

**WAC 250-60-060 Program definitions.** (1) Financial aid terms:

(a) "Needy student" shall mean a post-high school student of an institution of postsecondary education who demonstrates to the board the financial inability, either parental, familial, or personal, to bear the total cost of education for any semester or quarter.

(b) "Financial need" shall be the difference between the budgetary cost to the student attending [an] [the] institution of postsecondary education and the total applicant resources which the institutional financial aid officer determines can reasonably be expected to be available to the student for meeting such costs.

(c) "Budgetary cost" of attending an institution shall consist of that amount required to support the individual and his or her dependents during the period in which that individual is enrolled as a student. Budgets will reflect the latest recognized cost levels for room and board, transportation, books, supplies, personal expenses, and other cost factors deemed necessary for consideration[, consistent with WAC 250-40-040 (2)(a)].

(d) "Total applicant resources" for the dependent student shall mean the sum of the amounts which reasonably may be expected from the student and his or her parent(s) inclusive of expected summer savings to meet the student's cost of education, and the amount which reasonably may be expected to be made available to the student by his or her parent(s) for such purpose. For the self-supporting student total applicant resources shall mean the amount which reasonably may be expected from the [student and his or her spouse inclusive of expected] summer savings to meet the student's cost of education.

(e) "Washington resident" shall be defined as an individual who satisfies the requirements of WAC 250-18-010 through 250-18-060 pertaining to the determination of residency.

(f) "Dependent student" shall mean any post-high school student attending an eligible institution of postsecondary education who does not qualify as an independent student in accordance with (g) of this subsection.

(g) [has established a bona fide independent relationship and who demonstrates compliance with criteria for determining self-supporting status as contained in the program guidelines for the state work-study program.] "Independent student" shall mean any student who has either:

(i) Reached his or her twenty-fourth birthday before January 1st of the aid year; or,

(ii) Is a veteran of the United States armed forces; or,

(iii) Is an orphan or ward of the court; or,

(iv) Has legal dependents other than a spouse; or,

(v) Is a married student or a graduate/professional student and will not be claimed by parents as a U.S. income tax exemption in 1988; or,

(vi) Was not claimed by parents as a U.S. income tax exemption in either 1986 or 1987 and had a total income and benefits for those two years equal to or greater than \$4,000.

(2) Academic and program requirements:

(a) Minimum credit hour requirement[s]:

(i) Normal progress. Students receiving mathematics/science loans must be registered for a minimum of ten credit hours (per term) or the equivalent for each academic year for which a loan is received except as specified in [(a)](iii) of this subsection.

(ii) Calculation of equivalency. In recognition of the fact that participating institutions have different academic calendars and apply different full-time enrollment definitions to graduate and undergradu-

ate students, the 10 credit hour equivalent standard is defined as follows: As 10 credit hours is 5/6ths (10/12) of the minimum 12 credit hours required for full-time undergraduate enrollment, a course load that by institutional standard is the equivalent of 5/6ths of a minimum full-time graduate course load satisfies the threshold course load requirement of the mathematics/science loan program.

(iii) Exceptions: Institutions may grant a one-year exception to the requirement for successful completion of 10 credit hours or equivalent per term of mathematics/science loan recipients when, in the institution's evaluation, special circumstances prevented the student from completing the required number of courses.

Each institution must send the board a copy of its policy for re-awarding aid to mathematics/science loan recipients who have not satisfactorily completed the required number of credit hours the prior payment period. Each institution's policy must be approved by board staff before warrants will be sent to the institution.

If a student is reawarded a mathematics/science loan after having not completed a full-time course load the prior term, documentation must be maintained by the institution indicating that its [CPE] board-approved policy has been followed.

(b) Grade point average requirement[s]:

(i) Initial loans:

(A) General. First-time borrowers must demonstrate the capacity for academic achievement at a 3.0 or better grade point average in the qualifying program.

(B) Prior achievement of a 3.0 cumulative grade point average is considered to be a demonstration of capacity.

(C) Absence of a 3.0 grade point average. Institutions may certify applicants as meeting the demonstrated academic achievement criteria if, in the institution's judgment, additional factors, e.g., current academic average, faculty evaluation, test scores, job related success, etc., indicate the probability of a student meeting the 3.0 standard. Institutions must place a statement in the loan applicant's file specifying the basis for their judgment.

(D) Subsections (A) through [(C)][(D)] above do not apply to first-time borrowers who are currently certificated to teach in Washington state.

(ii) Subsequent loans. All borrowers are expected to earn a 3.0 or equivalent grade point average for those academic years for which they have received a mathematics/science loan. A one-year exception may be granted to an otherwise eligible borrower when, in the evaluation of the institution, the grade point average earned was due to special circumstances and is not indicative of the borrower's academic capability. Such an exception must be based on criteria no less stringent than the institution would apply to institutionally controlled aid awards with similar academic standards. A borrower must maintain an on-going 3.0 average for all terms completed during the exception year. Successful maintenance of the 3.0 average must be demonstrated for each term before funds for the following term can be released.

