

## Chapter HEA 11

### MINORITY TEACHER LOAN PROGRAM

HEA 11.01	Purpose.
HEA 11.02	Definitions.
HEA 11.03	Borrower eligibility.
HEA 11.04	Terms of loans.

HEA 11.05	Loan forms and application process.
HEA 11.06	Loan forgiveness.
HEA 11.07	Terms of repayment.
HEA 11.08	Deferment of loan repayment for borrowers.

**HEA 11.01 Purpose.** The purpose of this chapter is to define the various aspects of the minority teacher loan program authorized by s. 39.40, Stats., as to the awarding of the loans; their forgiveness; or their repayment.

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

**HEA 11.02 Definitions.** In this chapter:

(1) "Eligible institution" means a non-profit, private institution of higher education in Wisconsin which is accredited by a national or state accrediting agency, and which provides a major in education.

(2) "Loan" means the minority teacher loan program.

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

**HEA 11.03 Borrower eligibility.** (1) The borrower 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 borrower shall be a Wisconsin resident as determined by the board using the residency standards of s. 36.27, Stats.

(3) The borrower shall be enrolled at least half time in an eligible institution in the junior or senior year of a bachelor degree program majoring in education.

(4) The borrower shall have a cumulative 2.5 grade point average based on a 4.0 system at the time of receipt of the loan.

(5) The borrower shall not be required to show financial need.

**History:** Cr. Register, April, 1992, No. 436, eff. 5-1-92; emerg. am. (3), cr. (5), eff. 8-6-99; am. (3), cr. (5), Register, March, 2000, No. 531, eff. 4-1-00.

**HEA 11.04 Terms of loans.** (1) Eligible borrowers may receive up to \$2500 a year. The exact loan amount will be equal to the borrower's cost of education minus the need-based aid the borrower is offered. Loans for students which are need based may be replaced in the package of aid by the minority teacher loan program.

(2) The total the borrower receives under this program shall not exceed \$5,000 in outstanding principal.

(3) For loans which are not forgiven but must be repaid, the interest rate shall be 5% annually on the unpaid principal balance with accrual beginning upon the initial date of repayment. Interest shall not accrue during periods of full-time enrollment; employment for forgiveness; or during board authorized periods of deferment from repayment.

(4) The initial date of repayment will be determined by the board in each instance beginning no sooner than the date a borrower withdraw from school or graduated.

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

**HEA 11.05 Loan forms and application process.**

(1) A student seeking a loan shall contact the institutional financial aid office.

(2) The institutional financial aid office shall determine the borrower's cost of education within the requirements set by the board. The institutional financial aid office shall decide if the borrower shall receive a loan under this program.

(3) The institutional financial aid office shall notify the board of the loan amount for the borrower. The board shall voucher a check for the borrower's loan after the borrower's signed agreement form has been received by the board. The agreement form shall set forth the terms of the loan; the terms of forgiveness; the terms of repayment; and the borrower's rights and responsibilities.

(4) All borrower contact concerning forgiveness and repayment shall be with the board. After leaving school the borrower shall maintain contact with the board until the loan is either forgiven or repaid. The borrower is required to forward all name, address and telephone number changes to the board.

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

**HEA 11.06 Loan forgiveness.** (1) Loans shall be forgiven when the borrower is employed as a teacher in an eligible Wisconsin school district. For every academic year of full-time employment, 25% of the principal and accrued interest, if any, shall be forgiven, with the amount to be prorated in cases where less time has been worked. The borrower shall be given a maximum of 6 years to work the required 4 years for full forgiveness.

(2) The maximum of 6 years allowed for forgiveness shall be extended by the board for up to a total of 3 years for active duty military service; peace corps and vista; and a year for pregnancy, childbirth or the legal adoption of a child or for temporary physical or emotional disability. In no instance shall the term of forgiveness exceed 9 years including periods of deferments authorized by the board. The executive secretary may allow additional periods of deferment in exceptional situations.

(3) Any loan principal remaining unforgiven shall be repaid with interest accrued from the date the borrower ceased working as a teacher in Wisconsin or ceased being a student, whichever is the latest date.

(4) Only borrowers holding a bachelor's degree in teaching and licensed by the department of public instruction shall be eligible for forgiveness.

(5) No interest shall be charged the borrower during the forgiveness period.

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

**HEA 11.07 Terms of repayment.** (1) Borrowers shall repay a loan if not employed as a teacher in an eligible Wisconsin school district. Repayment shall be required of borrowers who are employed for periods of time but who do not complete their forgiveness within the time allowed under s. HEA 11.06 (1) and (2).

(2) The minimum monthly payment shall be \$50 including principal and accrued interest. Accrued interest shall be paid first each month from the payment received. The board shall determine the monthly repayment schedule, although a borrower may request a schedule with a higher monthly payment.

(3) A borrower shall repay the loan within a maximum of 10 years not counting periods of deferment granted by the board. Interest shall not accrue during periods of deferment authorized by the board.

(4) Borrowers may prepay any or all of their loan account without penalty whether the borrower is in school, forgiveness, repayment or deferment.

(5) If a borrower dies or becomes totally and permanently disabled, his or her obligation to make any further payment of principal and interest on the loan is canceled.

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

**HEA 11.08 Deferment of loan repayment for borrowers.** (1) Borrowers who return to school on a full-time basis in any course of study at an accredited institution shall be deferred by the board from repayment for the period of enrollment.

(2) Borrowers who enter the military on active duty shall be deferred by the board from repayment for up to 3 years. Students on national guard or on reserve duty for training are not eligible for deferment.

(3) Borrowers who enter the 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) Borrowers who are unemployed may 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, of actively seeking employment.

(5) The board shall defer borrowers from repayment for up to a year due to pregnancy, childbirth, or the legal adoption of a child.

(6) The board may grant forbearance from repayment for the benefit of the borrower. Forbearance means an extension of time for making loan payments or the acceptance of smaller payments than were previously scheduled. The board may grant forbearance whenever unemployment, health, other personal problems, or educational study that is ineligible for deferment temporarily affects the borrower's ability to make scheduled payments on the loan. Periods of forbearance shall not exceed 6 months for each approved request.

(7) In order to receive a deferment, a borrower shall apply to the board. If the borrower submits written evidence which verifies eligibility for the deferment, the board shall approve the deferment.

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