

4850.0014 AMOUNT AND TERMS.

Subpart 1. **Loan amounts.** The minimum SELF loan amount is \$500.

Subp. 2. **Multiple loans at the same grade level.** A student may borrow up to the maximum amount twice in the same grade level, as long as:

A. a total of seven months elapses from the beginning of the first loan period to the beginning of the second loan period;

B. the cumulative SELF loan debt maximum for that grade level is not exceeded; and

C. the amount approved is at least \$500.

Subp. 3. **Interest rate.**

A. For SELF II loans, the interest rate on the loan will be determined by the commissioner at a margin in excess of the SELF II index rate as defined under part 4850.0011, subpart 28a. If the index rate increases or decreases, the interest rate on the loan automatically increases or decreases on the same day without notice to the borrower. The interest rate on the loan cannot increase or decrease more than two percentage points over any four consecutive calendar quarters exclusive of any individual loan interest rate reductions and reinstatements resulting from the application of benefit programs for military, on-time payments and automated payments or other program interest rate reductions. The commissioner shall set the margin to reflect the costs of the SELF program. If the commissioner determines that the margin does not reflect the costs of the SELF program, the commissioner must increase or decrease the margin. The commissioner shall advise borrowers of changes in the margin.

B. For SELF III and SELF IV loans, the interest rate on the loan will be determined by the commissioner at a margin in excess of SELF III and SELF IV index rates, as defined under part 4850.0011, subparts 28b and 28c. The interest rate on the loan cannot increase or decrease more than three percentage points over any four consecutive calendar quarters exclusive of any individual loan interest rate reductions and reinstatements resulting from the application of benefit programs for military, on-time payments and automated payments or other program interest rate reductions. The commissioner shall set the margin to reflect the costs of the SELF program. If the commissioner determines that the margin does not reflect the costs of the SELF program, the commissioner must increase or decrease the margin.

C. For SELF V loans, the interest rate on the loan will be a fixed rate, a maximum rate provided in the promissory note, or a rate determined by the commissioner at a margin in excess of SELF V index rates, as defined under part 4850.0011, subpart 28d. The interest rate on the loan cannot increase or decrease more than three percentage points over any four consecutive calendar quarters exclusive of any individual loan interest rate reductions and

reinstatements resulting from the application of benefit programs for military, on-time and automated payments, or other program interest rate reductions. The commissioner shall set the margin to reflect the costs of the SELF program. If the commissioner determines that the margin does not reflect the costs of the SELF program, the commissioner must increase or decrease the margin.

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; 20 SR 2214; 22 SR 1369; 24 SR 389; 26 SR 1333; 32 SR 2268; 35 SR 1092; L 2013 c 99 art 2 s 29*

Published Electronically: *July 1, 2013*