

# Title 249 WAC

## WASHINGTON STATE HIGHER EDUCATION ASSISTANCE AUTHORITY

<b>Chapters</b>	
<b>249-02</b>	<b>Definitions.</b>
<b>249-04</b>	<b>General operating rules of the authority.</b>
<b>249-12</b>	<b>Purchase of student loans by the authority.</b>
<b>249-16</b>	<b>Servicing of loans by the authority.</b>
<b>249-20</b>	<b>Sale of loans purchased by the authority.</b>
<b>249-24</b>	<b>Forgiveness of or suspension of payments on loans purchased by the authority.</b>
<b>249-32</b>	<b>Bonds and notes of the authority.</b>
<b>249-36</b>	<b>Construction of rules and regulations to be consistent with rules and regulations of Federal Guaranteed Loan Program.</b>
<b>249-40</b>	<b>Petition for adoption, amendment or repeal of rules of the authority.</b>

### Chapter 249-02 WAC DEFINITIONS

WAC  
249-02-010 Definitions used throughout Title 249 WAC.

**WAC 249-02-010 Definitions used throughout Title 249 WAC.** (1) "Public record" includes any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by the authority regardless of physical form or characteristics, except (a) that portion of any writing containing the identity of student borrowers or personal or financial information of student borrowers or employees of the authority, and (b) those records of the type described in RCW 42.17.310.

(2) "Writing" means handwriting, typewriting, printing, photostating, photographing, and every other means of recording any form of communication or representation, including letters, words, pictures, sounds, symbols, or combination thereof; and all papers, maps, magnetic or paper tapes, photographic films and prints, magnetic or punched cards, discs, drums, and other documents.

(3) "Authority" means the Washington state higher education assistance authority created pursuant to chapter 28B.17 RCW, chapter 120, Laws of 1973 ex. sess. and the staff and employees thereof, unless the context clearly indicates otherwise.

(4) The term "loan" shall mean a loan to a needy or disadvantaged student the principal and interest of which is guaranteed by the federal government pursuant to the Federal Guaranteed Loan Program, made for the purpose of assisting such person to meet his expenses of postsecondary education.

(5) The term "Federal Guaranteed Loan Program" shall mean the program for the insurance by the federal government of loans to students, enacted by Title IV, Part B of the Higher Education Act of 1965, as amended, and all rules and regulations promulgated thereunder, or any successor legislation thereto providing for similar federal insurance of student loans.

(6) The term "disadvantaged or needy student" shall mean a student

(a) Who is enrolled, or accepted for enrollment, at a postsecondary educational institution located within the state or a student who is a resident of the state and who is enrolled, or accepted for enrollment, at a postsecondary educational institution wherever located, and

(b) Who demonstrates to the authority the financial inability, either through his parents, family and/or personally, to meet the total cost of board, room, books, tuition and fees and incidental expenses for any semester or quarter. Such student's financial inability will be deemed by the authority to exist if such student's "adjusted family income" as that term is presently defined in the regulations governing the Federal Guaranteed Loan Program (45 C.F.R. § 177.3):

(i) Is less than \$15,000; or

(ii) Is equal to or greater than \$15,000, and the postsecondary educational institution attended by the student has provided the eligible lender with a statement evidencing a determination of need and recommending a loan in the amount of such need.

(7) The term "bank" and "banking institution" shall mean any bank, bank and trust company, or trust company, savings bank, building and loan association, private bank, or savings and loan association, which is organized under the laws of this state or any national banking association, located in the state.

(8) The term "council" shall mean the council on higher education created by RCW 28B.80.010.

(9) The term "commission" shall mean the commission on higher education created by RCW 28B.81.010.

(10) The term "postsecondary educational institution" shall mean

(a) Any public or private college, university or community college approved by the commission and eligible under federal regulations, and

(b) Any business, trade, technical, vocational or other occupational school approved by the commission and eligible under federal regulations.

