

4850.0011 DEFINITIONS.

Subpart 1. **Academic year.** "Academic year" means:

A. a period of time, typically eight or nine months, in which a full-time student is expected to complete the equivalent of at least two semesters, two trimesters, or three quarters at an eligible school using credit hours; or

B. at least 900 clock hours of training for a program at an eligible school using clock hours.

A student may borrow for a portion of the academic year, or for all of it (see "loan period").

Subp. 2. [Repealed, 46 SR 542]

Subp. 2a. **Borrower.** "Borrower" means an individual who is a beneficiary of a SELF Loan.

Subp. 3. [Repealed, 20 SR 2214]

Subp. 4. **Capitalized interest or capitalization.** "Capitalized interest" or "capitalization" means accrued interest that is added to the outstanding loan principal.

Subp. 5. **Certificate or degree.** "Certificate" or "degree" means a written or printed statement of the fact that the holder has met the eligible school's minimum requirements for completion, and certifies a minimum mastery of the subject matter for a particular academic or vocational program.

Subp. 6. [Repealed, 46 SR 542]

Subp. 7. [Repealed, 20 SR 2214]

Subp. 7a. **Commissioner.** "Commissioner" means the commissioner of the office, or office staff who perform duties as assigned by the commissioner. [Renumbered from subpart 12a.]

Subp. 7b. **Cosigner.** "Cosigner" means an individual under part 4850.0026.

Subp. 8. **Cost of attendance.** "Cost of attendance" includes:

A. tuition and fees charged for the loan period;

B. room and board charged for the loan period, or a reasonable allowance as determined by the school, for off-campus living; and

C. a reasonable allowance as determined by the school for books, supplies, transportation, and personal expenses.

Subp. 9. **Creditworthy.** "Creditworthy" refers to an individual who, based on either information provided by a national credit bureau or information available to the office, has:

A. no account balances discharged through bankruptcy;

B. no garnishments, attachments, foreclosure, repossession, or suit;

C. as listed on the individual's credit report:

(1) a total debt greater than \$300, with no more than \$300 of combined debt charged-off or that represents a tax or mechanic's lien; or

(2) a total debt of \$300 or less, with no single charged-off debt or tax or mechanic's lien;

D. no more than five percent of total credit bureau balances past due, unless the amount past due is \$300 or less;

E. no defaulted loan or SELF Refi Loan with the office that has not been satisfied in full;

F. no existing loan or SELF Refi Loan that is delinquent or in forbearance with the office when a new loan is approved unless an approved exception has been made for a natural disaster forbearance; and

G. a required credit score if established by the commissioner under part 4850.0013.

Subp. 10. [Repealed, 46 SR 542]

Subp. 11. **Default.** "Default" means the condition that exists if the borrower fails to perform any of the conditions of the promissory note.

Subp. 11a. **Default date.** "Default date" means the date that the loan servicer submits the loan to the office as a default due to failure to comply with the required terms of the promissory note.

Subp. 12. **Delinquency.** "Delinquency" means the condition that exists when a borrower's scheduled payment of principal or interest or both is not received by the commissioner or the office's agent by the due date.

Subp. 12a. [Renumbered subp 7a]

Subp. 13. **Due diligence.** "Due diligence" means the use of practices by the office in making, servicing, and collecting of SELF Loans that are at least as extensive and forceful as those generally practiced by financial institutions for consumer loans.

Subp. 14. **Eligible school.** "Eligible school" means a school that meets the requirements for an eligible institution under Minnesota Statutes, section 136A.155, and either:

A. signs an institutional loan participation agreement with the commissioner that lists the duties and responsibilities of both the school and the commissioner; or

B. is designated by the office as a maintenance-only school. The office shall designate a school as a maintenance-only school if the school participates in the National Student Clearinghouse and the school is not certifying new SELF Loans. Maintenance-only schools allow eligible students, as reported by the National Student Clearinghouse, to continue in the in-school period.

Subp. 15. **Eligible student.** "Eligible student" means a student who:

A. is enrolled in an eligible school in Minnesota, or is a Minnesota resident enrolled in an eligible school in another state or United States territory;

B. is enrolled at least half time in an educational program leading to a certificate, associate, baccalaureate, masters, doctorate, or other professional degree or the completion of prerequisites for a degree;

C. is making satisfactory academic progress;

D. is not currently in default, as defined by each specific federal, state, private, or institutional student loan program, based on the knowledge of either the office or the eligible school;

E. is not currently delinquent in payment of interest or principal on an outstanding SELF or SELF Refi Loan and does not have a forbearance, unless an approved exception has been made for a natural disaster forbearance;

F. has a creditworthy cosigner when the loan is approved;

G. establishes financial eligibility by demonstrating maximum effort; and

H. has agreed to the release of information to a consumer credit reporting agency, according to part 4850.0012, subpart 4.

Subp. 16. **Enrolled.** "Enrolled" means a student has registered for and begun the loan period at the eligible school.

