

Student Access Loan Program

Regulations – 5100.

2014-2015 Award Year



Effective Date – July 1, 2014



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Tucker, Georgia 30084

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5102. Student Access Loan Program Overview.

The Student Access Loan (SAL) Program is a need-based, low interest loan program administered by the Georgia Student Finance Authority (GSFA). The SAL Program 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 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. (Electronic Link)

5104. General Eligibility Requirements.

5104.1. Citizenship.

1. A student must be a United States Citizen or an Eligible Non-Citizen for 12 consecutive months immediately prior to the first day of classes of the school term for which the Student Access Loan (SAL) is sought.

5104.2. Georgia Residency.

1. 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 SAL is sought.
 - a. A student 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 SAL is sought.
2. A student attending a private Eligible Postsecondary Institution who meets the Georgia Residency requirements of the *Georgia Residency Requirements for State Programs at Private Institutions 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 SAL is sought.
 - a. A student who does not meet the Georgia Residency requirements of the *Georgia Residency Requirements for State Programs at Private Institutions Regulations* 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 SAL is sought.
3. Military Personnel, his or her Spouse, or Dependent Child, shall be treated as a Georgia Resident for purposes of SAL eligibility, if the Military Personnel is stationed in Georgia on Active Duty or lists Georgia as his or her home of record.

5104.3. Enrollment Status.

1. An Applicant must be enrolled at an Eligible Postsecondary Institution in an undergraduate Certificate, Diploma or Degree program or First Professional Degree Program.
2. An Applicant must maintain at least Half-Time enrollment status through the last day of the Eligible Postsecondary Institution's drop/add period in order to be eligible for SAL funds.
3. If the Eligible Postsecondary Institution is unable to document the Applicant's class attendance, the Applicant is considered to have unofficially withdrawn and is ineligible to receive funding from the SAL Program.
4. An Applicant is ineligible to receive payment from the SAL Program if classified by his or her Eligible Postsecondary Institution as a Graduate or Transient student.
5. An Applicant is ineligible to receive payment from the SAL Program for Continuing Education, Audit or Cooperative Learning Coursework.

5104.4. Satisfactory Academic Progress.

1. An Applicant must maintain Satisfactory Academic Progress, as defined and certified by his or her Eligible Postsecondary Institution.

5104.5. Selective Service Registration.

1. An Applicant must be in compliance with United States Selective Service System requirements, if such requirements are applicable, prior to the SAL Application Deadline in order to be eligible for SAL payment for such school term.

5104.6. Defaulted Loan or Refund Due.

1. An Applicant must not be in default on a Federal Title IV Program or State of Georgia educational loan or owe a refund on a Federal Title IV or State of Georgia student financial aid program.
2. If the Applicant has repaid the defaulted loan or refund in full, he or she is eligible to receive the SAL beginning with the term in which Repayment was made in full, but not for previous terms.

5104.7. Georgia Drug-Free Act.

1. An Applicant convicted of committing certain felony offenses involving marijuana, controlled substances, or dangerous drugs, is ineligible for SAL payment from the date of conviction to the completion of the following school term, in accordance with the Georgia Drug-Free Postsecondary Education Act of 1990, O.C.G.A. § 20-1-24.

5104.8. Incarceration.

1. An Applicant is ineligible to receive SAL funds while incarcerated.

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5105. Application Process.

5105.1. FAFSA Application.

1. An Applicant is required to complete the Free Application for Federal Student Aid (FAFSA), for each academic year he or she intends to borrow, in order to apply for the SAL Program.

5105.2. Program Application.

1. Applications for the SAL will be made available online and shall be submitted electronically at www.GAcollege411.org.
 - a. An Applicant may only submit one (1) application for the SAL Program per award year.
 - b. GSFA shall designate an open application cycle period for the state fiscal year and only collect applications during such period. Application cycle periods are subject to available funding and application volume.
2. An Applicant must complete his or her portion of the application and submit it to GSFA. By submission of the online application, the Applicant authorizes GSFA to review the information provided, share the information with various other organizations for the purpose of validating the data provided and ensure that the Applicant's Eligible Postsecondary Institution can certify student eligibility.
 - a. The Applicant certifies, through submission of an application, that he or she has diligently sought all other forms of student aid including federal and state funded student loans, scholarships, and grants.
 - b. The Applicant also agrees to provide GSFA evidence of such diligence upon request.
3. Supplemental documentation requested by the Eligible Postsecondary Institution or GSFA, to support or verify an Applicant's eligibility or application information, may be submitted after the application cycle ends.
4. Applications will be randomly selected from the pool of eligible Applicants received during specific application cycles.
5. TCSG applicants must have applied for the Student Access Loan - Technical (SALT) Program prior to being considered for the SAL Program unless the applicant has a SALT aggregate loan limit of \$12,000, the lifetime maximum.

