STUDENT ACCESS LOAN PROGRAM

REGULATIONS - 5100

2012-2013 Award Year

Effective Date – July 1, 2012

Georgia Student Finance Commission
LOANS ◢ SCHOLARSHIPS ◢ GRANTS

2082 East Exchange Place
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5102. Student Access Loan Program Overview.

The Student Access Loan (SAL) Program (Low interest Loans) is administered by the Georgia Student Finance Authority (GSFA) and may be funded by state general funds, proceeds from the Georgia Lottery for Education and public and/or private donations. The purpose of the program is to assist with the affordability of a college education, encourage timely persistence to the achievement of postsecondary credentials, and to incentivize loan recipients to work in public service. The loans or portions of the loans are forgivable for recipients who work in certain occupations.

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5103. Definitions.

"Academic Year" means a period of time, usually nine months, during which a student would normally be expected to complete the equivalent of two semesters or three quarters of postsecondary instruction.

"Annual Percentage Rate" or "APR" means the cost of the borrower's credit on a yearly basis expressed as a percentage. APR includes the Interest Rate and other fees associated with the cost of obtaining the loan.

"Associate Degree" means a two-year college level Degree conferred on students by a postsecondary institution upon completion of a unified program of study in an academic discipline or major at the Undergraduate level. Associate Degrees typically require a student to earn at least 60 semester or 90 quarter hours of college Degree credit.

"Authority" or "GSFA" means the Georgia Student Finance Authority, the agency responsible for administering certain postsecondary educational student financial aid programs offered by the State of Georgia and other programs for which funds may be appropriated or assigned to it by the State Legislature, or from other sources, from time to time.

"ACH" means the Automated Clearing House.

"Award Year" or **"Loan Period"** means up to three consecutive semesters or four consecutive quarters.

"Award-Year Reconciliation" means a final student-by-student reconciliation for an Award-Year conducted by Eligible Postsecondary Institutions with the Authority, immediately following the completion of an Award Year.

"Baccalaureate Degree" means a four-year college level Degree conferred on students by a postsecondary institution upon completion of a unified program of study in an academic discipline or major at the Undergraduate level. Baccalaureate (Bachelor's) Degrees typically require a student to earn at least 120 semester or 180 quarter hours of college Degree credit.

"Borrower" means the person or student who completed the application and executed the promissory note for the Student Access Loan Program.

"Certificate" means an academic credential granted by a postsecondary institution indicating satisfactory completion of training by a student in an organized technical Undergraduate program of study which is not a Diploma program of study, an Associate Degree, Baccalaureate Degree, Graduate Degree or Continuing Education. A Certificate program of study typically requires fewer credit hours than a Diploma program of study.

"Cost of Attendance" or "COA" means the estimated expenses, both direct and indirect, which may be incurred by a student and the student's family to finance the cost of receiving a postsecondary education. These expenses include tuition, fees, room, meals, books, supplies, transportation and personal expenses, as determined by the student's postsecondary institution and as defined by Federal Title IV Regulations.

"Deferment" means a period of time approved by the Authority during repayment in which the borrower, upon meeting certain conditions, is not required to make payments on the loan and during which time interest continues to accrue on the loan principal. The specific deferments offered are Unemployment, Economic Hardship, In-school and Active Military.

"Diploma" means an academic credential granted by a postsecondary institution indicating satisfactory completion of training by a student in an organized technical Undergraduate program of study which is not a Certificate program of study, an Associate Degree, Baccalaureate Degree, or Graduate Degree. A Diploma program of study typically requires more credit hours than a Certificate program of study.

"Eligible Non-Citizen" means a person who, in accordance with the Federal Title IV Regulations, is a United States permanent resident with a Permanent Resident Alien Card (I-551); or a conditional permanent resident (I-551C); or the holder of an Arrival-Departure Record (I-94) from the Department of Homeland Security showing any one of the following designations: "Refugee", "Asylum Granted", "Parolee" (I-94 confirms paroled for a minimum of one year and status has not expired); or "Cuban-Haitian Entrant". Victims of human trafficking, in accordance with the Victims of Trafficking and Violence Protection Act, may also be considered Eligible Non-Citizens. Persons with an F1 or F2 student visa, a J1 or J2 exchange visitor visa, or a G series visa are not Eligible Non-Citizens.