Subp. 16a. [Repealed, 20 SR 2214]

Subp. 17. **Financial aid.** "Financial aid" has the meaning given "estimated financial assistance" in Code of Federal Regulations, title 34, part 682, section 200, paragraph (b).

Subp. 18. **Forbearance.** "Forbearance" means permitting the temporary halt of payments, allowing an extension of time for making payments, or accepting smaller payments than were scheduled.

Subp. 19. **Full-time student.** "Full-time student" means one who is enrolled in an eligible school and who carries a full-time postsecondary level, vocational or academic workload as determined by the eligible school, ending in a certificate or degree.

Subp. 20. **Grade level.** "Grade level" means the relative position of an eligible student in a degree or certificate granting program.

Subp. 21. [Repealed, 46 SR 542]

Subp. 22. **Half time.** "Half time" means enrolled at an eligible school and carrying a half-time academic workload as determined by the eligible school that amounts to at least one-half the workload of a full-time certificate or degree seeking student. In eligible schools utilizing clock hours, half-time enrollment includes programs requiring at least 300 clock hours.

Subp. 23. **In-school period.** "In-school period" means a period that the eligible student is enrolled on at least a half-time basis in an eligible school.

Subp. 24. **Late charge.** "Late charge" means a charge, not to exceed \$20, that is assessed against borrowers each time a payment of principal, interest, or both is not paid to the commissioner within 15 days after the due date.

Subp. 24a. **Loan forgiveness.** "Loan forgiveness" means the obligation of the borrower and the cosigner to repay the SELF Loan is forgiven due to the death or total and permanent disability of the borrower.

Subp. 25. **Loan period.** "Loan period" means the period for which the student receives the loan. The period begins on the first day of class. It must be at least 30 days in length, and must not exceed 12 months. A loan period may be the same as, or a portion of, the academic year. For example, the loan period may be for a single semester, or quarter.

Subp. 26. **Maximum effort.** "Maximum effort" means that a student has applied for and exhausted all eligibility for other forms of financial aid, except work-study and student loans, before applying for a SELF Loan. Financial aid administrators must include any financial aid that has been awarded or is expected to be awarded to the student for the loan period.

Subp. 26a. [Renumbered subp 26c]

Subp. 26b. **Natural disaster forbearance.** "Natural disaster forbearance" means a forbearance made owing to a local-, state-, or federal-declared natural disaster that negatively affects a borrower's or cosigner's ability to safely live at home or to safely work.

Subp. 26c. **Office.** "Office" means the Minnesota Office of Higher Education or its predecessors or successors. [Renumbered from subpart 26a.]

Subp. 26d. **Satisfactory academic progress.** "Satisfactory academic progress" has the meaning given in Minnesota Statutes, section 136A.101, subdivision 10.

Subp. 26e. **SELF Loan or loan.** "SELF Loan" or "loan" means a loan issued under this chapter and does not include SELF Refi Loan.

Subp. 26f. **SELF Refi Loan.** "SELF Refi Loan" means a loan issued by the office to refinance an educational loan.

Subp. 27. [Repealed, 32 SR 2268]

Subp. 28. [Repealed, 26 SR 1333]

Subp. 28a. [Repealed, 46 SR 542]

Subp. 28b. [Repealed, 46 SR 542]

Subp. 28c. [Repealed, 46 SR 542]

Subp. 28d. [Repealed, 46 SR 542]

Subp. 28e. **Temporary total disability.** "Temporary total disability" means a disability certified according to part 4850.0027, subpart 1, and resulting from:

- A. an injury or illness;
- B. an unforeseeable condition that existed when the loan was fully disbursed; or
- C. a condition that:
 - (1) existed before the loan was disbursed;
 - (2) had an anticipated long-term progression; and
 - (3) then had an unanticipated rapid progression after the loan was fully disbursed.

Subp. 28f. **Total and permanent disability.** "Total and permanent disability" means a disability certified according to part 4850.0027, subpart 2, and resulting from:

- A. an injury or illness;
- B. an unforeseeable condition that existed when the loan was fully disbursed; or
- C. a condition that:
 - (1) existed before the loan was disbursed;
 - (2) had an anticipated long-term progression; and
 - (3) then had an unanticipated rapid progression after the loan was fully disbursed.

Subp. 29. **Transition period.** "Transition period" means a 12-month period following the end of an in-school period.

Subp. 30. [Repealed, 46 SR 542]

Statutory Authority: *MS s 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.1701; 136A.234*

History: *10 SR 1852; 13 SR 128; 15 SR 1780; 18 SR 1848; L 1995 c 212 art 3 s 59; 20 SR 2214; 26 SR 1333; L 2005 c 107 art 2 s 60; 32 SR 2268; 35 SR 1092; L 2013 c 99 art 2 s 29; L 2014 c 149 s 75; L 2016 c 119 s 7; 43 SR 831; 46 SR 542*

Published Electronically: *October 26, 2021*