(11) The term "eligible lender" shall mean an institution which has been approved by the United States Office of Education as a lender in the Federal Guaranteed

Loan Program, which has been assigned a lender number pursuant to said program, which has not had its lending authority suspended or terminated and which is:

(a) A bank, bank and trust company or trust company, savings bank, building and loan association, private bank, or savings and loan association which is organized under the laws of Washington or any national banking association located in the state, or

(b) A public or private college, university or community college or a business, trade, technical or other occupational school located in the state, or

(c) A pension fund or credit union located within the state.

(12) The term "servicer" shall mean any party which contracts with the authority to service loans owned by the authority. [Order 3, § 249-02-010, filed 11/4/74.]

### Chapter 249-04 WAC GENERAL OPERATING RULES OF THE AUTHORITY

#### WAC

249-04-010	Purpose.
249-04-020	Description of central and field organization.
249-04-030	Operations and procedures.
249-04-040	Public records available.
249-04-050	Public records officer.
249-04-060	Office hours.
249-04-070	Requests for public records.
249-04-080	Copying.
249-04-090	Exemptions.
249-04-100	Review of denials of public records request.
249-04-110	Protection of public records.
249-04-120	Records index.
249-04-130	Communications with the authority.
249-04-140	Adoption of form.
249-04-990	Appendix A—Request for public records.

**WAC 249-04-010 Purpose.** The purpose of this chapter shall be to ensure compliance by the Washington state higher education assistance authority with the provisions of chapter 42.17 RCW (Initiative 276), and in a particular with sections 25 through 32 of that act, dealing with public records. [Order 3, § 249-04-010, filed 11/4/74.]

**WAC 249-04-020 Description of central and field organization.** (1) The legal name of the authority is the "Washington state higher education assistance authority" and its office is located at Suite 608, The Evergreen Plaza, 711 Capitol Way, Olympia, Washington 98504.

(2) The authority shall be governed by a board of directors consisting of fifteen persons; and the directors shall constitute the entire membership of the authority.

(a) Nine members of the board of directors of the authority shall be the nine citizen members of the council, each of whose term as a member of the authority shall be coterminous with his term as a citizen member of the council. Appointment and qualification of a person as a citizen member of the council shall automatically constitute appointment and qualification as a member of the authority and its board of directors.

(b) The six additional members of the authority shall be appointed by the governor of the state to serve staggered four year terms of staggered two year terms as follows:

(i) One member shall be a student financial aid officer; the initial term of this member shall expire June 30, 1975; and the succeeding terms of this position shall be four years;

(ii) One member shall be a representative of the banking industry; the initial term of this member shall expire June 30, 1977; and the succeeding terms of this position shall be four years;

(iii) Two members shall serve at large, the initial term of one at large member shall expire June 30, 1974; the initial term of the other at large member shall expire June 30, 1976; and the succeeding terms for each of the at large positions shall be four years; and

(iv) Two members shall be students enrolled in an postsecondary educational institution located in this state; the initial term of one student member shall expire June 30, 1974; the initial term of the other student member shall expire June 30, 1975; the succeeding terms of each of the student members shall be two years; and a student member shall not be eligible to continue as a member of the authority (and the student's membership shall be terminated automatically) if the student member ceases to be enrolled in a postsecondary educational institution.

(c) Vacancies shall be filled for the unexpired terms in the same manner as original appointments.

(3) Organization of the authority is as follows:

(a) The officers of the authority shall be a chairman, a vice chairman, a secretary, a treasurer, an executive officer, and such other officers and assistant officers as the board of directors may from time to time elect or appoint. The chairman and the vice chairman shall be members of the authority and neither of them shall hold any other office in the authority. Two or more of the other offices may be held by the same person.

(b) The chairman shall preside at all meetings of the authority, shall act as an ex-officio member of all standing and task force committees, and shall perform such other duties as pertain to his office. The chairman shall sign all notes, bonds, contracts and other instruments authorized by the board of directors, and shall have general supervision over the executive officer of the authority.

