

CR 91-102

STATE OF WISCONSIN)
) SS
HIGHER EDUCATIONAL AIDS BOARD)

I, Valorie T. Olson,
Executive Secretary of the Higher Educational Aids Board, and
custodian of the official records, certify that the annexed rules,
relating to student financial aid, were duly approved and
adopted by this Board on November 1, 1991.

I further certify that this copy has been compared by me with the
original on file in this Board and that it is a true copy of the
original, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto
set my hand and affixed the official
seal of the Higher Educational Aids
Board at 131 West Wilson Street
in the city of Madison, this 10th
day of February, 1992.

Valorie T. Olson
Executive Secretary

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Section 1. HEA 1.06 (1) is amended to read:

HEA 1.06 Check security identification and enrollment of student recipients.

Section 2. HEA 1.06 (3) is created to read:

(3) Checks shall be disbursed by the institution only to those students who are enrolled at least half-time in a certificate, diploma or degree course of study. Courses which are for a high school diploma or its equivalent, are not to be included in the minimum half-time status necessary to receive a check.

Section 3. HEA 1.06 (4) is created to read:

(4) Students who hold an earned bachelor's degree are not eligible for assistance for any of the undergraduate assistance programs administered by the Board.

Section 4. HEA 1.09 is created to read:

CONFIDENTIAL STUDENT AND PARENT INFORMATION. Without the written authorization of the student and parent, respectively, no individually identifiable financial need calculation data or state grant award information shall be released by the board except to the financial aid office of an educational institution the student proposes to attend, and the Wisconsin educational opportunity program offices. This does not restrict the board from releasing aggregate statistical information.

Section 5. HEA 2.01 is amended to read:

Definitions in chs. HEA 1 to 12.

Section 6. HEA 2.01 (2), (3), (4) and (5) are renumbered HEA 2.01 (6), (8), (5) and (4).

Section 7. HEA 2.01 (1) is renumbered 2.01 (7) and amended to read:

(7) "Satisfactory academic progress" means that level of academic performance, as defined by the institution in which the student is enrolled, which is normally required to insure adequate progress toward the attainment of the appropriate degree or certificate.

Section 8. HEA 2.01 (1) is created to read:

(1) "Board" means agency as headed by the executive secretary.

Section 9. HEA 2.01 (2) is created to read:

(2) "Executive Secretary" means the individual appointed under s. 39.29 stats. to administer and direct the activities the board in compliance with s. 15.04 stats.

Section 10. HEA 2.01 (3) is created to read:

(3)(6) "Full-time enrollment" means at least 12 academic credits per semester or the quarterly equivalent and applies to all board financial need based student assistance programs.

Section 11. HEA 4.05 (2) (a) is amended to read:

(a) Proof of accreditation through a federal accepted accrediting agency is required;

Section 12. HEA 4.05 (2) (b) is amended to read:

(b) Proof of state and federal non-profit status;

Section 13. HEA 5.04 (2) (c) is amended to read:

(c) The student is a first-generation post-secondary student, neither of whose parents graduated from a 4 year college or university.

Section 14. HEA 6.04 (1) is amended to read:

(1) An eligible student who is enrolled at least one-half time shall receive up to the statutory maximum based upon financial need.

Section 15. HEA 9 is created to read:

**Chapter HEA 9
WISCONSIN ACADEMIC SCHOLARSHIP**

HEA 9.01 PURPOSE. The purpose of this chapter is to define the various aspects of the Wisconsin academic scholarship program authorized by s. 39.41, Stats., as to continuing student eligibility and the responsibilities of the educational institution.

HEA 9.02 DEFINITIONS. In this chapter: (1) "Institution" means a public or private non-profit institution of higher education in Wisconsin which is accredited by a national or state accrediting agency, and which has signed a participation agreement with the board in accordance with s. 39.41 (5) (a). Stats.

(2) "Scholar" means a student determined to be eligible to receive a monetary award under this program.

HEA 9.03 CONTINUING SCHOLAR ELIGIBILITY. (1) To receive an academic scholarship for a second year, the scholar shall have accumulated at least 24 semester credits, or their quarterly equivalent as determined by the board, and have achieved a 3.0 grade point average based on a 4.0 system.

(2) To receive an academic scholarship for a third year, the scholar shall have accumulated at least 48 semester credits, or their quarterly equivalent as determined by the board, and have achieved a 3.0 cumulative grade point average based upon a 4.0 system.

