

## Chapter HEA 1

## STUDENT LOAN PROGRAM

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**HEA 1.01 Introduction.** The state commission for higher educational aids, pursuant to chapter 566, laws of 1965 shall make and authorize to be made, loans to resident students who have satisfactory academic records, who need financial assistance and are desirous of attending institutions of higher education, when such loans are to assist them in meeting expenses of post high school education.

**History:** Cr. Register, February, 1967, No. 134, eff. 3-1-67.

**HEA 1.02 Definitions.** As used in this chapter:

- (1) "Act" means chapter 566, laws of 1965.
- (2) References to sections are to sections of this chapter, unless otherwise indicated.
- (3) "Commission" means the Wisconsin State Commission for Higher Educational Aids.
- (4) "Institution of higher education", "eligible institution" or "institution" means:
  - (a) An educational institution in any state which:
    1. Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate,
    2. Is legally authorized within such state to provide a program of education beyond secondary education,
    3. Provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree,
    4. Is a public or other nonprofit institution, and
    5. Is accredited by a nationally recognized accrediting agency or association approved by the U. S. commissioner of education for this purpose, or, if not so accredited,
      - a. Is an institution with respect to which the U. S. commissioner of education has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or,
      - b. Is an institution whose credits are accepted on transfer by not less than 3 institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any public or other nonprofit collegiate or associate degree school of nursing, and any school which provides not less than

a 1-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of subparagraphs 1, 2, 4, and 5 of this paragraph, or,

(b) A business or trade school, or technical institution or other technical or vocational school in any state, including correspondence schools and hospital schools of nursing, which,

1. Admits as regular students only persons who have completed or left elementary and secondary school and who have the ability to benefit from the training offered by such institution;

2. Is legally authorized to provide, and provides within that state, a program of post secondary vocational or technical education designed to fit individuals for useful employment in recognized occupations;

3. Has been in existence for 2 years or has been specially accredited by the U. S. commissioner of education, as an institution meeting the other requirements of this paragraph; and

4. Is accredited

a. By a nationally recognized accrediting agency or association listed by the U. S. commissioner of education pursuant to this paragraph,

b. If the U. S. commissioner of education determines there is no nationally recognized accrediting agency or association qualified to accredit schools of a particular category, by a state agency listed by the U. S. commissioner of education pursuant to this paragraph, and

c. If the U. S. commissioner of education determines there is no nationally recognized or state agency or association qualified to accredit schools of a particular category, by an advisory committee appointed by him and composed of persons specially qualified to evaluate training provided by schools of that category, which committee shall prescribe the standards of content, scope and quality which must be met by those schools in order for loans to students attending them to be eligible for interest benefits under the national vocational student loan insurance act, and shall also determine whether particular schools meet those standards, or

(c) A full-time post high school school of vocational, technical and adult education under the jurisdiction of the Wisconsin state board of vocational, technical and adult education.

(5) "Collegiate school of nursing" means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree of nursing.

(6) "Associate degree school of nursing" means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited 2-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

(7) "Accredited" when applied to any program of nursing education means a program accredited by a recognized body or bodies approved for such purpose by the U. S. commissioner of education.

(8) "Program of postsecondary vocational or technical education" means a program of vocational or technical education designed to

provide occupational skill more advanced than those generally provided at the high school level and which provides not less than 300 clock hours of classroom instruction or its equivalent, or in the case of a program offered by correspondence, requiring normal completion in not less than 6 months.

(9) "Academic year or its equivalent" for purposes of determining the maximum amount of a loan pursuant to Wis. Adm. Code section HEA 1.04(1), means:

(a) For students attending institutions eligible under subsection (4) (a), the number of credit hours or their equivalent which a student must acquire in any one school year in order to secure the degree or certificate toward which he is working in the number of semesters or terms normally taken therefor at the institution where he is pursuing a course of study. Generally, the total number of credits or their equivalent required for a degree or certificate when divided by the number of academic years normally required to obtain the degree or certificate will provide the number of credits or their equivalent which may be considered an equivalent academic year, and

(b) For students attending institutions eligible under subsection (4) (b) and (c), the period of time in which a full-time student would normally be expected to complete 28 semester hours, 42 quarter hours or 900 clock hours of instruction. For purposes of this subsection, 18 months of continuous correspondence study is considered the equivalent of an academic year.

(10) "Full-time student" means:

(a) For students attending institutions eligible under subsection (4) (a), a student who is enrolled in, and is carrying a sufficient number of credit hours or their equivalent to secure the degree or certificate toward which he is working in no more than the number of semesters or terms normally taken therefor at the institution in which he is enrolled. This term includes any student who is pursuing any combination of courses, research or special studies (whether or not for credit) which the institution considers full-time study, and

(b) For students attending institutions eligible under subsection (4) (b) and (c), a student who is enrolled in, and is carrying a sufficient number of credit hours, or clock hours to complete the training program in which he is enrolled, in no more than the number of semesters, terms or clock hours normally taken therefor at the institution in which he is enrolled. This term includes any student who is pursuing any combination of courses, work experience, or special studies (whether or not for credit) which the institution considers full-time study, but in no case less than 25 clock hours, 14 semester or quarter hours of instruction or their equivalent.