"Eligible Postsecondary Institution" means an institution that is:

(1) a unit of the University System of Georgia; or

(2) a branch of the Technical College System of Georgia; or

(3) a private non-proprietary (non-profit) postsecondary institution located in Georgia that is eligible to participate in the Tuition Equalization Grant program, which is not a unit of the University System of Georgia, which is not a unit of the Technical College System of Georgia, which is not a four-year or Graduate level institution of higher education, that is, or is a part of, a college or university system that is owned and operated by a state other than Georgia, which is not a Graduate school or college of theology or divinity, and which is accredited or holds candidate status for accreditation by the Southern Association of Colleges and Schools or was previously accredited by the Southern Association of Colleges and Schools within the last seven years and which otherwise meets the requirements of this definition, except for the lack of accreditation by the Southern Association of Colleges and Schools; or

(4) a private proprietary (for-profit) postsecondary institution located in Georgia that is eligible to participate in the Tuition Equalization Grant program, which is a

Baccalaureate Degree granting postsecondary institution, which is accredited by the Southern Association of Colleges and Schools, which is not a Bible school or college, which is not a Graduate school or college of theology or divinity, which admits as regular students only persons who have a high school diploma, a General Education Development (GED) diploma, or a Degree from an accredited postsecondary institution, whose students are eligible to participate in the Federal Pell Grant program, which has been reviewed and approved for operation and for receipt of Tuition Equalization Grant funds by the Georgia Nonpublic Postsecondary Education Commission, and which is domiciled and incorporated in the State of Georgia, and which has been in existence in Georgia for at least ten years, and which met all these requirements by January 1, 2011. A proprietary institution which was an approved institution prior to January 1, 2011 will continue to be an eligible institution as long as it continues to meet all requirements which were in place prior to January 1, 2011.

"Expected Family Contribution" or "EFC" means the amount of money the U.S. Department of Education expects a student and the student's family to contribute to the student's school costs for a school year. The EFC is shown at the top of a student's Institutional Student Information Record (ISIR).

"Expected Financial Aid" or "EFA" means the amount of financial aid awarded to students for use toward their Cost of Attendance at an Eligible Postsecondary Institution during an Award Year. Such aid includes federal student loans, scholarships and grants and state student loans, scholarships and grants excluding private education loans and Federal Work-Study (FWS).

"Enrolled" means the student is attending an eligible postsecondary institution at least half time.

"FAFSA" means Free Application for Federal Student Aid, the paper or electronic form, provided and processed by the United States Department of Education and used by students to apply for Federal Title IV Programs, institutional aid and some state aid programs.

"Federal Title IV Programs" means student financial aid programs administered by the United States Department of Education that are authorized by Title IV of the Higher Education Act of 1965 as amended, et seq.

"Forbearance" means a period of time approved by the Authority during repayment in which the borrower, upon meeting certain conditions, is permitted to temporarily cease making payments on the loan. Interest continues to accrue on the loan during the forbearance period.

"GAcollege411" means the State of Georgia's website, located online at www.GAcollege411.org that provides information on careers, Georgia's

postsecondary institutions, student financial aid and access electronic college and financial aid applications.

"Georgia Public School System" means an employment site in Georgia, approved for service-cancellation at a public elementary, middle, or secondary level school under the authority of a city or county school system Board of Education.

"Georgia Resident" or "Georgia Residency" means an individual or the status of such individual who is a United States citizen or Eligible Non-Citizen and is domiciled in the State of Georgia and meets the in-state Tuition requirements of the governing body of the USG Eligible Postsecondary Institution or TCSG eligible postsecondary institution he or she attends, as specified and limited by these regulations, or meets the criteria of the *Georgia Residency Requirements for State Programs Regulation,* as specified and limited by these regulations, if attending a private Eligible Postsecondary Institution.

"Financial Hardship" means a condition experienced by the student whereby making required installments of interest places the student under undue hardship as determined by the Authority.

"Home Institution" means an Eligible Postsecondary Institution in which the student is normally enrolled and is in a matriculated status working toward a degree.

"Host Institution" means a postsecondary institution a student is temporarily attending as a Transient student.

"Incarcerated" means to be confined by a competent public authority or under due legal process. A student is considered Incarcerated if he or she is serving a criminal sentence in a federal, state, or local penitentiary, prison, jail, reformatory, work farm, half-way house, or similar correctional institution (whether operated by the government or a contractor) or is sentenced to home detention.