(3) To receive an academic scholarship for a fourth year, the scholar shall have accumulated 72 semester credits, or their quarterly equivalent as determined by the board, and have achieved a 3.0 cumulative grade point average based upon a 4.0 system.

(4) The board shall pay to the institution, on behalf of the scholar, the award only for the first or second semester, or first, second, or third quarter of attendance. Awards shall not be made for summer term or other special terms of attendance.

(5) The scholar shall be enrolled in consecutive regular semester or quarter academic terms to maintain continuing eligibility. Exceptions to consecutive term enrollment, such as for medical reasons or study abroad, shall be considered by the executive secretary on a case by case basis.

(6) Scholars shall be able to regain eligibility through consecutive term enrollment which could bring their credits earned up to the minimum required and/or their grade point average to the cumulative minimum of 3.0 or both. Should the scholar's cumulative grade point fall below the required 3.0, eligibility shall be regained within 12 months, if the scholar is to again receive the monetary award.

(7) Eligibility for a scholarship ceases when the scholar receives a bachelor's degree.

HEA 9.04 INSTITUTIONAL RESPONSIBILITIES (1) The institution shall match the board provided scholarship award from its own funds each academic term for each scholar enrolled.

(2) The scholarship shall not replace other need based state grant assistance in the package of financial aid offered to the scholar by the institution.

(3) Board advanced funds for scholars who do not enroll are to be promptly returned to the board as soon as it becomes evident to the institution that the scholars will not enroll. The institutions shall also return funds to the board in cases where the scholar withdraws from the institution prior to the end of the institutionally determined refund period. In these instances the institution shall determine the amount to be returned to the board based upon the institution's refund policy.

(4) The institution shall provide the board with the cumulative grade point average and cumulative academic credits earned by each scholar enrolled for all or part of the academic year no later than the July 1st, following the end of the academic year. Until this information is certified to the board, the board shall not make any additional payments to the institution on behalf of the scholar.

Section 16. HEA 10 is created to read:

**Chapter HEA 10
INDEPENDENT STUDENT GRANT**

HEA 10.01 PURPOSE. The purpose of this chapter is to define the various aspects of the independent student grant program authorized by s. 39.45, Stats., as to the awarding of the grants and their repayment.

HEA 10.02 DEFINITIONS. In this chapter: (1) "Grant" means the independent student grant program.

(2) "Half-time enrollment" means enrollment in at least 6 academic credits per semester or the quarterly equivalent as determined by the educational institution.

(3) "Institution" means an institution of higher education in Wisconsin which provides associate degree or bachelor's degree programs and meets the requirements of s. 39.30 or 39.45, Stats., for the purpose of awarding grants under those sections.

HEA 10.03 STUDENT ELIGIBILITY. (1) The student 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 student shall be a Wisconsin resident as determined by the board using the residency standards of s. 36.27, Stats.

(3) The student shall be enrolled at least half-time in an eligible Wisconsin institution in either the second or third year of an associate degree program; or in the junior, senior or fifth year of a bachelor degree program.

(4) The student shall be a recipient of aid to families with dependent children under s. 49.19, Stats., at the time they apply for their initial independent student grant.

HEA 10.04 TERMS OF GRANTS. (1) Eligible students may receive up to \$4,000 an academic year based upon their financial need as determined through use of the national needs analysis as required in s. 39.435, Stats.

(2) The total amount received from the board shall not exceed \$12,000 nor may the student receive grant awards for more than 3 academic years.

(3) For grants which must be repaid, the interest rate shall be 5% annually on the unpaid principal balance with interest accrual beginning upon the initial date of repayment. Interest shall not accrue during periods of deferment from repayment.

(4) The student may receive a supplemental grant of between \$500 and \$1,000 per child for child care assistance, based upon the financial need of the student, for each semester during which a dependent preschool age child requires child care. The child care must take place in facilities provided by a child care organization under provisions of chs. HSS 55, and excludes child care provided by relatives or friends of the student. The supplemental grants provided under this subsection are not subject to the repayment provisions of "sub (3)". Supplemental grants are not available for the care of children who are enrolled in first grade or higher grades in public or private elementary or secondary schools.

HEA 10.05 APPLICATION PROCESS. (1) The institutional financial aid office shall determine the student's cost of education and financial contribution within the requirements set by the board. The institutional financial aid office shall decide if the borrower shall receive a grant.

(2) The institutional aid office shall notify the board of the grant amount for the student. The board shall provide the agreement form to the student after the grant has been approved. The board shall voucher a check for the student's grant after the student's signed agreement form has been received by the board. The agreement form shall set forth the terms of the grant; the terms of repayment; and the student's rights and responsibilities.