(c) Approved academic program:

Approved mathematics and science programs for the sole purpose of loan eligibility will be established by the higher education coordinating board with the advice of the mathematics/science loan advisory committee, and in accordance with the state board of education regulations and guidelines concerning subject field teacher endorsements.

(3) Technical provisions:

General. In the drafting of specific loan definitions reference has been made to the Federal Guaranteed Student Loan Program (20 U.S.C. Sec. 1701 et. seq.) in order to establish consistency between programs and follow accepted loan program standards.

(a) In-school period. The period of time during which a student continues enrollment on at least a half-time basis at a school satisfying guaranteed student loan school eligibility requirements. Where a break in such enrollment is shorter than the length of the grace period stipulated in [a] [the] student's promissory note, the student remains in the in-school period upon return to half-time status at a school participating in the guaranteed student loan program.

(b) Grace period. The nine-month period of time between the end of the in-school period and the beginning of the repayment period. The grace period begins on the first day of the month following the month in which the borrower leaves school or drops below half-time status. The grace period ends on the last day of the ninth month as written on the promissory note.

(c) Default. The failure of a borrower to make an installment payment when due, or to meet other terms of the promissory note under circumstances where the board finds it reasonable to conclude that the borrower no longer intends to honor the obligation to repay, provided that this failure persists for one hundred eighty days.

(d) Capitalization of interest. Capitalization means increasing the principal of a loan through the addition of accrued interest to the unpaid principal balance. Only interest which accrued during a period of time between the date the first repayment installment was due and the date it was made, when the borrower was late in beginning to repay the loan, may be capitalized on mathematics/science loans. The board may add the interest which accrued during a period of forbearance to the principal no earlier than the date repayment of principal is required to resume, and may add the interest which accrued due to late commencement of repayment to the principal no earlier than the date repayment of principal actually begins.

(e) Totally and permanently disabled. Inability to engage in any substantial gainful activity because of a medically determinable impairment that is expected to continue for a long and indefinite period of time or to result in death.

(f) "Public school" means a middle school, junior high school, or high school within the public school system referred to in Article IX of the state Constitution.

(g) "Forgiven" [or] [to] "to forgive" means to collect service as a teacher in a field of science or mathematics at a public school in the state of Washington in lieu of monetary payment.

(h) "Satisfied" means paid-in-full.

(i) Borrowing limits:

(i) Annual. The amount of any mathematics/science loan shall not exceed the demonstrated financial need of the student or two thousand five hundred dollars for each [nine month] academic year, whichever is less. Cost effective annual minimum loan limits may be set by the higher education coordinating board.

(ii) Summer session eligibility. The \$2,500 annual loan limit applies to a normal nine month academic year. An otherwise eligible borrower may also receive a mathematics/science loan for summer term attendance provided that the borrower will be registered for sufficient credit hours during the summer session to at least equal the 5/6ths of a full-time [academic] course load requirement for a regular [academic] term.

The higher education coordinating board will determine the availability of summer session loans and the maximum and minimum amount of said loans based upon available appropriations.

(iii) Cumulative. The total amount of such loans to an eligible student shall not exceed ten thousand dollars.

(j) Interest rate. The interest rate for the mathematics/science loan program shall be nine percent per annum on the unpaid balance of the loan.

(k) Repayment period. The period for repaying the loan principal and interest shall be ten years with payments accruing quarterly [beginning] nine months from the date the borrower graduated or failed to re-enroll as at least a half-time student in accordance with the provisions [established for the guaranteed student loan program]. However, where the borrower has received an authorized deferment or has been granted forbearance, the periods of deferment and/or forbearance are excluded from determination of the ten year repayment period.

(l) Forgiveness. Payments of loan principal and interest will be forgiven for any repayment period in which the borrower documents qualifying service as a teacher in a field of science or mathematics at a public school in the state of Washington in accordance with WAC 250-60-010.

(m) Loan cancellation. Where the borrower has died or become totally and permanently disabled, the loan is cancelled and the higher education coordinating board terminates all collection activity against the borrower or [his] [the] estate.

(n) Prepayment. A borrower may prepay the whole or any part of a loan at any time without penalty.

(o) Late charges. The higher education coordinating board may require that the borrower pay a late charge if the borrower fails to pay any or all of a required installment payment within thirty days after its due date or fails to provide written evidence that verifies eligibility for authorized deferment of the payment. A late charge may not exceed five cents for each dollar [or] [of] each installment [due or five dollars for each installment], whichever is less.