"Interest Rate" means the cost associated with borrowing funds under the program expressed as a percentage on an annual basis.

"Promissory Note" is a legally binding agreement the borrower signs to obtain a loan, in which the borrower promises to repay the loan, with interest, in periodic installments. The agreement also includes information about any grace period, deferment, or cancellation provisions and the student's rights and responsibilities with respect to the loan.

"Public Service" means service as an employee of any of the following: the State of Georgia; an agency or instrumentality of this state; the executive, legislative, or judicial branch of government of this state; a political subdivision of this state; the University System of Georgia or any unit of the university system; an authority or public corporation of this state; a local board of education of this state; or an agency or instrumentality of a political subdivision of this state.

“Repayment” means the period(s) of time during which payments of principal and/or interest are required.

"Reasonable Interest Rate" means an interest rate no higher than the *Wall Street Journal* prime rate effective on July 1 for the fiscal year beginning July 1 of each year. If an outstanding loan made under these regulations is subject to the Reasonable Interest Rate, the Reasonable Interest Rate for the current fiscal year shall apply to such a loan during that fiscal year without regard to the interest rate at the time of the loan's origination or the interest rate at the time of the student's default.

“Satisfactory Academic Progress” means the academic standards required of students by their postsecondary institutions in order to be eligible to receive payment from Federal Title IV Programs, in accordance with Federal Title IV Regulations.

“Service Cancellation” means the benefit that may be provided to certain borrowers who teach in certain STEM fields or work in Public Service in accordance with these regulations. Teachers must work in a Georgia Public School System. Teachers eligible for Service Cancellation in STEM fields are awarded one year of Service Cancellation for each year of teaching. Borrowers eligible for Service Cancellation in Public Service are awarded up to $750.00 for each full year of service.

No portion of any loan may be canceled for service the borrower performed before the date the loan was disbursed, or during the same period in which the loan was received. The benefit is cancellation of a portion or all of one or more outstanding loans made under the Student Access Loan Program in exchange for working in Georgia as outlined above.

“Service Credit” means the monetary amount of Service Cancellation benefit for one year that is associated with each Student Access Loan Program Promissory Note. Each one year Service Credit shall be made up of two one-half year service credits each of which shall be in the amount of one-half of the original principal amount of such Promissory Note.

“STEM” means teaching professions in Science, Technology, Engineering and Mathematics that may be eligible for Service Cancellation.

“Student” means the person or borrower who completed the application and executed the promissory note for the Student Access Loan Program.

“SURFER” means the web-based system used by Eligible Postsecondary Institutions to electronically transmit and receive student data, award information and conduct other administrative activities related to the Authority’s or Commission’s scholarship, grant and loan programs.

“Technical College System of Georgia” or “TCSG” means the State of Georgia’s unified system of public technical colleges, formerly known as the Department of

Technical and Adult Education (DTAE), which is governed by the Board of Commissioners of the Technical College System of Georgia.

"Transient" means a student is attending a Host Institution and is granted temporary admission for the purpose of completing course work and earning postsecondary credit to transfer back to his or her Home Institution toward a degree.

"Tuition" means the charges to a student for postsecondary academic instruction without regard to other fees such as technology, activity, athletic, health, etc.

"Undergraduate" means a student who is in attendance at an Eligible Postsecondary Institution and who is in the process of obtaining an Associates or Baccalaureate Degree.

"University System of Georgia" or "USG" means the State of Georgia's unified system of public colleges and universities, which is governed by the Board of Regents

"Withdrawal Date" means the date the student withdraws, as determined by the institution. The institution must determine the withdrawal date in accordance with the procedures set forth for determining withdrawal date under the Higher Education Act of 1965, as amended.

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5104. Eligibility Requirements.

5104.1. Citizenship.

A student must be a United States Citizen or an Eligible Non-Citizen, according to Federal Title IV Programs requirements, for a minimum of 12 consecutive months immediately preceding the first day of classes of the school term for which the Student Access Loan is sought.

5104.2. Georgia Residency.

a. A student attending a USG or TCSG institution who meets the Georgia Residency requirements of the Board of Regents or the Technical College System of Georgia at the time of his or her high school graduation, Home Study program completion or successful GED test, must also meet such Georgia Residency requirements for 12 consecutive months immediately prior to the first day of classes of the school term for which the HOPE Scholarship is sought.

