

4850.0012 SCHOOL AGREEMENTS AND STUDENT APPLICATIONS.**Subpart 1. Institutional loan participation agreement.**

A. For an eligible school to certify new SELF Loans, the eligible school and the commissioner must sign a loan participation agreement that:

(1) states the eligible school's responsibility for certifying and delivering loans to students; and

(2) names a representative of the eligible school responsible for administering the agreement.

B. For purposes of this subpart, "certifying" means an eligible school:

(1) verifies and documents the borrower's identity, eligible enrollment, satisfactory academic progress, loan period, and associated cost of attendance and financial aid for the loan period;

(2) determines that the borrower has demonstrated maximum effort; and

(3) calculates the maximum allowable SELF Loan eligibility and recommends a specific loan amount.

C. If a school finds that a borrower is in default of an existing SELF Loan, the school must not certify a new SELF Loan for the borrower. When determining whether a borrower is in default, the school may rely on written, verbal, or electronic information available to the school.

Subp. 2. Termination. The commissioner may terminate the agreement for participation in the SELF program under Minnesota Statutes, section 136A.1701, with an eligible school upon determining:

A. the school is not complying with this chapter; or

B. loans originated at the school that go into default exceed the guidelines established in the SELF Loan Operations Manual.

Termination can also occur in accordance with the terms of the Institutional Loan Participation Agreement.

All obligations of the school under the agreement shall continue in full force and effect with respect to all SELF Loans then outstanding to students of the school. The termination of an agreement with a school shall be made pursuant to parts 4830.0140 and 4830.0150.

Subp. 3. Application and promissory note. The student shall follow the appropriate SELF application process used at the eligible school. If the commissioner rejects the loan application, the applicant and the cosigner must be advised in writing of the decision and the reasons for the rejection.

Subp. 4. Release of information. The following information about the borrower and cosigner will be periodically released to a consumer credit reporting agency throughout the life of the loan:

- A. the lender-assigned borrower identification number, if any;
- B. the name and address of borrower;
- C. the name and address of cosigner;
- D. the date the account is opened;
- E. the outstanding account balance;
- F. the dollar amount past due;
- G. the number of payments past due;
- H. the type of account;
- I. the responsibility for the account; and
- J. the status or remarks code.

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

History: *10 SR 1852; 15 SR 1780; 17 SR 1279; 18 SR 1848; 20 SR 2214; 24 SR 389; 32 SR 2268; 35 SR 1092; L 2013 c 99 art 2 s 29; 43 SR 831; 46 SR 542*

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