(11) "Half-time student" means a student who is carrying at least one-half of the normal full-time academic workload as described in subsection (10), as determined by the institution in which he is enrolled. All students engaged in a program of study by correspondence which is offered as requiring at least 12 hours preparation per week shall be considered half-time students for the purpose of this part.

(12) "Satisfactory academic record" 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.

(13) The term "state" includes, in addition to the several states of the union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(14) "Nonprofit", as applied to an agency, organization or institution, means owned and operated by one or more nonprofit corporations or associations no part of the net earning of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(15) "Default" means the failure to make an installment payment when due, or to comply with other terms of the note or other written evidence of agreement, which persists (e.g., is not cured either by payment or other appropriate arrangements) in the case of a loan repayable in monthly installments for 120 days, or in the case of a loan repayable in less frequent installments for 180 days.

**History:** Cr. Register, February, 1967, No. 134, eff. 3-1-67.

**HEA 1.03 Eligibility for Wisconsin student loans.** (1) A student, to be eligible for a Wisconsin student loan must:

- (a) Be enrolled or accepted for enrollment in an eligible institution of higher education;
- (b) Be at least a half-time student;
- (c) Be a Wisconsin resident student as defined in section 36.16, Wis. Stats., insofar as applicable;
- (d) Be in need of financial assistance pursuant to Wis. Adm. Code section HEA 1.05; and,
- (e) Have a satisfactory academic record.

(2) The student's eligibility for a loan must be certified to the commission by the institution of higher education in which he is enrolled or accepted for enrollment.

(3) To have interest payments made on his behalf, the student shall submit to the commission a statement in such form as the commission may prescribe, which shall include:

- (a) An assurance by the student that the loan on which interest payments are to be made has not been and will not be used for any purpose other than for the costs of education for the academic year covered by the application;
- (b) Information concerning other loans to him on which interest payments may be made;
- (c) Information necessary to determine whether his adjusted family income is less than \$15,000; and,
- (d) A certification by an eligible institution that he is enrolled at the institution or accepted for enrollment.

**History:** Cr. Register, February, 1967, No. 134, eff. 3-1-67.

**HEA 1.04 Terms of loans.** (1) **COVERAGE.** (a) The total of the loans made to a student in any academic year or its equivalent may not exceed \$1500 in the case of a graduate or professional student, or \$1000 in the case of any other student.

(b) The amount of a loan for a student attending a summer session shall not exceed \$250.

(2) **AGGREGATE LIMITS.** The aggregate unpaid principal balance of such loans shall not exceed \$7500 in the case of a graduate or professional student and \$5000 in the case of any other student, except that in the case of students attending a business or trade school, or tech-

nical institution or other technical or vocational school eligible pursuant to Wis. Adm. Code section HEA 1.02(4) (b) and (c), the aggregate unpaid principal balance of such loans shall not at any time exceed \$2000.

(3) **INTEREST.** Loans will bear interest at the rate of 6% per annum on the unpaid principal balance beginning on the date the check is written and continuing until the loan is paid in full.

(4) **REPAYMENT.** (a) Repayment on such loans 1. For loans made to students at institutions eligible under section HEA 1.02(4) (a), shall be in installments over a period of not less than 5 years nor more than 10 years beginning 9 months after the student ceases to carry at least one half the normal full-time academic workload as determined by the institution, and

2. For loans made to students at institutions eligible under section HEA 1.02 (4) (b) and (c), shall be in installments over a period of not less than 3 years nor more than 6 years beginning 9 months after the student ceases to pursue at least one half the normal full-time academic workload as determined by the institution (correspondence students failing to submit assignments for a period of 90 days or failing to complete their program within 90 days following the stated normal completion date of the program will be considered to have withdrawn from school).

(b) Notwithstanding the provisions of (a) above the total amount of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower shall not be less than \$360 or the balance of all such loans (together with interest thereon) whichever amount is less.

(c) The student borrower shall be entitled to accelerate without penalty the repayment of the whole or any part of the loan.

(d) The loans shall be repaid within 15 years from the date of execution of the note or other written evidence of the loan, except in the case of loans made to students at institutions eligible under subsection (4) (b) and (c), within 9 years from the date of execution of the note or other written evidence of the loan.

**History:** Cr. Register, February, 1967, No. 134, eff. 3-1-67.

**HEA 1.05 Financial need.** A student is deemed to be in need of financial assistance or have financial need if his adjusted family income is less than \$15,000 as determined pursuant to title 45, chapter 1, sections 177.3 and 178.3 of the code of federal regulations as amended and the financial aid officer at the institution in which the student is enrolled or accepted for enrollment certifies to the commission, on the basis of information provided by the student and his parents, that the student needs financial assistance to continue his education.

**History:** Cr. Register, February, 1967, No. 134, eff. 3-1-67.