(c) The vice chairman shall perform the duties of the chairman in his absence, shall act as an ex-officio member of all standing and task force committees and shall perform any other duty delegated to him by the chairman. The vice chairman shall assume the duties of the chairman upon permanent departure of the chairman until such time as elections shall be held to elect a new chairman.

(d) The secretary shall keep a record of the proceedings of the authority, notify all members of the authority of meetings, and when required by the board of directors shall sign notes, bonds, contracts and other instruments and affix thereto the seal of the authority.

(e) The treasurer shall have custody and be responsible for all moneys and securities of the authority, and shall deposit all such moneys forthwith in such banks as the board of directors may designate from time to time.

(f) In the absence of the secretary, any assistance secretary shall perform his duty; and in the absence of the treasurer, any assistant treasurer shall perform his duties.

(g) The executive officer shall be the full time administrator of the authority, shall direct the activities, and have general supervision over, all employees of the authority, including any officers who are not members of the authority.

(h) The board of directors by resolution may elect an executive committee.

(i) The executive committee shall consist of the chairman and vice chairman of the authority and at least four other members of the board of directors. One of the members of the executive committee shall be a student financial aid officer and one shall be student enrolled in a Washington postsecondary educational institution. The designation of such committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any member thereof, of any responsibility imposed by law.

(ii) Each member of the executive committee shall hold office until the next annual meeting of the board of directors at which officers are elected. [Order 3, § 249-04-020, filed 11/4/74.]

**WAC 249-04-030 Operations and procedures.** (1) Practice and procedure in and before the authority are governed by the Uniform Procedure Rules, chapter 1-08 WAC.

(2) When in session the board of directors shall carry out the business of the authority.

(a) (Reserved. Until such time as the board of directors shall determine a need for regular meetings, all meetings of the authority shall be special meetings.)

(b) Special meetings of the authority may be called at any time and place by the chairman or by a majority of the members of the authority. At least ten days notice of all special meetings shall be given by delivering personally or by mail to each member a written notice specifying the time and place of the meeting and a copy of the agenda, and by giving such notice to the public as may be required by law. If the chairman deems an emergency to exist he may shorten the notice period to not less than twenty-four hours.

(c) An executive session may be called by the chairman or by a majority of all members of the authority to consider the appointment, employment or dismissal of an officer or employee, and such other matters as are permitted by the Open Meetings Act (RCW 42.30.110).

(d) The agenda shall be prepared by the executive committee. Items may be submitted by any member of the authority to the executive officer at least fifteen days prior to a regular meeting, or at least five days prior to a special meeting.

(e) A majority of the members of the authority shall constitute a quorum for the transaction of business; and

the act of a majority of the members present at any meeting shall be deemed the act of the authority.

(f) The following voting procedures apply:

(i) The chairman may vote on all matters coming before the authority.

(ii) There shall be no proxy voting.

(g) All regular and special meetings shall be open to the public.

(3) Public participation in the meetings of the authority shall be as follows:

(a) Any person or organization wishing to make a formal presentation at a regularly scheduled meeting of the authority shall notify the executive officer in writing at least forty-eight hours prior to the time of the meeting.

(i) Such notification shall contain the person's or organization's name, address and topic to be presented.

(ii) Permission to appear before the authority shall be granted by the executive committee under written authorization of the executive officer.

(iii) Such permission shall include the date and time of the meeting and time set for the formal presentation.

(b) The chairman of the authority may, at his discretion, recognize any one in the audience who indicates in writing at the time of the meeting that he wishes to speak at a formal meeting, provided that such remarks by one person shall be limited to five minutes.

(4) The executive committee, when the board of directors is not in session, shall have authority to deal with personnel matters, and transact such business of the authority as the board of directors may from time to time authorize, except that the executive committee shall not have the authority to amend or revoke any of the bylaws of the authority.

(5) *Roberts Rules of Order Newly Revised* shall serve as parliamentary authority for meetings of the authority or committees thereof insofar as not inconsistent with law or the bylaws of the authority. [Order 3, § 249-04-030, filed 11/4/74.]