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5105.3. Application Renewal Process.

1. Borrowers are required to be in good standing with required payments on any State of Georgia student financial aid program before consideration for a new year Student Access Loan.
2. Prior receipt of a SAL does not guarantee or ensure future selection or eligibility for the SAL in subsequent years.

5105.4. Loan Documents

1. Should an Applicant be deemed eligible and certified by an Eligible Postsecondary Institution, the Applicant must complete a Promissory Note and any other required documents for each loan awarded annually.
 - a. The Applicant must return the Promissory Note and other required documents as originals to GSFA. The Promissory Note must be signed and initialed by the Applicant and notarized.
2. No disbursements will be made until the completed Promissory Note and other required documents are received by GSFA.

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5106. Award Requirements.

1. The maximum annual loan award amount a student may receive under the SAL Program is \$10,000.
2. The minimum annual loan award amount a student may receive under the SAL Program is \$500.
3. The aggregate loan limit per Borrower may not exceed \$40,000.
4. SAL awards are non-transferable.
5. The loan amount cannot be increased after the application is processed.
6. An Applicant shall not decline any federal, institutional or private scholarships, grants, loans, or military or veterans educational benefits, when available, in lieu of a SAL.
 - a. An Applicant may elect to decline or reduce federal or institutional work-study awards in lieu of a SAL award. Such declarations must be provided by the Applicant to the Eligible Postsecondary Institution.
7. SAL funds may be awarded for a full or partial Award Year. The Applicant may choose to attend any semester or quarter during the Award Year.
8. The Eligible Postsecondary Institution shall set the disbursement dates for each term. GSFA may adjust such dates based on receipt of the required Promissory Note and loan documents and available funding.
 - a. One disbursement is allowed per term of eligibility and certification.
9. SAL 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.
 - a. SAL funds cannot be used for costs over and above the student's actual Cost of Attendance for the award period.

5106.1. Determining the Award Amount.

1. The annual amount that an Applicant may be awarded under the SAL Program is the lesser of \$10,000 or the student's Cost of Attendance (COA) for the award period, less the student's Expected Family Contribution (EFC) and less the student's Expected Financial Aid (EFA) for the award period.
 - a. A SAL cannot be used to offset a student's EFC.

5106.2. Student Notification of Award.

1. An Applicant, whose application is selected during the random selection process, will receive an email notification from GSFA on the date of selection.
2. An Applicant, 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 required disclosures or supporting documentation.
 - a. Such documentation must be signed by the Applicant and notarized acknowledging his or her financial obligation, financial aid options, and potential Service Cancellation option.
 - b. Failure to return all loan documents as required may result in cancellation of the loan application and is at the discretion of GSFA.
3. The Eligible Postsecondary Institution must notify each SAL recipient of the amount of SAL funds he or she is awarded for the Award Year.
4. An Applicant, who does not qualify for whatever reason, will receive a denial notification by email from GSFA.

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5107. School Certification.

1. Eligible Postsecondary Institutions shall be required to decline or certify student eligibility for a SAL during a certification period which shall be set by GSFA. Certification by an Eligible Postsecondary Institution shall be completed using online tools provided by GSFA or its affiliates.
 - a. Eligible Postsecondary Institutions shall certify that all eligibility requirements have been met and will provide to GSFA the following data elements:
 - i. Eligible loan amount
 - ii. Requested disbursement dates
 - iii. Student's Anticipated Graduation Date
 - iv. Cost of Attendance for the award period
 - v. Expected Financial Aid for the award period

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5108. Disbursement and Return of Funds.

5108.1. Disbursement.

1. GSFA will disburse SAL funds to the certifying Eligible Postsecondary Institution as close as practical to the dates requested by such Eligible Postsecondary Institution.
2. Eligible Postsecondary Institutions can make disbursements, to the Borrower, no earlier than fourteen (14) calendar days before the first day of classes of each term.
 - a. GSFA will calculate the actual disbursement date(s) based on receipt of all applicable loan documents and the school certification information.
 - b. An Eligible Postsecondary Institution may request up to one disbursement date per term.
 - c. An Eligible Postsecondary Institution may designate the amount of each disbursement not to exceed the total certified loan amount.

5108.2. Loan Origination Fees.

1. Each loan shall be assessed an origination fee to be charged at the time of the first disbursement.
 - a. The fee shall be deducted from the first disbursement.
 - b. The fee amount per loan shall be five percent of the total loan amount, not to exceed \$50.
 - c. The fee is not refundable unless the Eligible Postsecondary Institution cancels and returns all loan proceeds disbursed under the applicable loan.

