

CHAPTER 4850
HIGHER EDUCATION SERVICES OFFICE
SUPPLEMENTAL STUDENT LOANS

4850.0014 AMOUNT AND TERMS

4850.0015 LOAN DISBURSEMENTS

4850.0014 AMOUNT AND TERMS.

Subpart 1 **Loan amounts.** The minimum loan amount from the student educational loan fund is \$500

The annual and maximum loan amounts for

A an undergraduate student are those prescribed in this part, not to exceed the limits specified in Minnesota Statutes, section 136A 1701, subdivisions 4 and 5. The loan must not exceed the annual SELF borrowing maximums of \$4,500 for grade levels one and two, and \$6,000 for grade levels three, four, and five or the cost of attendance less all other financial aid (including PLUS loans or other similar federal parent loans borrowed on the student's behalf), and the cumulative SELF loan debt must not exceed the aggregate SELF borrowing maximums by grade level indicated in this subpart. The cumulative undergraduate borrowing maximums for SELF loans are.

- (1) grade level 1, \$ 4,500,
- (2) grade level 2, \$ 9,000,
- (3) grade level 3, \$15,000,
- (4) grade level 4, \$21,000, and
- (5) grade level 5, \$25,000

B a graduate student are those prescribed in Minnesota Statutes, section 136A 1701. The loan must not exceed the annual graduate student borrowing maximum of \$9,000 for grade levels 6 through 9 or the cost of attendance less all other financial aid (including PLUS loans borrowed on the student's behalf), and the cumulative SELF student loan debt of the graduate student does not exceed \$40,000 for both undergraduate and graduate educations combined.

Subp 2 **Two loans in one year.**

A A student may borrow more than once in the same academic year as long as

- (1) eligibility remains,
- (2) the annual borrowing maximum is not exceeded, and
- (3) the amount approved is at least \$500.

B. A student may borrow the annual maximum twice in the same grade level, as long as

(1) a total of 11 months elapses from the beginning of the first loan period to the beginning of the second loan period, and

(2) the cumulative SELF loan debt maximum for that grade level is not exceeded

C A student who advances a grade level in the middle of an academic year may borrow at that new grade level, as long as the cumulative SELF loan debt maximum for that new grade level is not exceeded

[For text of subp 3, see M.R.]

Statutory Authority: *MS s 136A 01*

History: *22 SR 1369*

4850.0015 LOAN DISBURSEMENTS.

Subpart 1. **Disbursement scheduling.** If loan proceeds are in the form of an individual check, the check must be jointly payable to the borrower and the eligible school. If the loan period covers more than one academic or payment period, the loan must be disbursed in installments during each academic or payment period. (For example, if an eligible school's academic year is divided by quarters, the student's loan amount may be disbursed in three

installments, once each quarter) Disbursements must be made at the beginning of each academic term, unless the director requires or the school suggests other more appropriate dates

Subp 2 Disbursement when loan proceeds arrive before loan period. Loan proceeds must not be disbursed to the student before the start of the loan period. The school must verify the student's enrollment and that the student meets satisfactory academic progress requirements. If the loan proceeds are in the form of an individual check, the school must deliver the check to the student for endorsement. The check must then be endorsed by the school. In the case of either a check or an electronic funds transfer, the school must next subtract from the loan proceeds the amount owed to it for the payment period, and make arrangements with the student for the use of any remaining proceeds. The remaining proceeds may be returned to the student or retained on account at the election of the student. The school may not keep on account any more money than it charges for that payment period without the written permission of the student.

Subp 3 Disbursement when loan proceeds arrive during loan period. When the loan proceeds arrive during the loan period, the school must verify the student's enrollment and that the student meets satisfactory academic progress requirements. If the loan proceeds are in the form of an individual check, the school shall endorse the check along with the student, subtract from the proceeds that amount owed to it for the payment period, and make arrangements with the student for the use of any remaining proceeds. The school must next subtract from the proceeds the amount owed to it for the payment period and make arrangements with the student for the use of any remaining proceeds. In either case, the student has the same options for receiving any remaining proceeds as described in subpart 2. If the student is on a school approved leave of absence when the loan proceeds arrive and is scheduled to return within 30 days from the date on the check or the date of the electronic funds transfer, the school may hold the loan proceeds until the student returns. If the student fails to return or does not show up for disbursement, the loan proceeds must be returned to the director within 30 days from the date on the check or the date of the electronic funds transfer, whichever is applicable.

Subp 4 Disbursement when loan proceeds arrive after loan period. When the loan proceeds arrive after the loan period, the school must verify the student's enrollment and that the student meets satisfactory academic progress requirements. If the loan proceeds are in the form of an individual check, the school may endorse the check along with the student within 30 days from the end of the loan period, subtract from the proceeds that amount owed to it for the payment period, and make arrangements with the student for use of any remaining proceeds. The school must next subtract from the proceeds the amount owed to it for the payment period and make arrangements with the student for the use of any remaining proceeds. In either case, the student has the same options for receiving any remaining proceeds as described in subpart 2. If the loan proceeds arrive more than 30 days after the end of the loan period, the school must return the loan proceeds to the director.

Statutory Authority: *MS s 136A 01*

History: *22 SR 1369*