(3) All student contact concerning repayment shall be with the board. After leaving school the student is required to maintain contact with the board until the student is no longer liable for repayment as certified to the student by the board. The student shall forward his or her name, address and telephone changes to the board.

HEA 10.06 TERMS OF REPAYMENT. (1) Repayment of the grant is not required if the student earns an associate or bachelor's degree within 5 years of receiving the last grant award. Students who do not earn either degree, or who leave Wisconsin prior to earning either degree shall repay the grant amounts received with interest. If repayment is required, it is to begin 5 years after receiving the last grant award.

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

(3) A student shall repay the grant within a maximum of 10 years not counting periods of deferment granted by the board. Interest shall not accrue during periods of board authorized deferments.

(4) Students may prepay any or all of their grant account without penalty whether in school, in prepayment or in deferment.

(5) If a student dies, or becomes totally disabled as certified by a physician, his or her obligation to make any further payment of principal and interest on the grant is cancelled.

HEA 10.07 DEFERMENT OF GRANT REPAYMENT FOR STUDENTS. (1) Students who return to school on at least a half-time basis in any course of study at an accredited institution in any state shall be deferred by the board from repayment for the period of enrollment.

(2) Students who enter the military on active duty shall be deferred by the board from repayment for up to 3 years. Students in the national guard or on reserve duty are not eligible for deferment when the duty is for training purposes.

(3) Students who enter the national health service, peace corps or vista, shall be deferred by the board from repayment for up to 3 years. Employment with similar private agencies is not eligible for deferment unless the agencies are federally tax exempt.

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

(5) The board shall defer students from repayment for up to 12 months due to pregnancy and childbirth, and including the legal adoption of a child.

(6) The board shall grant forbearance from repayment for the benefit of the student. Forbearance means an extension of time for making grant payments or the acceptance of smaller payments than were previously scheduled. The board may grant forbearance whenever unemployment, health, other personal problems, or academic study that is ineligible for deferment temporarily affects the student's ability to make scheduled payments on the grant.

(7) In order to receive any deferment, a student shall apply to the board. If the student submits written evidence that verifies eligibility for the deferment, the board shall approve the deferment including the amount of time for which the student is determined to be deferable from repayment.

Section 17. HEA 11 is created to read:

Chapter HEA 11
MINORITY TEACHER LOAN PROGRAM

HEA 11.01 PURPOSE. The purpose of this chapter is to define the various aspects of the minority teacher loan program authorized by s. 39.40, Stats., as to the awarding of the loans; their forgiveness; or their repayment.

HEA 11.02 DEFINITIONS. In this chapter: (1) "Eligible institution" means a non-profit, private institution of higher education in Wisconsin which is accredited by a national or state accrediting agency, and which provides a major in education.

(2) "Loan" means the minority teacher loan program.

HEA 11.03 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 full-time in an eligible institution in the junior or senior year of a bachelor degree program majoring in education.

(4) The borrower shall have a cumulative 2.5 grade point average based on a 4.0 system at the time of receipt of the loan.

HEA 11.04 TERMS OF LOANS. (1) Eligible borrowers may receive up to \$2500 a year. The exact loan amount will be equal to the borrower's cost of education minus the need-based aid the borrower is offered. Loans for students which are need based may be replaced in the package of aid by the minority teacher loan program.

(2) The total the borrower receives under this program shall not exceed \$5,000 in outstanding principal.

(3) For loans which 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 full-time enrollment; employment for forgiveness; or during board authorized periods of deferment from repayment.

(4) The initial date of repayment will be determined by the board in each instance beginning no sooner than the date a borrower withdrew from school or graduated.

HEA 11.05 LOAN FORMS AND APPLICATION PROCESS. (1) A student seeking a loan shall contact the institutional financial aid office.

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

(3) The institutional financial aid office shall notify the board of the loan amount for the borrower. The board shall voucher a check for the borrower's loan after the borrower's signed agreement form has been received by the board. The agreement form shall set forth the terms of the loan; the terms of forgiveness; the terms of repayment; and the borrowers rights and responsibilities.

(4) All borrower contact concerning forgiveness and repayment shall be with the board. After leaving school the borrower shall maintain 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.