**WAC 249-04-040 Public records available.** All public records of the authority as defined in WAC 249-02-010(1), are deemed to be available for public inspection and copying pursuant to these rules, except as otherwise provided by RCW 42.17.310 and WAC 249-04-090. [Order 3, § 249-04-040, filed 11/4/74.]

**WAC 249-04-050 Public records officer.** The authority's public records shall be in charge of the public records officer designated by the executive officer of the authority. The public records officer shall be responsible for the following: The implementation of the authority's rules and regulations regarding release of public records, coordinating the staff of the authority in this regard, and generally insuring compliance by the staff with the public records disclosure requirements of chapter 42.17 RCW. [Order 3, § 249-04-050, filed 11/4/74.]

**WAC 249-04-060 Office hours.** Public records shall be available for inspection and copying during the customary office hours of the authority. For the purposes of

this chapter, the customary office hours shall be from 8:00 a.m. to noon and from 1:00 p.m. to 5:00 p.m. Monday through Friday, excluding holidays. [Order 3, § 249-04-060, filed 11/4/74.]

**WAC 249-04-070 Requests for public records.** In accordance with requirements of chapter 42.17 RCW that agencies prevent unreasonable invasions of privacy, protect public records from damage or disorganization, and prevent excessive interference with essential functions of the authority, public records may be inspected or copied or copies of such records may be obtained, by members of the public, upon compliance with the following procedures:

(1) A request shall be made in writing upon a form prescribed by the authority which shall be available at its office. The form shall be presented to the public records officer; or to any member of the authority's staff, if the public records officer is not available, at the office of the authority during customary office hours. The request shall include the following information:

- (a) The name of the person requesting the records;
- (b) The time of day and calendar date on which the request was made;
- (c) The nature of the request;
- (d) If the matter requested is referenced within the current index maintained by the public records officer, a reference to the requested record as it is described in such current index;

(e) If the requested matter is not identifiable by reference to the authority's current index, an appropriate description of the record requested;

(2) In all cases in which a member of the public is making a request, it shall be the obligation of the public records officer or staff member to whom the request is made to assist the member of the public in appropriately identifying the public record requested. [Order 3, § 249-04-070, filed 11/4/74.]

**WAC 249-04-080 Copying.** No fee shall be charged for the inspection of public records. The authority shall charge a reasonable fee per page of copy for providing copies of public records and for the use of the authority's copy equipment which fee shall be established from time to time by the executive officer and which fee shall not exceed the amount necessary to reimburse the authority for its actual costs incident to such copying. [Order 3, § 249-04-080, filed 11/4/74.]

**WAC 249-04-090 Exemptions.** (1) The authority reserves the right to determine that a public record requested in accordance with the procedures outlined in WAC 249-04-070 is not a "public record" as defined in WAC 249-02-010(1) or is exempt under the provisions of RCW 42.17.310.

(2) In addition, pursuant to RCW 42.17.260(1), the authority reserves the right to delete identifying details when it makes available or publishes any public record in any cases where there is reason to believe the disclosure of such details would be an invasion of personal

privacy protected by chapter 42.17 RCW. The public records officer will fully justify such deletion in writing.

(3) All denials of requests for public records must be accompanied by a written statement specifying the reason for the denial, including a statement of a specific exemption authorizing the withholding of the record and a brief explanation of how the exemption applies to the records withheld. [Order 3, § 249-04-090, filed 11/4/74.]

**WAC 249-04-100 Review of denials of public records request.** (1) Any person who objects to the denial of a request for a public record may petition for prompt review of such decision by tendering a written request for review. The written request shall specifically refer to the written statement by the public records officer or other staff member which constituted or accompanied the denial.

(2) Immediately after receiving a written request for review of a decision denying a public record, the public records officer or other staff member denying the request shall refer it to the executive officer of the authority, who shall immediately consider the matter and either affirm or reverse such denial. The request shall be returned with a final decision, within two business days following the original denial.