(p) Collection charges:

Permissible charges. The board may also require that the borrower pay for certain reasonable costs incurred by the board or its agent in collecting any installment not paid when due. These costs may include attorney's fees, court costs, and long-distance phone calls.

(q) Deferments. For reasons of public policy and congruence with federal student aid program provisions, a borrower is entitled to have scheduled payments of principal deferred when engaged in certain activities during the repayment period. Interest shall not accrue during periods of deferment officially granted by the board or its agent. Should a borrower enter a status which normally entitles him/her to a deferment of repayment, prior to the expiration of the grace period (e.g., he/she serves in the armed forces or an action program, or is unemployed), the deferment period will not commence until the expiration of the grace period. Repayment of the loan resumes immediately after the deferment period is over without any additional grace period.

Deferment is authorized during periods when a borrower is engaged in at least one of the following activities:

(i) Full-time study at a school participating in the federal guaranteed student loan program.

(ii) Full-time study at a school which meets the definition of an institution of higher education or a vocational school and is operated by an agency of the federal government (e.g., the service academies).

(iii) Study under an eligible graduate fellowship program approved by the United States secretary of education.

(iv) Study under a rehabilitation training program approved by the secretary for disabled individuals.

(v) For a period not in excess of three years during which the borrower is a member of the armed forces of the United States, or is an officer in the commissioned corps of the United States Public Health Service.

(vi) For a period not in excess of three years during which the borrower serves as a volunteer under the Peace Corps Act.

(vii) For a period not in excess of three years during which the borrower serves as a full-time volunteer under Title I of the Domestic Volunteer Service Act of 1973 (ACTION programs).

(viii) For a period not in excess of three years during which the borrower is in service comparable to the service referred to in (q) (vi) and (vii) of this subsection as a full-time volunteer for an organization which is exempt from taxation under Section 501(c) (3) of the Internal Revenue Code of 1954.

(ix) For a period not in excess of three years during which the borrower is temporarily totally disabled, or during which the borrower is unable to secure employment because he or she is caring for a spouse who is temporarily totally disabled.

(x) For a period not in excess of two years during which the borrower is serving an internship, the successful completion of which is required in order to receive recognition required to begin professional practice or service.

(xi) For a period not in excess of twelve months during which the borrower is conscientiously seeking and is unable to find full-time employment.

(r) Forbearance. A forbearance is a flexible, limited type of deferment or postponement granted by the board for the benefit of a borrower in order to prevent a default on a loan when the borrower is willing but temporarily unable to make scheduled payments or where the forgiveness provisions of the mathematics/science loan program would be ill served by requiring scheduled repayments. A forbearance postpones principal payments but does not stop the accruing of interest. The board may require the borrower to pay the interest which will accrue on the loan during a period of forbearance prior to approving the forbearance; or the board may add the interest which accrued during the period of forbearance to the principal amount of the loan on the date that repayment is required to resume.

A forbearance may, at the board's discretion, be granted when the borrower's economic circumstances demonstrate a current inability to make scheduled repayments if the board believes that the borrower is willing to and will be more able to resume repayment in the future. Forbearances may also be granted to those borrowers who though teaching in eligible Washington public schools, are temporarily unable to meet the course load or subject matter criteria for loan forgiveness.

A cumulative maximum for all forbearances is set at two years or eight quarterly repayments.

(s) Repayment of loans. Commencement of the repayment period:

(i) The repayment period begins [on the day following the day the grace period ends] [the first day of the full repayment quarter fol-

lowing the grace period]. Interest accrues from the first day of the first scheduled repayment period.

[Borrowers who have been granted deferments or forbearances will also reenter the repayment cycle on the same basis.]

(ii) Scheduling of repayments. In order to implement the forgiveness provisions of the mathematics/science loan program, standardized loan repayment quarterly schedules are established for all borrowers as follows:

January 1	-	March 31
April 1	-	June 30
July 1	-	September 30
October 1	-	December [30] [31]

The borrower will be placed in the repayment cycle starting with the first day of the first full repayment quarter following the commencement of his/her repayment period. Borrowers who have been granted deferments or forbearances will also reenter the repayment cycle on the same basis.

[Statutory Authority: RCW 28B.15.760. WSR 88-10-003 (Order 4/88, Resolution No. 88-11), § 250-60-060, filed 4/21/88. Statutory Authority: 1983 1st ex.s. c 74. WSR 83-24-078 (Order 6-83, Resolution No. 84-9), § 250-60-060, filed 12/7/83.]

**Reviser's note:** RCW 34.05.395 requires the use of underlining and deletion marks to indicate amendments to existing rules, and deems ineffectual changes not filed by the agency in this manner. The bracketed material in the above section does not appear to conform to the statutory requirement.