

Chapter HEA 10

INDEPENDENT STUDENT GRANT

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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.

History: Cr. Register, April, 1992, No. 436, eff. 5-1-92.

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.

Note: Reference to "board" refer to the higher educational aids board.

History: Cr. Register, April, 1992, No. 436, eff. 5-1-92.

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.

History: Cr. Register, April, 1992, No. 436, eff. 5-1-92.

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 ch. HFS 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.

History: Cr. Register, April, 1992, No. 436, eff. 5-1-92; correction in (4) made under s. 13.93 (2m) (b) 7., Stats., Register, February, 1998, No. 506.

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.

History: Cr. Register, April, 1992, No. 436, eff. 5-1-92.

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 canceled.

History: Cr. Register, April, 1992, No. 436, eff. 5-1-92.

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 deferrable from repayment.

History: Cr. Register, April, 1992, No. 436, eff. 5-1-92.