial aid office shall notify the board of the loan amount for the borrower. The board shall issue a check for the borrower's loan after the borrower's signed agreement form has been received by the board.

(4) All borrower contact concerning forgiveness and repayment shall be with the board. After leaving school the borrower shall maintain written annual contact with the board until the loan is either forgiven or repaid. The borrower is required to forward all name, address and telephone number changes to the board.

History: CR 01-079: Cr. Register January 2002 No. 553, eff. 2-1-02.

HEA 14.06 Loan forgiveness. (1) Loans shall be forgiven when the borrower is licensed and employed, at least part-time, in Wisconsin as a teacher of visually impaired pupils or as orientation and mobility instructor by a Wisconsin school district, the Wisconsin Center for the Blind and Visually Impaired or a cooperative educational service agency. For the first academic year of full-time employment, 25% of the principal and accrued interest, if any, shall be forgiven, with the amount to be prorated in cases where less time has been worked. For the second academic year of full-time employment, 25% of the principal and accrued interest, if any, shall be forgiven, with the amount pro-rated in cases where less time has been worked. For the third academic year of full-time employment, 50% of the principal and accrued interest, if any shall be forgiven, with the amount pro-rated in cases where less time has been worked. The borrower shall be given a maximum of 6 years to work the required 3 years for full forgiveness.

(2) The maximum of 6 years allowed for forgiveness shall be extended by the board for up to a total of 3 years for approved periods of deferment, as referenced in s. HEA 14.08. In no instance shall the term of forgiveness exceed 9 years including periods of deferments authorized by the board. The executive secretary may allow additional periods of deferment in exceptional situations.

(3) Any loan principal remaining unforgiven either because the forgiveness period as defined in subs. (1) and (2) is over, or because the borrower has not been employed for forgiveness as

defined in sub. (1) or has moved out of state, shall be repaid to the state of Wisconsin with interest accrued from the date on which the forgiveness period ended.

(4) Only borrowers holding a license in teaching visually impaired pupils or as an orientation and mobility instructor shall be eligible for forgiveness.

(5) No interest shall be charged the borrower during the forgiveness period.

History: CR 01-079: Cr. Register January 2002 No. 553, eff. 2-1-02.

HEA 14.07 Terms of repayment. (1) Borrowers shall repay a loan if not employed, at least part-time, as a teacher of visually impaired pupils or as an orientation and mobility instructor in a Wisconsin school district, the Wisconsin Center for the Blind or an educational service agency. Repayment shall be required of borrowers who are employed for periods of time but who do not complete their forgiveness within the time allowed.

(2) The monthly payment shall be a minimum of \$50 including principal and accrued interest. Accrued interest shall be paid first each month from the payment received. The board shall determine the monthly repayment schedule, although a borrower may request a schedule with a higher monthly payment.

(3) A borrower shall repay the loan within a maximum of 15 years not counting periods of deferment granted by the board. Interest shall not accrue during periods of deferment authorized by the board.

(4) Borrowers may prepay any or all of their loan account without penalty whether the borrower is in school, forgiveness, repayment or deferment.

(5) If the borrower dies or becomes totally and permanently disabled, all obligation to make any further payment of principal and interest on the loan shall be canceled.

History: CR 01-079: Cr. Register January 2002 No. 553, eff. 2-1-02.

HEA 14.08 Deferment of loan repayment for borrowers. (1) Borrowers who return to school on a full-time basis

in any course of study at an accredited institution shall be deferred by the board from repayment for the period of enrollment.

(2) Borrowers who are on active duty in the military shall be deferred by the board from repayment for the period of their active duty, not to exceed 3 years.

(3) Borrowers, who enter the Peace Corps or Volunteers in Service to America, shall be deferred by the board from repayment for the term of their active service, not to exceed 3 years. Employment with similar private agencies is eligible for deferment, as determined by the executive secretary, if the agency is federally tax exempt.

(4) Borrowers who are unemployed shall be deferred from repayment by the board for up to 6 months at a time, up to a maximum of 24 months, as long as they provide proof, satisfactory to the board, of actively seeking employment.

(5) Borrowers who become pregnant, give birth or legally adopt a child shall be deferred from repayment by the board for up to 12 months.

(6) In order to receive a deferment, a borrower shall apply to the board. If the borrower submits written evidence, which verifies eligibility for the deferment, the board shall approve the deferment.

(7) The board may grant forbearance from repayment for the benefit of the borrower. The board may grant forbearance whenever unemployment, health, other personal problems, or educational study that is ineligible for deferment temporarily affects the borrower's ability to make scheduled payments on the loan. Periods of forbearance may not exceed 6 months for each approved request, up to a maximum total of 24 months.

History: CR 01-079: Cr. Register January 2002 No. 553, eff. 2-1-02.

HEA 14.09 Applicability. Chapter HEA 14 shall apply to all loans made since the inception of the program.

History: CR 01-079: Cr. Register January 2002 No. 553, eff. 2-1-02.