5108.3. Award Adjustments.

1. During the certification process, an Eligible Postsecondary Institution may adjust the loan amount for each school term to reflect the Borrower's particular circumstances.
2. If the award amount needs to be adjusted to a lesser amount and the adjustment affects a pending disbursement, the Eligible Postsecondary Institution has the authority to reduce the award and must notify GSFA within a minimum of five business days prior to the disbursement date that the disbursement is to be changed.

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3. Increases to the award amount must be requested by an Eligible Postsecondary Institution prior to the first disbursement. Increase requests are subject to available funding and at the discretion of GSFA.

5108.4. Return of Funds.

1. If an Eligible Postsecondary Institution delivers loan proceeds to or on behalf of a Borrower on or after the first day of the period of enrollment for which the loan was intended and the Eligible Postsecondary Institution 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 Eligible Postsecondary Institution must promptly return the SAL funds to GSFA.

5108.5. Calculation of Refunds.

1. 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 SAL funds so that the student's total financial aid from all sources does not exceed the student's Cost of Attendance.
2. A refund calculation for the SAL is only required when a student's Cost of Attendance and/or financial aid package changes or is adjusted so that the student is no longer eligible for the amount as certified by the Eligible Postsecondary Institution.
3. If applicable, the Eligible Postsecondary Institution must first apply the Federal Title IV return of funds policy to any federal aid the student may have received.

5108.6. 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.
 - a. The refunded amounts must also include Borrower-by-Borrower detail. Failure to comply with the return of funds may delay future SAL disbursements.

5108.7. Reconciliation.

1. The Eligible Postsecondary Institution must conduct a complete Borrower-by-Borrower Fiscal Year End Reconciliation with GSFA and submit a

Reconciliation Certification Form online to GSFA by July 15 following the completion of the Fiscal Year.

2. Additionally, in accordance with the Fiscal Year End Reconciliation, the Eligible Postsecondary Institution must return any funds not utilized by August 15 following the completion of the Fiscal Year.

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5109. Record Retention.

5109.1. Length of 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 GSFA.

5109.2. Documentation.

1. Documentation contained within an individual student file or record, which supports the original determination of a Borrower's eligibility must be retained by the Eligible Postsecondary Institution and available for review by GSFA on the Eligible Postsecondary 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 SAL funds.
2. Eligible Postsecondary 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.
 - a. 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.
 - i. Documentation regarding a Borrower's eligibility is not limited to files, records, or other information received and maintained by the Eligible Postsecondary Institution's student financial aid office.
 - ii. Documentation supporting a student's eligibility that is received and maintained by the Eligible Postsecondary Institution's admissions office, registrar's office, business office, or other administrative operations of the Eligible Postsecondary Institution must be available to GSFA for review.
3. It is the Eligible Postsecondary Institution's responsibility to resolve any inconsistencies or conflicting information within a student's record prior to awarding or disbursing funds to the student.

5109.3. Extended Retention.

1. An Eligible Postsecondary Institution may be required to retain student records involved in a program review, audit, or investigation for more than the three-year retention period (refer to *Section 5109.1*). If the three-year retention period expires before the issue in question is resolved, the Eligible Postsecondary Institution must continue to retain all associated records until resolution is reached.

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5110. Repayment of Loan Obligation.

5110.1. Keep In Touch Payment Requirement While Enrolled in School.

1. Borrowers are required to make monthly Keep In Touch (KIT) payments while Enrolled in school at least Half-Time (six or more credit hours) and while in Grace Period.
2. Monthly KIT payments will be due each month, approximately sixty days after the first loan disbursement, and in accordance with the repayment schedule set by GSFA.
 - a. Borrowers will be notified of the monthly payment requirement by email.
 - b. The monthly KIT payment will be applied to the interest and principal of the loan.
3. Payments shall be made by preauthorized debit, ACH or check (no cash payments). Payments can be submitted online at www.Pathways2GSFA.org or by mail, phone, or through the Borrower's personal online banking system.
4. KIT payments are not eligible for economic hardship consideration.
5. Borrowers not enrolled at least Half-Time will be considered for Repayment.
6. Borrowers with a previous SAL, and approved for an in-school Deferment, are required to make KIT payments.
7. Borrowers are considered past due if monthly KIT payments are not made in thirty days. Borrowers are not eligible for consideration of a future SAL or other State of Georgia student loan program until KIT payments are in good standing or paid to date.
8. Borrowers are considered delinquent if monthly KIT payments are not in good standing or paid to date at the end of the loan period. Borrowers are not eligible for consideration of a future SAL or other State of Georgia student loan program until KIT payments are in good standing or paid to date.

