

*Filed Nov 21, 1961  
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*PW-PA 20.12*

ORDER OF THE STATE DEPARTMENT OF PUBLIC WELFARE  
REVISING RULES

Pursuant to authority vested in the State Department of Public Welfare by Sections 46.014 (3) and 46.165, Wis. Stats., the State Department of Public Welfare hereby revises Rule PW-PA 20.12. (The Rule as revised is attached hereto.)

Rule PW-PA 20.12 revised herein shall take effect on January 1, 1962 pursuant to the authority granted by s. 227.026 (1) (b):

Dated: November 21st, 1961.

State Department of Public Welfare

*Wilbur J. Schmidt*  
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Wilbur J. Schmidt, Director

STATE OF WISCONSIN                    )  
  ) SS.  
DEPARTMENT OF PUBLIC WELFARE        )

I, Wilbur J. Schmidt, Director of the State Department of Public Welfare, and custodian of the official records of said Department, do hereby certify that the annexed revised rule relating to the granting and administering of student loans pursuant to s. 49.42, Wis. Stats., was duly approved and adopted by the State Board of Public Welfare on November 8, 1961.

I further certify that said copy has been compared by me with the original on file in this Department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto  
set my hand at the State Office  
Building in the City of Madison,  
this 21<sup>st</sup> day of November, A.D. 1961.

*Wilbur J. Schmidt.*  
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Director, State Department of Public Welfare

RULE PW-PA 20.12 STUDENT LOANS. (1) PURPOSE. As available, loans will be made pursuant to s. 49.42 to resident students attending state educational institutions of college rank who have good academic records, are in financial need and possess qualities of leadership.

(2) COVERAGE. (a) In no event shall the total loans to any student for his entire education exceed \$5,000.

(b) Loans to a student shall not exceed:

1. \$750 per year except as provided in 2.
2. \$250 for a summer session which may be in addition to the \$750 per year for the regular session.

(3) DISCRETIONARY. All loans are discretionary and dependent upon academic ability and financial need of the student.

(4) RESIDENCE. (a) Student borrowers must be residents of the state.

(b) Residence of the parent shall be considered that of the student in absence of definite proof of emancipation.

(c) Students required to pay non-resident fees will not be considered as eligible for loans unless they can satisfactorily show to the department that they are bona fide residents of the state.

(5) NEED. (a) Financial situation of the parent as well as the student will be considered.

(b) Loans to students 21 years of age or older may be considered on an individual basis.

(6) APPLICATION. (a) Application for loans will be made directly to the principal of the high school from which the applicant will receive or has received his diploma or to the educational institution which the applicant desires to attend or is attending.

(b) The institution will be sole judge of the applicant's scholastic eligibility and qualities of leadership and will assume responsibility for recommending the approval of an application.

(c) The state department of public welfare will make or cause to be made such independent investigation of the applicant's economic eligibility as it deems necessary incident to approval of the loan.

(7) AGREEMENTS. (a) Student loans are deemed to be a moral as well as a legal responsibility of the borrower.

(b) The department shall prescribe the form of note to be executed and may in its discretion require co-signers but not collateral security. Minors are required to have co-signers.

(c) A school period is defined as being from July 1 to the following July 1. Students in any branch of the armed forces are not to be considered as civilian students.

(d) Loans will bear interest at the rate of 1% per annum from the first day of the month following the date of the execution of the note until July 1 following last date of school attendance at which time the rate of interest will be increased to 5% per annum, such interest to become due and payable annually on July 1 beginning one year after the date of last school attendance.

(e) Transfers to other educational institutions and internship or apprenticeship may be considered as an extension of the original enrollment.

(f) 1. The first loan issued to a student will become due on the first day of July one year following the end of the school year in which the student will be expected to complete his education. A student who obtains loans for more than one school year will be given one additional year in the date of maturity for each year an additional loan is obtained and if the student withdraws from school before completing his course, the maturity date will be accelerated and the note will become due and payable on the first day of July one year after the last date of school attendance. The department may extend notes in default upon the execution of a new note by the student obligor if such student is continuing his college enrollment or, if in the opinion of the department, immediate payment would create an undue hardship upon the obligor.

2. Loans granted pursuant to (2) (b) 2 for attendance at a summer session shall become due on July 1 of the year after such summer session attendance unless the student was regularly attending school during the school year preceding the summer session or will be regularly attending school during the school year subsequent to the summer session in which event the loan shall become due at the same time as would a loan obtained by the student for the said subsequent school year.