    1. A student who graduated from high school, completed a Home Study program or successfully completed a GED test, on or after July 1, 2008 who does not meet the Georgia Residency requirements of the Board of Regents or the Technical College System of Georgia at the time of high school graduation, Home Study program completion or successful GED test must meet such Georgia Residency requirements for 24 consecutive months immediately prior to the first day of classes of the school term for which the HOPE Scholarship is sought.

    2. A Dependent Child of Military Personnel who is Stationed in Georgia on active duty shall be treated as a Georgia Resident, for purposes of HOPE Scholarship eligibility.

b. A student attending a private Eligible Postsecondary Institution who meets the Georgia Residency requirements of the *Georgia Residency Requirements for State Programs Regulations* at the time of his or her high school graduation, Home Study program completion or successful GED test, must also meet such Georgia Residency requirements for 12 consecutive months immediately prior to the first day of classes of the school term for which the HOPE Scholarship is sought.

    1. A student who graduated from high school, completed a Home Study program or successfully completed a GED test, on or after July 1, 2008 who does not meet the Georgia Residency requirements of the Board of Regents or the Technical College System of Georgia at the time of high school graduation, Home Study program completion or successful GED test must meet such Georgia Residency requirements for 24 consecutive months immediately prior to the first day of classes of the school term for which the HOPE Scholarship is sought.

2. A Dependent Child of Military Personnel who is Stationed in Georgia on active duty shall be treated as a Georgia Resident, for purposes of HOPE Scholarship eligibility.

c. For purposes of HOPE eligibility, to be a resident on the date of high school graduation, Home Study program completion or successful GED test means to have established residency in Georgia, as determined by policies but without regard to the length of time such student has established such residency.

    1. A student attending a private Eligible Postsecondary Institution who meets the Georgia Residency requirements of the *Georgia Residency Requirements for State Programs Regulations* at the time of his or her high school graduation, or equivalent, must also meet such Georgia Residency requirements immediately prior to the first day of classes of the school term for which the Student Access Loan is sought.

5104.3. Enrollment Status.

1. A student must be enrolled at least half-time at an Eligible Postsecondary Institution.

2. A student must be classified and enrolled at least half-time through the last day of the institution's drop/add period in order to be eligible for Student Access Loan Program Funds.

3. If the Eligible Postsecondary Institution is unable to document the student's class attendance to the Award Date, the student is considered to have unofficially withdrawn and is ineligible for the Student Access Loan Program.

4. A student is ineligible to receive payment from the Student Access Loan Program for coursework classified by his or her Eligible Postsecondary Institution as Continuing Education, Audit or Cooperative Learning Coursework.

5104.4. Eligible Students.

1. Student eligibility shall be determined annually.

2. Applications are randomly selected from the pool of applicants collected during an application cycle.

5104.5. Ineligible Students.

A student is ineligible for the Student Access Loan Program if he or she:

1. Is not a United States citizen or a permanent resident alien who meets the definition of an eligible noncitizen under federal Title IV requirements; *or*

2. Has not complied with United States Selective Service System requirements for registration, if such requirements are applicable to the student; *o*Is in default on a Federal Title IV educational loan or a State of Georgia educational loan, provided that a student who is otherwise eligible and has fully repaid the defaulted loan will be eligible to obtain a loan under this subpart for future academic terms but not retroactively; *or*

3. Owes a refund on a Federal Title IV student financial aid program or a Georgia student financial aid program, provided that a student who is otherwise eligible and has fully paid the refund owed will be eligible to obtain a loan under this subpart for future academic terms, but not retroactively; *or*

4. Has been convicted of a felony offense involving marijuana, a controlled substance, or a dangerous drug as set out in Code Section 20-1-23 or 20-1-24 of the "Drug- free Postsecondary Education Act of 1990," provided that such ineligibility extends from the date of conviction to the completion of the next academic term; *or*

5. Is incarcerated; *or*

6. Is a transient student; *or*

7. Does not meet any of the other eligibility requirements.

5104.6. Award Amount.

1. A student may receive the Student Access Loan up to a maximum of $10,000 per Award Year.

2. Students may borrow an aggregate amount not to exceed $40,000.

3. The minimum Award Amount is $500 per loan.

5104.7. Satisfactory Academic Progress.

A student must maintain Satisfactory Academic Progress, as defined and certified by his or her Eligible Postsecondary Institution.

