



State of Wisconsin \

HIGHER EDUCATIONAL AIDS BOARD

*filed August 27, 1974*  
*9:15 am B&P*

*HEA 2 to 6*

*James A. Jung*  
*Executive Secretary*

115 WEST WILSON STREET  
MADISON, WISCONSIN 53702

CERTIFICATE

STATE OF WISCONSIN )

)SS

HIGHER EDUCATIONAL AIDS BOARD)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, James A. Jung, Executive Secretary of the Higher Educational Aids Board, and custodian of the official records of said board, do hereby certify that the annexed amendments to rules and regulations, relating to State financial aid programs, were duly approved and adopted by this board on August 23, 1974.

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

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the department at 115 West Wilson Street in the city of Madison, this 23rd day of August A.D. 1974.

*James A. Jung*  
\_\_\_\_\_  
Executive Secretary

ORDER OF THE STATE OF WISCONSIN

HIGHER EDUCATIONAL AIDS BOARD AMENDING RULES

Pursuant to authority vested in the State of Wisconsin Higher Educational Aids Board by Section 39.28(1) Wis. Stats. and Section 227.02(1)(b) Wis. Stats., the State of Wisconsin Higher Educational Aids Board amends rules as follows:

Section HEA 2.01(25) of the Wis. Adm. Code is amended to read:

HEA 2.01(25) "First professional degree" means:

- (a) The bachelor of dental hygiene degree or its equivalent,
- (b) The doctor of dental surgery or its equivalent,
- (c) The doctor of optometry degree or its equivalent,
- (d) The doctor of veterinary medicine degree or its equivalent.

Section HEA 3.03(1) of the Wis. Adm. Code is amended to read:

HEA 3.03 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 \$2,500.  
(b) No student shall be eligible to borrow a total of more than \$2,500 in any one academic year through any combination of 2 or more student loan programs under which he may receive federal interest subsidy benefits, i.e., Wisconsin state student loan, Wisconsin guaranteed student loan, United student aid fund, and Federal Insured Student loan.

Section HEA 3.03(2) of the Wis. Adm. Code is amended to read:

HEA 3.03(2) Aggregate Limits. The aggregate unpaid principal balance of such loans shall not exceed \$10,000 in the case of a graduate or professional student and \$7,500 in the case of any other student.

Section HEA 3.03(3) of the Wis. Adm. Code is created to read:

HEA 3.03(3) Loan Guarantee Insurance Fee. All students receiving loans under this section shall pay a loan guarantee insurance fee equal to 1/2 of 1 percent per annum of the unpaid principal balance for the anticipated duration of enrollment plus a nine 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. Refunds of the fee will be made in accordance with the following provisions:

- (a) 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: 1. return of the board's original disbursement check; 2. full repayment of the loan by the school; or 3. full repayment of the loan from any source within six months of the disbursement date.

(b) 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 six month period covered in (a) 3 above, the board will request such a partial refund from the Wisconsin Higher Education Corporation.

(c) In all cases, covered in (a) and (b) 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.

Section HEA 3.03(3) of the Wis. Adm. Code is renumbered to read HEA 3.03(4).

Section HEA 3.03(4) of the Wis. Adm. Code is renumbered and amended to read:

HEA 3.03(5) Student Eligibility for Interest Benefits. A student who is eligible for a Wisconsin student loan pursuant to section HEA 3.02, who has received a Wisconsin student loan, and who shows financial need is eligible for payment on his behalf by the federal government of a portion of the interest under subsection (4). (a) To have interest payments made on his behalf, a student shall submit to the board a statement in such form as the board may prescribe, which shall include:

1. A certification by an eligible institution that he is enrolled at the institution or has been accepted for enrollment;
2. 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;
3. Information necessary to determine his financial need and adjusted family income;
4. Information concerning other loans made to him on which federal interest payments may be made.