(3) Administrative remedies shall not be considered exhausted until the authority has returned the petition with a decision or until the close of the second business day following denial of inspection, whichever occurs first. [Order 3, § 249-04-100, filed 11/4/74.]

**WAC 249-04-110 Protection of public records.** (1) No person shall knowingly alter, deface or destroy public records of the authority.

(2) Original copies of public records of the authority shall not be removed from the offices of the authority.

(3) Care and safekeeping of public records of the authority, furnished pursuant to a request for inspection or copying, shall be the sole responsibility of the requestor.

(4) Records furnished for public inspection or copying shall be returned in good condition and in the same file sequence or organization as when furnished.

(5) Boisterous or other disruptive conduct by those requesting public records of the authority shall not be permitted. [Order 3, § 249-04-110, filed 11/4/74.]

**WAC 249-04-120 Records index.** (1) A current index is maintained providing identifying information as to all governmental records issued, adopted, or promulgated after June 30, 1972, which are deemed by the authority to fall within the purview of RCW 42.17.260 and which are not exempted under the provisions of RCW 42.17.310, or WAC 249-02-010(1).

(2) The current index promulgated by the authority shall be available to all persons under the same rules and on the same conditions as are applied to public records available for inspection. [Order 3, § 249-04-120, filed 11/4/74.]

WAC 249-04-130 Communications with the authority. All communications with the authority including but not limited to the submission of materials pertaining to its operations and/or the administration or enforcement of chapter 42.16 RCW and these rules, requests for copies of the authority's rules and other matters, shall be addressed as follows: Washington State Higher Education Assistance authority, c/o Executive Officer, Suite 608, The Evergreen Plaza, 711 Capitol Way, Olympia, Washington 98504. [Order 3, § 249-04-130, filed 11/4/74.]

WAC 249-04-140 Adoption of form. The authority hereby adopts for use by all persons requesting inspection and/or copying or copies of its records the form attached hereto as Appendix A, entitled "Request for public records." [Order 3, § 249-04-140, filed 11/4/74.]

WAC 249-04-990 Appendix A--Request for public records.

APPENDIX A

REQUEST FOR PUBLIC RECORDS

TO: WASHINGTON STATE HIGHER EDUCATION ASSISTANCE AUTHORITY

- 1. (Requestor's Name-Print) (Requestor's Signature)
2. (Requestor's Organization - if applicable)
3. (Requestor's Mailing Address)
4. (Date of Request) (Phone No. )(Time of Day)
5. NATURE OF REQUEST
6. Document(s) Reference Identification from Public Records Index
7. Description of Document(s) Requested if Not Identifiable by Reference to Washington State Higher Education Assistance Authority Public Records Index

8. If the requested documents are or include a list of individuals or companies state the purpose for which list is intended and sign the following acknowledgment: I promise that that list of individuals or firms furnished hereunder will not be used for commercial purposes.

Purpose:
-----
-----

(Signature)

(Signature required on reverse side prior to release of requested information.)

Public records of the Authority are provided for inspection and copying subject to the following regulations:

- (1) No person shall knowingly alter, deface, or destroy public records of the Authority.
(2) Original copies of public records of the Authority shall not be removed from the offices of the Authority.
(3) Care and safekeeping of public records of the Authority, subsequent to a request for inspection or copying, shall be the sole responsibility of the requestor.
(4) Records furnished for public inspection or copying shall be returned in good condition and in the same file sequence or organization as when furnished.
(5) Boisterous or otherwise disruptive conduct by those requesting public records of the Authority shall not be permitted.
(6) The charge for providing electrostatic copies of public records is per 8-1/2 x 11 inch page.

I have read, understand, and will comply with the above stated regulations.

(Signature)

(Date)

[Order 3, Appendix A (codified as WAC 249-04-990), filed 11/4/74.]

Chapter 249-12 WAC
PURCHASE OF STUDENT LOANS BY THE AUTHORITY

- WAC
249-12-010 Application procedures.
249-12-020 Standards and criteria for the granting of applications for loan purchases.
249-12-030 Terms of purchase.
249-12-040 Method of payment.