5110.2. Repayment While Not Enrolled in School.

1. Borrowers are placed in Repayment status and are required to make monthly payments of principal and interest on the loan if not Enrolled in school at least Half-Time.

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2. The Repayment amount, not inclusive of in-school Deferment and Forbearance periods, shall be at least fifty dollars (\$50) per month or more, if necessary to repay the loan within the required time period.
3. Payments shall be made by preauthorized debit, ACH or check (no cash payments).
4. 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.
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 STEM field, either full-time or part-time, as certified by an authorized school official.
2. For each Academic Year worked as a STEM teacher, a Borrower may request Service 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 \$750.
3. The Borrower may request Service Cancellation at any time during the Repayment period but the Borrower must request Service Cancellation within twelve (12) months of completing the Qualifying Term of Service.
4. The Borrower must provide GSFA, 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 Cancellation under either option, but not both.
6. In order to be eligible for any Service Cancellation, 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.

- i. If a teacher worked between 90-135 days in an Academic Year, the teacher shall be eligible for Service Cancellation in the amount of one-half Service Credit.
 - ii. If a teacher worked more than 135 days in an Academic Year, the teacher shall be eligible for Service Cancellation 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 calendar year, without interruption.
7. Upon approval by GSFA of the Borrower's certified Service Cancellation request, the Service Credit amount shall be applied to the then outstanding balance of the oldest SAL in the Borrower's account.
 - a. In no case can the actual Service Credit amount that is applied to the Borrower's SAL exceed the outstanding balance of that specific SAL at the time of approval of the Borrower's request.
8. 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.
 - a. The benefit is cancellation of a portion, or all, of one or more outstanding loans made under the SAL Program in exchange for working in Georgia as outlined above.

5110.4. Delinquency.

1. A Borrower in Repayment is delinquent when he or she fails to make a required payment within thirty (30) calendar days of the due date. In the event of delinquency, the Borrower may be charged late fees. If the delinquency is not resolved, then GSFA may, at its discretion, hold or cancel any or all subsequent scheduled disbursements.

5110.5. Interest Rate.

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1. The Interest Rate on any loan made under these regulations is one percent (1%) for the life of the loan. The Borrower must fulfill the loan obligation, including Repayment requirements, as specified in the Promissory Note to maintain the loan at a one percent (1%) interest rate.

5110.6. 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 his/her obligation.
2. Default occurs when the Borrower fails to make regularly scheduled payments for a period of 270 days in Repayment.
3. In the event of Default, the Interest Rate shall irrevocably convert to five percent (5%) per year for the life of the loan. The Borrower shall be reported to a collection agency.
4. Any future applications or disbursements of a Borrower's SAL shall be cancelled in the event of Default.
5. A Borrower in Default status will pay all reasonable collections costs as determined by GSFA.

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5110.7. Deferment of Repayment.

1. A Borrower may apply for a deferment of Repayment of principal under certain conditions as listed below:
 - a. Unemployment
 - b. Economic Hardship
 - c. In School Status
 - d. Active Duty Military
2. Unemployment and economic hardship deferments can be granted for a period not to exceed thirty-six (36) cumulative months.
3. Interest does not accrue during an approved Deferment period.

5110.8. Forbearance of Repayment.

1. A Borrower may apply for a discretionary Forbearance of Repayment under certain conditions as determined by GSFA. Forbearance can be granted for a period not to exceed twenty-four (24) cumulative months.
2. Such conditions under which Forbearance can be granted include, but are not limited to, the following:
 - a. Economic Hardship - after the maximum allotment of time reached for a deferment;

- b. Unemployment - after the maximum allotment of time reached for a deferment; or
 - c. Physician-documented poor health or a prolonged illness or disability that does not meet applicable disability cancellation criteria.
3. Interest is accrued during an approved Forbearance period. If the borrower chooses to not pay the interest, such interest will be capitalized.

5110.9. Cancellation of Repayment.

1. GSFA shall cancel a Borrower's Repayment obligation if it determines:
 - a. On the basis of a sworn affidavit of a qualified physician satisfactory to GSFA, the Borrower is permanently and totally disabled; or
 - b. On the basis of a death certificate, or other evidence acceptable to GSFA, that the Borrower is deceased.
2. A borrower of a previous Student Access Loan Program that has been approved for a cancellation due to total and permanent disability is not eligible for a future loan within the Student Access Loan Program.

5110.10. Promissory Note.

1. The complete Repayment requirements are provided in the SAL Promissory Note. For purposes of Repayment obligations, if any discrepancy exists between the content of these regulations and the SAL Promissory Note that the Borrower signed, the Promissory Note shall control.

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