(b) The board, acting in good faith, may in the absence of information to the contrary rely upon statements submitted by the borrower and his family pursuant to subsection (a). (c) The payment of interest benefits shall be limited to the total amount of the interest on the unpaid principal amount of each loan which accrued prior to the beginning of the repayment period of such loan. (d) In no event shall payments under subsection (c) include any interest on interest added to principal or exceed the interest payable by the student, after taking into consideration the amount of any interest on that loan which the student is entitled to have paid on his behalf for that period under the loan program. (e) The obligation of the U. S. commissioner of education to pay interest shall terminate upon default by the borrower as defined in section HEA 2.01(13).

Section HEA 3.03(5)(f) of the Wisconsin Administrative Code is repealed and the amended section HEA 3.03(5) is renumbered to read: HEA 3.03(6).

Section HEA 3.03(7) of the Wis. Adm. Code is created to read:

HEA 3.03(7) Deferment. The board must, upon the written notice of the borrower, defer payment of the principal of all the borrower's notes provided that all interest thereon shall accrue and be paid quarterly during such period of deferment of principal in the following cases:

1. During any period in which the borrower is pursuing a full-time course of study at an institution of higher education,
2. Not in excess of 3 years during which the borrower is a member of the armed forces of the United States,
3. Not in excess of 3 years during which the borrower is in service as a volunteer under the peace corps act.
4. Not in excess of 3 years during which the borrower is in service as a volunteer under title VIII of the economic opportunity act of 1964 as amended,

Where repayment of the loan is deferred, the period of deferment shall not be included in the minimum or maximum periods allowed for repayment of the loan provided for in HEA 3.03(6).

Section 3.03(8) Loan Cancellation. (a) In the event the borrower dies, the obligation to make any further payments of principal and interest shall be cancelled. A determination as to whether or not a borrower is entitled to cancellation on account of death shall be made by the board on the basis of a certificate of death or such other official proof as is conclusive under state law.

(b) In the event the borrower becomes totally and permanently disabled, the obligation to make any further payments of principal and interest shall be cancelled. A determination based on medical evidence supplied by the borrower on forms provided by the U. S. commissioner of education as to whether the borrower is entitled to cancellation of indebtedness on account of total and permanent disability shall be made by the board, subject to the approval of the U. S. commissioner of education.

Section HEA 3.03(9) of the Wis. Adm. Code is created to read:

HEA 3.03(9) Loan Forgiveness. (a) Loans made to students under this chapter after July 1, 1973 may in certain instances be forgiven at the rate of one-fifth of the total amount borrowed for each year the recipient practices, or is otherwise employed in a critical manpower occupation in this state.

(b) To be eligible for loan forgiveness under this subsection, a student must meet the following requirements:

1. Be accepted for or satisfactorily enrolled as a full-time student in a designated critical manpower shortage course of study at an accredited nonprofit institution of higher education,
2. Indicate a willingness to remain in the state or return to the state to practice, or be employed in, the critical manpower occupation for which he was aided,
3. Be a resident in Wisconsin.

(c) Critical manpower shortage areas shall be determined by the state manpower council and shall include the first professional degrees in veterinary medicine, dentistry, dental hygiene, and optometry.

(d) It is the obligation of the student to apply for the loan forgiveness on forms provided by the board for that purpose.

Section 3.04 of the Wis. Adm. Code is amended to read:

HEA 3.04 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 on forms provided by the board. 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, for purposes of this section, means 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.

Section HEA 4.03 of the Wis. Adm. Code is amended to read:

HEA 4.03 Terms of tuition grants. (1) Effective income and the grant aid to be paid for each semester shall be determined as follows:

(a) If the student or his spouse, or both, provides the majority of his support, their effective income shall be used in determining the grant under this section.

(b) If a parent or parents provide the majority of the support of the student, the combined effective income of such parent or parents shall be used in determining the grant under this section.

(c) If more than one student for whom such parents provide a majority of support qualifies for a grant under this section, the combined effective income of the parents shall be divided by the number of such eligible students in the family in determining the grant payable to each student.

(2) No student shall be eligible for grants in more than the equivalent of 8 semesters of undergraduate education.