5104.8. Selective Service Registration.

A student must meet Federal Title IV Selective Service registration requirements.

5104.9. Defaulted Loan or Refund Due.

A student must not be in default on a Federal Title IV Programs or State of Georgia educational loan nor owe a refund on a Federal Title IV or State of Georgia student financial aid program. If the student has repaid the defaulted loan or refund in full, he

or she is eligible to receive the Student Access Loan beginning with the term in which repayment was made in full, but not for previous terms.

5104.10. Georgia Drug-Free Act.

A student is ineligible if, in accordance with the Drug-Free Postsecondary Education Act of 1990, he or she has been convicted for committing certain felony offenses involving marijuana, controlled substances, or dangerous drugs. A student is ineligible to receive Student Access Loan Program funds from the date of conviction to the completion of the next academic term.

5104.11. Incarceration.

Incarcerated individuals are ineligible to receive Student Access Loan Program funds.

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5105. Application Process.

5105.1. FAFSA Application.

A student is required to complete the Free Application for Federal Student Aid (FAFSA) for each academic year in which he or she intends to borrow in order to apply for the Student Access Loan Program.

5105.2. Initial Student Access Loan Program Application Process.

1. Applications for the Student Access Loan will be made available online at www.GAcollege411.org.

2. An applicant must complete his or her portion of the application and submit it to GSFA. Applications shall be submitted electronically. By submission of the online application, the student authorizes GSFA to review the information provided, share the information with various other organizations for the purpose of validating the data provided and/or to ensure postsecondary institutions may be able to certify student eligibility.

3. A student must file the application online during the open application cycle(s). Depending upon application volume and available funding, there may be only one application cycle per year. The cycle date(s) will be released by GSFA at certain times during the state fiscal year.

4. Supplemental documentation requested by the institution or GSFA to support or verify a student's application information may be submitted after the deadline. Such a request will not jeopardize the student's eligibility.

5. Applications will then be randomly selected from the pool of applications received during specific application cycles.

6. Once randomly selected, the applicant's information will be sent to the Eligible Postsecondary Institution for certification. Eligible Postsecondary Institutions will be provided with certain deadline dates by which they must complete the certification.

7. Once the application is certified by the Eligible Postsecondary Institution, the student will be notified of the status and provided with further instructions, the Promissory Note and the Student Self Certification Form for completion.

8. The student must complete their Promissory Note and the Private Education Loan Applicant Self Certification Form and return the originals to the Authority.

9. No disbursements will be made until the completed Promissory Note and Self Certification Form is received by the Authority.

5105.3. Application Renewal Process.

1. A Borrower must apply annually for the Student Access Loan Program.

2. Prior receipt of a Student Access Loan does not guarantee or ensure future selection or eligibility for the Student Access Loan in subsequent years.

3. Borrowers must maintain Satisfactory Academic Progress at his or her Eligible Postsecondary Institution, to be eligible for future funding.

4. Borrowers must continue to meet all other eligibility requirements.

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5106. Determination and Notification of Awards.

1. The maximum annual loan amount a student may receive under the Student Access Loan Program is $10,000 or the student's Cost of Attendance (COA) less the students Expected Family Contribution (EFC) and the students Expected Financial Aid (EFA) including such benefits as U.S. Department of Veterans Affairs Education benefits, whichever is less.

2. The student must certify that they have diligently sought all other forms of student aid including federal and state funded student loans, scholarships and grants. Students must agree to provide evidence of such diligence to GSFA upon request by GSFA. Evidence of their diligence includes copies of applications and the results of such applications. Federal Work-Study (FWS) awards are not included as part of the student's EFA when determining the maximum annual loan amount of the Student Access Loan.

   Students shall not decline federal student loans or other federal or State of Georgia student aid as described above in lieu of a Student Access Loan. Student Access Loans are to be loans of last resort, not general funding and may not supplant federal and state loan, grant or scholarship financial aid.

3. Student Access Loan Program funds may be awarded for a full or partial Award Year. The student may choose to attend any semester or quarter during the Award Year.

4. The Eligible Postsecondary Institution shall set the disbursement dates for each term.

5. Each loan shall be disbursed in at least one disbursement per academic term.

6. Each loan shall be assessed an origination fee to be charged at the time of the first disbursement. The fee shall be deducted from the first disbursement. The fee amount per loan shall be $50. The fee is not refundable unless the eligible postsecondary institution cancels and returns all loan proceeds disbursed under the applicable loan.