WAC 249-12-010 Application procedures. Any eligible lender as defined in WAC 249-02-010(11) may

apply to sell loans to the authority by submitting a written application in the form prescribed by the authority. [Order 3, § 249-12-010, filed 11/4/74.]

**WAC 249-12-020 Standards and criteria for the granting of applications for loan purchases.** (1) The authority will purchase only those loans which:

(a) Were made by an "eligible lender" as that term is defined in WAC 249-02-010(11).

(b) Were made to "needy and disadvantaged students" as that term is defined in WAC 249-02-010(6), and

(c) Are fully guaranteed as to principal and interest pursuant to the Federal Guaranteed Loan Program as that term is defined in WAC 249-02-020(5).

(2) The authority will not discriminate in the purchase of loans against or in favor of any group of students based on:

(a) Race, color, creed, national origin, age or sex,

(b) Type or size of institution attended, or

(c) Any other classification prohibited by federal or state law.

(3) In the exercise of its discretion in the purchase of loans, and notwithstanding the provisions of WAC 249-12-020(2), the authority may:

(a) Decline to purchase any block of loans the size of which in dollars is less than \$10,000,

(b) Give preference in the purchase of loans to those lenders which represent to the authority that, following the sale of loans to the authority, they will make new loans in an amount equal to the purchase price received from the authority,

(c) Decline to purchase loans from lenders unless said lenders agree that, following the sale of loans to the authority they will make new loans in such amounts and within such periods of time as may be prescribed by the authority,

(d) Decline to purchase loans from any lender which, in the making, servicing or collecting of loans sold to the authority, is in violation of any of the terms or conditions contained in any contract of purchase previously executed between the lender and the authority,

(e) Decline to purchase loans from any lender whose administrative practices are so deficient that they cause the United States Office of Education to refuse to approve or unduly delay the approval of claims for federal insurance benefits made with respect to loans made by that lender. [Order 3, § 249-12-020, filed 11/4/74.]

**WAC 249-12-030 Terms of purchase.** (1) Each eligible lender, as a condition to selling loans to the authority, will be required to warrant to the authority and to provide evidence satisfactory to the authority that the proceeds of each loan has been advanced directly to the borrower, that all provisions of the Federal Guaranteed Loan Program and all applicable provisions of WAC 249-16-010(2) have been complied with as to each loan sold and that no loan sold is in a delinquent or default status or has had a claim for federal insurance benefits made against it at the time of sale.

(2) A contract of purchase between the authority and any lender may provide that, in the event that any loan sold by the lender to the authority has a claim for federal insurance benefits made against it and that claim is disapproved by the United States Office of Education because of the lender's deficient administrative practices or other fault, at the option of the authority the lender must immediately repurchase that loan from the authority or substitute for that loan another loan of like amount, or with the consent of the authority, of greater amount against which no claim for insurance benefits has been made.

(3) A contract of purchase will be executed between the lender and the authority incorporating such other terms which may be agreed upon by the parties and which are not inconsistent with the provisions of chapter 28B.17 RCW. [Order 3, § 249-12-030, filed 11/4/74.]

**WAC 249-12-040 Method of payment.** (1) Payment for loans purchased from any lender by the authority shall be made at such time and in such manner as the contract of purchase executed by the lender and the authority may provide not inconsistent with the provisions of chapter 28B.17 RCW. [Order 3, § 249-12-040, filed 11/4/74.]

## Chapter 249-16 WAC

### SERVICING OF LOANS BY THE AUTHORITY

WAC

249-16-010 Loans purchased by the authority.

**WAC 249-16-010 Loans purchased by the authority.** (1) The authority may make and execute contracts with parties who sell loans to the authority or with other parties for the administration, servicing or collection of any loan acquired by the authority and pay the reasonable value of services rendered to the authority pursuant to such contracts.

