

FORM OF ORDER AND TRANSMITTAL BY BOARD, COMMISSION, OR COUNCIL
State of Washington

STATE BOARD FOR COMMUNITY COLLEGE EDUCATION

(name of governing body)

(agency name, if applicable)

Resolution No. 81-66

Administrative Order No. 90

(1) Be it resolved by the State Board for Community College Education
acting at Olympia, Washington
(place)
that it does promulgate and adopt the annexed rules relating to:

operation of the guaranteed student loan program pursuant to Chapter 257, Laws of 1981.

(2) ALTERNATIVE A. Use only for Adoption of Permanent Rules.

This action is taken pursuant to Notice No. 81-16-021 filed with the code reviser on 7/28/81. Such rules shall take effect:

- pursuant to RCW 34.04.040(2).
- at a later date, such date being _____.

(2) ALTERNATIVE B. Use only for Adoption of Emergency Rules.

We, _____, find that an emergency exists and that the foregoing order is necessary for the preservation of the public health, safety, or general welfare and that observance of the requirements of notice and opportunity to present views on the proposed action would be contrary to public interest. A statement of the facts constituting such emergency is:

Such rules are therefore adopted as emergency rules to take effect upon filing with the code reviser.

(3) Pursuant to the requirements of RCW 34.04.026¹ that "every agency shall incorporate the most specific, but in no case omit all, of the following language alternatives when adopting or amending rules" (fill in statement (a), (b), or (c) as appropriate):

XX (a) This rule is promulgated pursuant to RCW Chapter 257, Laws of 1981. and is intended to administratively implement that statute.

(b) This rule is promulgated pursuant to RCW _____ which directs that the

_____ (agency)
has authority to implement the provisions of

_____ (name of act or RCW citation)

(c) This rule is promulgated under the general rule-making authority of the

_____ (agency)
as authorized in RCW _____

(4) The undersigned hereby declares that he has complied with the provisions of the Open Public Meetings Act (chapter 42.30 RCW), the Administrative Procedure Act (chapter 34.04 RCW) or the Higher Education Administrative Procedure Act (chapter 28B.19 RCW), as appropriate, and the State Register Act (chapter 34.08 RCW).

(5) This order after being first recorded in the order register of this governing body is herewith transmitted to the Code Reviser for filing pursuant to chapter 34.04 RCW and chapter 1-12 WAC.

APPROVED AND ADOPTED September 11, 19 81

STATE OF WASHINGTON
CODE REVISER'S OFFICE
WSR 81-15-113

By Gilbert J. Carbone
Assistant Director
Title _____

Chapter 131-36 WAC

INSTITUTIONAL LONG-TERM LOAN FUND

NEW SECTION

WAC 131-36-010 PURPOSE AND INTENT. (1) The purpose of chapter 131-36 WAC is to implement the institutional long-term loan program established by section 9, chapter 257, Laws of 1981.

(2) It is the intent of this chapter to provide for a loan program that will be operational in all Washington community colleges no later than spring quarter, 1982.

NEW SECTION

WAC 131-36-050 DEFINITIONS. For the purposes of chapter 131-36 WAC, the following definitions shall apply:

(1) "Fund" shall mean the institutional long-term loan fund established by section 9, chapter 257, Laws of 1981.

(2) "Private financial institution" shall mean an eligible lender as defined by the rules of the WSLGA.

(3) "Uniform methodology" shall mean the method of determining financial need based on a comparison of assets and income with estimated costs of college attendance as prescribed by the United States department of education.

(4) "WSLGA" shall mean the Washington Student Loan Guarantee Association, a private student loan guaranteeing association authorized to guarantee loans granted pursuant to 20 U.S. Code Section 1071.

(5) "Operational" shall mean that the institution has been approved as a lender and is eligible to provide loans guaranteed by the WSLGA.

NEW SECTION

WAC 131-36-100 ELIGIBILITY. (1) Loans from the fund shall be made only to resident, needy students who are enrolled for six or more credit hours of instruction or the equivalent thereof, except as otherwise provided in this section.

(2) The following individuals who have been granted statutory resident status for tuition and fee purposes pursuant to RCW 28B.15-.014 and 28B.15.553 shall not be eligible to receive loans from the fund:

(a) Persons employed twenty hours or more per week at a Washington public higher education institution and their children and spouses;

(b) Military and federal employees residing or stationed in the state of Washington and their children or spouses;

(c) Veterans, as defined by RCW 41.04.005, whose final permanent duty station was in the state of Washington, so long as such veteran is receiving federal vocational or educational benefits concurred by virtue of his or her military service;

(d) Nonimmigrant aliens residing in the state of Washington pursuant to a treaty of commerce and navigation and their children and spouses.

(3) No individual shall be eligible for a loan from the fund unless he or she shall have applied for and been unable to obtain an educational loan from at least one private financial institution in the state of Washington known to be granting or with a record of having granted such loans.

the state of Washington known to be granting or with a record of having granted such loans.

(4) Students seeking loans from the fund shall provide the college with either a letter of denial from a private financial institution or with an affidavit attesting to such denial if unable to obtain evidence of denial in writing.

(5) No individual shall be eligible for loans from the fund if currently in default on any WSLGA or other federally guaranteed loan.

NEW SECTION

WAC 131-36-150 LIMITATION ON AMOUNT OF LOANS. (1) No loans shall be made from the fund in an amount that exceeds the demonstrated financial need of an eligible student.

(2) For purposes of this section, demonstrated financial need shall be the amount determined by application of uniform methodology as defined by WAC 131-36-050 (3).

NEW SECTION

WAC 131-36-200 TERMS AND CONDITIONS OF LOANS. (1) The terms and conditions of loans made from the fund, including, but not limited to, maximum annual loan amount, maximum aggregate loan amount, loan initiation fee, guarantee fee, repayment, cancellation, consolidation of loans, deferment, default, and forbearance shall be the same as those set forth by the WSLGA and federal guaranteed student loan regulations.

(2) All loans granted from the fund for periods in excess of one academic quarter shall be disbursed in quarterly installments through proration of the total loan amount.

NEW SECTION

WAC 131-36-250 INITIATING, SERVICING, AND COLLECTING LOANS. (1) Community colleges shall utilize the loan collecting and servicing agency designated by the state board for community college education and the WSLGA.

(2) The state director of community colleges shall determine and designate on behalf of the state board an appropriate entity to conduct servicing and collection activities with regard to loans made from the fund.

(3) The state director of community colleges shall, when he determines that it is in the best interest of the college system, determine and designate on behalf of the state board an appropriate entity to perform loan initiation activities and transaction reporting regarding loans made from the fund.

(4) Subsequent to granting loans from the fund each college shall cooperate with the WSLGA and the servicing and collection agency through informing students of their rights and responsibilities regarding such loans; timely provision of student status verification information and information pertaining to determinations of default, forbearance, and deferment of loans; consolidation of loans; and records maintenance.

NEW SECTION

WAC 131-36-300 INVESTMENT OF FUND PRINCIPAL. (1) Moneys in the fund not committed to loans may be invested by each college for periods of time not inconsistent with the efficient operation of the loan program, provided that such investments may be made only after all eligible students have been afforded a reasonable opportunity to apply for loans from the fund.

(2) Investment of moneys from the fund shall be confined to certificates, notes, or bonds of the United States or other obligations of the United States or its agencies, or of any corporation wholly owned by the government of the United States.

(3) Colleges shall comply with all other laws or regulations regarding the investment of state funds when investing uncommitted portions of the fund.

(4) Interest earned through such investments shall be credited to the fund.