

## Chapter HEA 3

## STUDENT LOANS

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Note: Chapter HEA 3 as it existed on March 31, 1978, was repealed and a new chapter HEA 3 was created effective April 1, 1978.

**HEA 3.01 Terms of loans (1) ANNUAL LIMIT.** (a) The total of guaranteed loans made to a student in any academic year or its equivalent may not exceed \$2,500 for an undergraduate student; \$5,000 for a graduate student; \$7,500 for a student enrolled in a school of pharmacy; or \$10,000 for a graduate student enrolled in a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry or public health.

(b) No student shall be eligible to borrow a total of more than the annual maximums set forth in (a) through any combination of 2 or more student loan programs under which federal interest benefits are paid, i.e., Wisconsin state student loan, Wisconsin guaranteed student loan, united student aid fund, and federal insured student loan.

(2) **AGGREGATE LIMITS.** The aggregate unpaid principal balance of such loans shall not exceed \$15,000 in the case of a graduate or professional student or \$7,500 in the case of any other student.

(3) **INTEREST.** Loans made will bear interest at the rate of 7% per annum on the unpaid principal balance beginning on the date the check is written and continuing until the loan is paid in full.

History: Cr. Register, March, 1978, No. 267, eff. 4-1-78.

**HEA 3.02 Loan guarantee insurance fee.** (1) (a) All students receiving loans under section 39.32 Stats. shall pay a loan guarantee insurance fee equal to  $\frac{1}{2}$  of 1% per annum of the unpaid principal balance for the anticipated duration of enrollment plus the 9 to 12-month grace period. This fee shall be deducted from the proceeds of each loan and remitted to the Wisconsin higher education corporation. No additional fee shall be charged during the repayment period of the loan.

(b) Refunds of the fee will be made in accordance with the following provisions:

(2) The board will consider a loan cancelled and will request a full insurance fee refund from the Wisconsin higher education corporation under the following conditions:

- a. Return of the board's originally disbursed check;
- b. Full repayment of the loan by the school; or
- c. Full repayment of the loan from any source within 6 months of the disbursement date.

(3) If the student contacts the board and requests a partial fee refund within 90 days of either the date of withdrawal, in the event of premature withdrawal from school, or the date of final payment, if repayment

is accelerated by the student but extends beyond the 6 month period covered in subsection (1) (e) [(1) (a)] above; and there is over 2 years worth of unused insurance fee, the board will request such a partial refund from the Wisconsin higher education corporation.

(3) In all cases, covered in (1) and (2) above, refunded fees will be applied to the outstanding balance of the applicable loan unless it has been paid in full, in which case the refund will be returned to the borrower.

**History:** Cr. Register, March, 1978, No. 267, eff. 4-1-78.

**HEA 3.03 Financial need.** The financial need of the student shall be determined by the financial aid officer at the institution in which the student is enrolled or accepted for enrollment and certified to the board by the financial aid officer. The amount of the student's need for a loan shall be determined by subtracting from the estimated cost of the student's attendance at the institution (which means for purposes of this section, the cost for the period for which the loan is sought, of tuition, fees, room and board, and other reasonable supporting expenses) the expected family contribution with respect to the student plus any other resources or student aid reasonably available or awarded to the student. The board reserves the right to assess the student's financial need in cases it determines to be exceptional and unusual.

**History:** Cr. Register, March, 1978, No. 267, eff. 4-1-78.

**HEA 3.04 Appeal rights for student loan borrowers.** In the event that a student loan borrower requests a reduced payment arrangement, a financial statement shall be provided to the board. In the event that the borrower is not satisfied with the resulting payment arrangement, the following appeal steps are available:

(1) The initial decision may be appealed in writing to the director-bureau of collections.

(2) If the borrower is dissatisfied with the bureau director's decision or if the bureau director does not respond within 15 days, the borrower may then appeal in writing to the administrator-division of management services.

(3) If the borrower is dissatisfied with the division administrator's decision or if the division administrator does not respond within 15 days, the borrower may then appeal in writing to the executive secretary of the board.

(4) If the borrower is dissatisfied with the executive secretary's decision or if the executive secretary does not respond within 15 days, the borrower may then appeal to the higher educational aids board.

**History:** Cr. Register, March, 1978, No. 267, eff. 4-1-78.