7. Student Access Loan Program funds may be used to cover any part of the student's Cost of Attendance for the academic period for which the loan was requested. Student Access Loan Program funds cannot be used for costs over and above the student's actual Cost of Attendance.

8. A student, whose application is selected during the random selection process, to receive a Student Access Loan, will receive an email notification along with subsequent instructions.

9. A student whose application is certified by the Eligible Postsecondary Institution will receive an email notification that includes instructions regarding the

completion of the Promissory Note and other disclosures or supporting documentation that must be signed and notarized by the applicant acknowledging his or her financial obligation, financial aid options and potential service cancellation option. Failure to return all loan documents as required may result in cancellation of the loan application and is at the discretion of the Authority.

10. Loan disbursements will be made to the Eligible Postsecondary Institution.

11. All applicants who do not qualify, for whatever reasons, will receive a denial notification from the Georgia Student Finance Authority.

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5107. School Certification.

Eligible Postsecondary Institutions shall be required to certify student eligibility for a Student Access Loan. Certification shall be completed using online tools provided by GSFA or its affiliates. Schools shall certify the following data elements:

1. Student Residency;
2. Student Citizenship;
3. Loan amount;
4. The loan period dates
5. The program begin date
6. Requested disbursement dates;
7. The student's Anticipated Graduation Date;
8. Satisfactory Academic Progress.

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5108. Procedures for Disbursing Funds.

5108.1. Disbursement.

The Authority will disburse Student Access Loan Program funds as close as practical to the dates requested by the Eligible Postsecondary Institution. GSFA can make disbursements no earlier than fourteen (14) days before the first day of classes of each term. GSFA will calculate the actual disbursement amount(s) based on the school certified loan amount and number of requested disbursement dates. Schools may request up to four disbursement dates per loan. Schools may designate the amount of each disbursement not to exceed the total certified loan amount.

5108.2. Award Adjustments.

An Eligible Postsecondary Institution may adjust the borrower's loan amount each school term to reflect the student's particular circumstances. If the award amount needs to be adjusted to a lesser amount and the adjustment affects a pending disbursement, the institution has the authority to reduce the award and must notify GSFA at minimum within 36 hours of the disbursement date that the disbursement is to be changed. Increases to the award amount are possible and subject to available funding. Eligible Postsecondary Institutions should contact GSFA to request an increase.

5108.3. Return of Funds.

If an Eligible Postsecondary Institution delivers loan proceeds to or on behalf of a student on or after the first day of the period of enrollment for which the loan was intended and the school is unable to document that the student attended classes on at least a half-time basis during the enrollment period, then the borrower is ineligible for those funds and the school must promptly return the Student Access Loan Program funds to GSFA.

5108.4. Calculation of Refunds.

A refund calculation is only required when a student's Cost of Attendance or financial aid package changes or is adjusted so that the student is no longer eligible for the Student Access Loan Program amount as certified by the Eligible Postsecondary Institution. In the event the student is no longer eligible for the original certified loan amount, the Eligible Postsecondary Institution must return a portion of the Student Access Loan Program funds so that the student's total financial aid from all sources does not exceed the student's Cost of Attendance.

5108.5. Report of Adjustments.

1. Monthly, or within 30 days of making an award adjustment, the Eligible Postsecondary Institution will remit the refund dollar amounts associated with full refunds or partial refunds to GSFA by check, Automated Clearing House (ACH) or

Fedwire Funds Service. The refunded amounts must also include borrower by borrower detail. Failure to comply with the return of funds may delay future Student Access Loan Program disbursements.

2. Procedures and forms will be provided for ACH or Fedwire Funds Service instructions and borrower detail information.

5108.6. Reconciliation.

1. The Eligible Postsecondary Institution must conduct a complete borrower-by-borrower Award Year Reconciliation with GSFA and submit a Reconciliation Certification Form to GSFA by August 15 following the completion of the Award Year.

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5109. Record Retention.

1. An Eligible Postsecondary Institution shall maintain accurate records, books, documents and other evidence concerning the loan, including, but not limited to individual student files for a minimum of three years after the Award Year in which the aid was awarded; or longer if required by an applicable statute, rule or regulation or such other time period as requested in writing by the Authority.