(2) A party which contracts with the authority to service loans sold to the authority ("servicer") may be a financial institution, credit union, insurance company, pension fund, educational institution, or "other" lender as defined by the United States Office of Education, or a party which is not one of the aforementioned institutions. Each loan sold to the authority and serviced by a servicer is subject to certain due diligence servicing requirements which are established by regulation or by guidelines published by the United States Commissioner of Education, which are in effect at the time each loan is originated and which therefore govern the servicing of each particular loan. Each servicer, regardless of its institutional type, must warrant with respect to each loan serviced that it will comply with the particular due diligence provisions which govern each particular loan regardless of what party originated the loan. In addition to the foregoing:

(a) Each servicer which is a financial institution or credit union and which contracts with the authority to service loans sold to the authority must also warrant that

it will comply with all applicable federal, state and local laws and regulations, as from time to time the same may be amended and supplemented, and all applicable rules and regulations issued thereunder, to the end that the full benefits of all federal guarantees of each loan serviced shall inure to the authority.

(b) Each servicer which is (or agrees to service loans originated by) an insurance company, pension fund, educational institution, or "other" lender as defined by the United States Office of Education must also warrant that it will comply with all applicable federal, state and local laws and regulations, as from time to time the same may be amended and supplemented, and all applicable rules and regulations issued thereunder, to the end that the full benefits of all federal guarantees of each loan serviced shall inure to the authority. Further, each such servicer which is (or agrees to service loans originated by) an insurance company, pension to service loans originated by) an insurance company, pension fund, educational institution, or "other" lender as defined by the United States Office of Education and which contracts with the authority to service loans said servicer originated and then sold to the authority must also warrant that it will comply with the following procedures:

(i) The servicer shall schedule an exit interview with the student borrower before he leaves school and within thirty days thereof if possible, and shall

(A) Insure that the student fully understands the terms and conditions of his loan and has signed a statement to this effect to be retained by the servicer.

(B) Arrange the repayment schedule and agree upon the date of the first periodic payment.

(C) Insure that the borrower has a clear understanding of the amount and frequency of the periodic payments.

(D) Prepare and have the student sign the payout note and truth in lending form.

(E) Conduct such interviews with dropouts as well as with graduates and send a letter clearly explaining the student's obligation in the event an interview cannot be held retaining a copy of such letter in the servicer's files.

(F) Direct the student's attention to the advantages of prepayments during the grace period without giving the impression that these prepayments are required.

(ii) The servicer shall send a reminder letter to the student at least thirty days prior to the date on which the first payment is due.

(iii) The servicer shall:

(A) Within five calendar days from the date the student misses his first, second or third payment, make personal contact by telephone (locally or long distance collect) or by telegram and document these efforts in the student's file.

(B) Send a reminder letter prior to the due date of the next payment if the call or telegram produces the desired results.

(C) Prepare and send a series of three letters seven, fourteen and twenty-one days subsequent to the payment date if the call does not produce the desired results. Each letter should be firmer in tone than the

preceding one and the last should mention resort to legal counsel.

(D) Request its attorney to write a strong collection letter to the student immediately after the second consecutive payment has been missed. This should be followed by continuing contacts by qualified collection personnel using generally accepted collection procedures with no period of more than five working days elapsing without efforts to contact.

(E) Prepare OE Form 1249, Request for Collection Assistance under the Federal Insured Student Loan Program, when the student is delinquent sixty days, and mail to:

Claims and Collections Branch  
Office of Education, BHE, DIL  
400 Maryland Avenue S.W.  
Washington, D. C. 20202

(F) Send a registered letter to the student's last known address demanding payment in full of the total amount of principal and interest accrued when the student is delinquent ninety days.

(G) File a claim with the office of education documenting the foregoing efforts at collection at the end of one hundred twenty days delinquency. [Order 3, § 249-16-010, filed 11/4/74.]

**Chapter 249-20 WAC**

**SALE OF LOANS PURCHASED BY THE AUTHORITY**

WAC

249-20-010 Sale of loans purchased by the authority.

**WAC 249-20-010 Sale of loans purchased by the authority.** (1) Subject to any agreement with bondholders or noteholders, the authority may sell any loans acquired by it at public or private sale and at such price or prices and on such terms as the authority shall determine but only to eligible lenders. [Order 3, § 249-20-010, filed 11/4/74.]