(3) In the case of institutions which operate on a quarter or tri-mester system, grants shall be prorated accordingly.

(4) The grant under this section for any semester or term shall not be more than that portion of a student's tuition and instruction-related fees exceeding the resident fee at the Madison campus of the university of Wisconsin.

(5) A student must apply for a tuition grant prior to or during the term for which he expects to receive the grant.

(6) Any student who becomes eligible and receives a tuition grant and subsequently does not complete the semester for which the grant was received shall return a prorated share of the grant based on the number of weeks of the semester left unattended.

(7) Any eligible student who, as a part of his academic program in a Wisconsin institution, attends an institution outside the United States may receive a tuition grant for the period of study so long as the tuition cost of the program is paid directly to the Wisconsin institution and the credits earned are acceptable by the institution in securing the degree toward which the student is working.

(8) If an institution certifies that an eligible student is enrolled in approved accelerated study, which may include a summer session or 4th quarter, that will permit the student to complete a degree program in less than the normal period of full-time study for such degree, the student will be eligible for a prorated tuition grant for each academic term of accelerated study.

Section HEA 4.04 of the Wis. Adm. Code is repealed and recreated to read:

HEA 4.04 Amounts of grants. (1) A full-time resident student registered as a senior on August 1, 1974 in an accredited, nonprofit, post-high school educational institution in this state shall be eligible for grants under this section for each semester or term of attendance and the schedule shall be as follows:

<u>Effective Income</u>	<u>Maximum Grant Each Semester</u>
\$ 0-5,000 -----	\$325
5,001-6,000 -----	250
6,001-7,000 -----	200
7,001-8,000 -----	150
8,001-9,000 -----	100
9,001-10,000 -----	50
over 10,000 -----	none

(2) A full-time resident student registered as a junior on August 1, 1974 in an accredited, nonprofit, post-high school educational institution in this state shall be eligible for grants under this section for each semester or term of attendance and the schedule shall be as follows:

<u>Effective Income</u>	<u>Maximum Grant Each Semester</u>
\$ 0-6,000 -----	\$450
6,001-8,000 -----	350
8,001-10,000 -----	250
10,001-12,000 -----	150
over 12,000 -----	none

(3) A full-time resident student registered as a freshman or sophomore after August 1, 1974, as a freshman, sophomore, or junior after August 1, 1975, as a freshman, sophomore, junior or senior after August 1, 1976, in an accredited, nonprofit, post-high school, educational institution in the state shall be eligible for grants under this section for each semester or term of attendance, and the schedule shall be as follows:

<u>Effective Income</u>	<u>Maximum Grant Each Semester</u>
\$ 0-6,000 -----	\$500
6,001-8,000 -----	400
8,001-10,000 -----	300
10,001-12,000 -----	200
over 12,000 -----	none

Section HEA 4.05 of the Wis. Adm. Code is created to read:

HEA 4.05 Institutional responsibilities. (1) The student's eligibility for a tuition grant shall be certified by the institution of higher education in which he is enrolled.

(2) The institution shall provide the board with information necessary for the proper administration of the tuition grant program. Such information may include but is not limited to:

- (a) Proof of accreditation,
- (b) Proof of nonprofit status,
- (c) Tuition costs and instruction related fees,
- (d) The number and dates of the institution's academic semesters or terms,
- (e) The number of credits which must be carried by full-time students.

Chapter HEA 5 of the Wis. Adm. Code is repealed.

Section HEA 6.04(2) of the Wis. Adm. Code is amended to read:

HEA 6.04(2) Honor scholarship recipients shall receive stipends based on individual financial need which is calculated by deducting resources available to the student from total educational costs. The amount of tuition used in calculating total educational costs shall not exceed the resident fee at the Madison campus of the university of Wisconsin. The amount of an honor scholarship shall not exceed \$800 for the academic year and shall be based on the student's financial need as determined by the financial aid officer of the institution the student plans to attend or by the board in conformance with accepted need analysis methodology.