2. Documentation contained within an individual student file or record, which supports the original determination of a borrower's eligibility must be retained by the institution and available for review by the Authority on the institution's campus, located within the State of Georgia, for at least three calendar years after the most recent Award Year for which the borrower received Student Access Loan Program funds. Institutions are permitted to maintain these documents in an imaged media format. The imaged media format must be capable of reproducing an accurate, legible and complete copy of the original document.

3. Such documentation may include, but is not limited to, copies of Permanent Resident Alien Cards, Georgia State Income Tax Returns, student financial aid applications and academic transcripts from previous institutions. Documentation regarding a borrower's eligibility is not limited to files, records and other information received and maintained by the institution's student financial aid office. Documentation supporting a student's eligibility that is received and maintained by the institution's admissions office, registrar's office, business office and other administrative operations of the institution must be available to the Authority for review. It is the institution's responsibility to resolve any inconsistencies or conflicting information within a student's records, prior to awarding or disbursing funds to the student.

4. An institution may be required to retain student records involved in a program review, audit, or investigation for more than the three-year retention period described above. If the three-year retention period expires before the issue in question is resolved, the institution must continue to retain all associated records until resolution is reached.

5110. Repayment of Loan Obligation.

5110.1 Repayment While Enrolled in School.

1. While enrolled in school, borrowers are required to make annual interest payments. Borrowers may be temporarily exempt from making interest only payments during in-school periods if the borrower is able to demonstrate to GSFA that making such interest payments during the in-school period places a severe economic hardship on the borrower. GSFA has sole discretion in approving in-school economic hardship requests.

2. Interest that accrues during the six month grace period may be added to the principal balance when the borrower enters repayment of principal and interest.

3. Interest payments will be due annually on the loan and in accordance with the repayment schedule set by GSFA. The actual annual interest payment amount due will be equal the total interest accrued during billing period or fifteen ($15) dollars, whichever is greater.

4. Payments shall be made by preauthorized debit, ACH or check (no cash payments).

5. There is no penalty for early repayment.

5110.2. Repayment While Not Enrolled in School.

1. While not enrolled in school, borrowers are required to make monthly payments of principal and interest on the loan.

2. The repayment period, not inclusive of in-school, deferment and forbearance periods shall be a maximum of ten (10) years and shall include a minimum monthly payment of fifteen ($15) dollars.

3. While on a deferment or forbearance, borrowers may be are required to make annual interest only payments. The actual annual interest payment amount due will be equal to the total interest accrued during billing period or fifteen ($15) dollars, whichever is greater.

4. Payments shall be made by preauthorized debit, ACH or check (no cash payments).

5. Accrued interest may be capitalized at the beginning of the repayment period and/or at the end of a deferment or forbearance.

6. There is no penalty for early repayment.

5110.3. Service Cancellation.

1. In order to request Service Cancellation of a portion(s) of a loan or loans, the borrower must work as an employee in Public Service as defined in these regulations or, be employed as a teacher, in a Georgia Public School System, in a Science, Technology, Engineering or Mathematics (STEM) field, either full-time or half-time as certified by an authorized school official.

2. For each Academic Year worked as a STEM teacher, a borrower may request cancellation of up to one corresponding year of loans borrowed under this Program. For each calendar year worked in Public Service a borrower may request Service Cancellation of up to seven hundred fifty ($750).

3. The borrower may request service cancellation at any time during the repayment period but the borrower must request service cancellation within 12 months of completing the qualifying term of service.

4. The borrower must provide the Authority, as it requires, evidence of completion of the teaching obligation.

5. Service Cancellation may be requested for part-time teaching in STEM fields but not for part-time Public Service. A borrower may be eligible for service credit under either option but not both.

6. Service Cancellation is available at the rate of up to one year of Service Credit for each year of study or its equivalent for which a Student Access Loan Program Loan was made to a student.

7. In order to be eligible for any Service Credit, a borrower must:

    a. As a teacher, have worked a minimum of 90 days in a STEM field, in a Georgia Public School at the elementary, middle or secondary level during the Academic Year for which he or she is seeking Service Cancellation. If a teacher worked between 90-135 days in an Academic Year then that teacher shall be eligible for Service Cancelation in the amount of one- half Service Credit. If a teacher worked greater than 135 days in an Academic Year then that teacher shall be eligible for Service Cancelation in the amount of one-year Service Credit (two one half-year Service Credits).

    b. As a Public Service employee, have worked a minimum of one consecutive year.