**Chapter 249-24 WAC**

**FORGIVENESS OF OR SUSPENSION OF PAYMENTS ON LOANS PURCHASED BY THE AUTHORITY**

WAC

249-24-010 Forgiveness of or suspension of payments on loans purchased by the authority.

**WAC 249-24-010 Forgiveness of or suspension of payments on loans purchased by the authority.** (1) (Reserved. Until such time as the rules and regulations of the Federal Guaranteed Loan Program and the United States Office of Education may permit forgiveness of or suspension of payments on loans purchased by the authority, the authority will not exercise its powers of forgiveness or suspension set out in RCW 28B.17.060(2).) [Order 3, § 249-24-010, filed 11/4/74.]

## Chapter 249-32 WAC

## BONDS AND NOTES OF THE AUTHORITY

## WAC

- 249-32-010 Bonds and notes of the authority authorized by RCW 28B.17.070.  
 249-32-020 Reserve funds authorized by RCW 28B.17.080.

**WAC 249-32-010 Bonds and notes of the authority authorized by RCW 28B.17.070.** (1) The authority may issue its negotiable bonds and notes in conformity with the applicable provisions of the Uniform Commercial Code in such principal amounts as, in the opinion of the authority, shall be necessary to provide sufficient funds for achieving its corp rate purposes. The bonds of the authority shall be payable both as to principal and interest solely out of the assets of the authority and shall not constitute obligations, either general or special, of the state of Washington.

(2) Such issuance of bonds and notes by the authority shall be accomplished by the authority in any manner necessary and convenient for the authority not inconsistent with the provisions of RCW 28B.17.070. [Order 3, § 249-32-010, filed 11/4/74.]

**WAC 249-32-020 Reserve funds authorized by RCW 28B.17.080.** (1) The authority may create and establish one or more reserve funds to be known as debt service reserve funds and may administer such fund or funds in any manner necessary and convenient for the authority not inconsistent with the provisions of RCW 28B.17.080. [Order 3, § 249-32-020, filed 11/4/74.]

## Chapter 249-36 WAC

CONSTRUCTION OF RULES AND REGULATIONS  
TO BE CONSISTENT WITH RULES AND  
REGULATIONS OF FEDERAL GUARANTEED  
LOAN PROGRAM

## WAC

- 249-36-010 Construction of rules and regulations to be consistent with rules and regulations of Federal Guaranteed Loan Program.

**WAC 249-36-010 Construction of rules and regulations to be consistent with rules and regulations of Federal Guaranteed Loan Program.** (1) The rules and regulations of the authority which appear in Title 249 WAC are intended to be consistent with the rules and regulations of the Federal Guaranteed Loan Program, and the rules and regulations of the authority should be so construed whenever necessary. [Order 3, § 249-36-010, filed 11/4/74.]

## Chapter 249-40 WAC

PETITION FOR ADOPTION, AMENDMENT OR  
REPEAL OF RULES OF THE AUTHORITY

## WAC

- 249-40-010 Procedure for filing petition.  
 249-40-020 Action by the authority.

**WAC 249-40-010 Procedure for filing petition.** Any interested person may petition the authority requesting the promulgation, amendment or repeal of any rule. Such petition shall be made in writing, shall set out with particularity the action requested, the reasons therefor, the name and address of the requestor and why he is an interested person. The petition shall be addressed to the executive officer at the authority's office as set forth in WAC 249-04-020(1). [Order 3, § 249-40-010, filed 11/4/74.]

**WAC 249-40-020 Action by the authority.** Within thirty days after submission of a petition, or at the next meeting of the authority if it does not meet within thirty days, the authority shall formally consider the petition and shall within thirty days thereafter either deny the petition in writing (stating its reasons for the denial) or initiate rule-making proceedings in accordance with RCW 34.04.025. [Order 3, § 249-40-020, filed 11/4/74.]