HEA 11.06 LOAN FORGIVENESS. (1) Loans shall be forgiven when the borrower is employed as a teacher in an eligible Wisconsin school district. For every 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. The borrower shall be given a maximum of 6 years to work the required 4 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 active duty military service; peace corps and vista; and a year for pregnancy, childbirth or the legal adoption of a child or for temporary physical or emotional disability. 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 shall be repaid with interest accrued from the date the borrower ceased working as a teacher in Wisconsin or ceased being a student, whichever is the latest date.

(4) Only borrowers holding a bachelor's degree in teaching and licensed by the department of public instruction shall be eligible for forgiveness.

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

HEA 11.07 TERMS OF REPAYMENT. (1) Borrowers shall repay a loan if not employed as a teacher in an eligible Wisconsin school district. Repayment shall be required of borrowers who are employed for periods of time but who do not complete their forgiveness within the time allowed under s. HEA 11.06 (1) and (2).

(2) The minimum monthly payment shall be \$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 10 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 a borrower dies or becomes totally and permanently disabled, his or her obligation to make any further payment of principal and interest on the loan is cancelled.

HEA 11.08 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 enter the military on active duty shall be deferred by the board from repayment for up to 3 years. Students on national guard or on reserve duty for training are not eligible for deferment.

(3) Borrowers who enter the peace corps or vista, shall be deferred by the board from repayment for up to 3 years. Employment with similar private agencies is not eligible for deferment unless the agencies are federally tax exempt.

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

(5) The board shall defer borrowers from repayment for up to a year due to pregnancy, childbirth, or the legal adoption of a child.

(6) The board may grant forbearance from repayment for the benefit of the borrower. Forbearance means an extension of time for making loan payments or the acceptance of smaller payments than were previously scheduled. 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 shall not exceed 6 months for each approved request.

(7) 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.

Section 18. HEA 12 is created to read:

**Chapter HEA 12
MINORITY UNDERGRADUATE GRANTS**

HEA 12.01 PURPOSE. The purpose of this chapter is to define various terms of the minority undergraduate grants program authorized by s. 39.44 Stats., as to the student eligibility for grants.

HEA 12.02 STUDENT ELIGIBILITY. (1) The student 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 student shall be a Wisconsin resident as determined by the higher educational aids board using the residency standards of s. 36.27, Stats.

(3) The student shall be enrolled as a sophomore, junior or senior on at least a half-time basis in a vocational, technical and adult education institution established under ch. 38 Stats., or a private non-profit college or university in Wisconsin eligible to participate in the grant program authorized under s. 39.30, Stats.

(4) Students with an earned bachelor's degree are not eligible to receive a grant under this program.

HEA 12.03 GRANT AMOUNT. (1) The student's grant award shall not exceed \$2,500 per academic year.

(2) A student's grant eligibility shall extend for a maximum of 8 semesters or 12 academic quarters of grant eligibility.

(3) Grants shall be made on the basis of financial need determined by the national needs analysis as used under s. 39.435, Stats.

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HEA 12.02 STUDENT ELIGIBILITY. (1) The student 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 student shall be a Wisconsin resident as determined by the higher educational aids board using the residency standards of s. 36.27, Stats.

(3) The student shall be enrolled as a sophomore, junior or senior on at least a half-time basis in a vocational, technical and adult education institution established under ch. 38 Stats., or a private non-profit college or university in Wisconsin eligible to participate in the grant program authorized under s. 39.30, Stats.

(4) Students with an earned bachelor's degree are not eligible to receive a grant under this program.

HEA 12.03 GRANT AMOUNT. (1) The student's grant award shall not exceed \$2,500 per academic year.

(2) A student's grant eligibility shall extend for a maximum of 8 semesters or 12 academic quarters of grant eligibility.

(3) Grants shall be made on the basis of financial need determined by the national needs analysis as used under s. 39.435, Stats.

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Tommy G. Thompson
Governor

Valorie T. Olson
Executive Secretary



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State of Wisconsin Higher Educational Aids Board

131 West Wilson Street, Madison, Wisconsin

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February 10, 1992

Gary L. Poulson, Assistant Revisor
Revisor of Statutes Bureau
119 Martin Luther King Boulevard
Madison, Wisconsin 53703

Dear Mr. Poulson:

Enclosed is the final version of Clearinghouse Rule 91-102. The full process of public hearing and consideration by committees of both houses of the Legislature have been completed. I am requesting that the rules be published in the Wisconsin Administrative Code.

If any additional information or materials are required, please let me know.

Sincerely,

A handwritten signature in cursive script, appearing to read "Donavan K. Fowler".

Donavan K. Fowler, Administrator
Programs and Policy

Enclosure

DKF: jw