    Upon approval by the Authority of the borrower's certified Service Cancellation request, the Service Credit amount shall be applied to the then outstanding balance of the oldest Student Access Loan in the

borrower's account. In no case can the actual Service Credit amount that is applied to the borrower's Student Access Loan exceed the outstanding balance of that specific Student Access Loan at the time of approval of the borrower's request.

5110.4. Delinquency.

A borrower is delinquent when they fail to make any required payment within thirty (30) calendar days of the due date. In the event of a delinquency the borrower may be charged late fees. In the event of delinquency lasting longer than fifteen (15) calendar days, any future loan disbursements will be held until such time that the delinquency is resolved. If the delinquency is not resolved in a timely manner, then GSFA may, at its discretion, hold or cancel any subsequent scheduled disbursements.

5110.5. Interest Rates.

a. The interest rate on any loan made under these regulations is 1% during all periods of enrollment or deferment.

b. The interest rate remains at 1% for the life of the loan if the student completes a certificate or diploma program or an associate's degree program or a baccalaureate degree program or a baccalaureate/first professional degree program within the designed length of the program.

c. The interest rate will adjust to 6%, effective with the date of approval of the request by GSFA and for the life of the loan if the student completes a certificate or diploma program or an associate's degree program or a baccalaureate degree program or a baccalaureate/first professional degree program within one year beyond designed length of the program.

d. The interest rate will adjust to 8% for the life of the loan if the student completes a certificate or diploma program, or an associate's degree program, or a baccalaureate degree program, or a baccalaureate/first professional degree program one year or more beyond the designed length of the program.

e. In the event the borrower defaults on his or her obligation, the interest rate irrevocably converts to 8%.

5110.6 Determining the Interest Rate Change.

At the time of certification by the Eligible Postsecondary Institution, The school will provide GSFA with the students Anticipated Graduation Date and program start date. Upon reaching the Anticipated Graduation Date, the loan will automatically adjust to 8%. The borrower must apply for or request the interest rate reduction in writing to GSFA within six months of graduation or completion of their program. The borrower shall be required to complete any forms and provide necessary documentation as

prescribed by GSFA to demonstrate eligibility for the interest rate reduction. The interest rate adjustment will be made effective with the date the request was approved by GSFA.

5110.7. Default.

1. If the borrower fails to meet the repayment obligation outlined herein and in his or her Promissory Note, the borrower will be considered to be in default of their obligation.

2. Default occurs when the borrower fails to make regularly scheduled payments of any kind for a period of ninety (90) days.

3. In the event of default, the Interest Rate shall irrevocably convert to 8% per year for the life of the loan.

4. Any future disbursements of a borrower's Student Access Loan shall be cancelled in the event of default.

5. A borrower in default status will pay all reasonable collections costs as determined by the Authority.

5110.8. Deferment of Repayment.

A student may apply for a deferment of repayment of principal under certain conditions as listed below:

1. Unemployment
2. Economic Hardship
3. In School Status
4. Active Duty Military

5110.9. Forbearance of Repayment.

A student may apply for a discretionary forbearance of repayment under certain conditions as determined by the Authority. The conditions below are examples and are not limited to this list.

1. The borrower has personal problems (such as economic hardship) that are temporarily affecting the borrower's ability to make scheduled payments.

2. The borrower is unemployed but has already received the maximum unemployment deferment.

3. The borrower has had poor health or a prolonged illness or disability but does not meet applicable disability cancellation criteria.

4. Forbearance can be granted for a period not to exceed twenty-four cumulative months.

5110.10. Cancellation of Repayment.

The Authority shall cancel a borrower's repayment obligation if it determines:

1. On the basis of a sworn affidavit of a qualified physician satisfactory to the Authority, the borrower is permanently and totally disabled; or

2. On the basis of a death certificate or other evidence of death that is conclusive under State of Georgia law, the borrower has died.

5110.11. Promissory Note.

The complete service credit and cash repayment requirements are provided in the Student Access Loan Program Promissory Note. For purposes of the service or cash repayment obligations, if any discrepancy exists between the content of these regulations and the Student Access Loan Program Promissory Loan Note that the borrower signed, the Promissory Note shall control.