

**4850.0015 LOAN DISBURSEMENTS.**

Subpart 1. **Disbursement scheduling.** An eligible school may receive loan disbursements through an electronic funds transfer or by individual check. 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 commissioner requires or the school suggests other more appropriate dates.

**Subp. 2. Disbursing loan proceeds.**

A. Before disbursing the loan proceeds, an eligible school must verify the student's registration or enrollment at the school and that the student meets the school's satisfactory academic progress requirements. If the loan proceeds are in the form of an individual check:

- (1) both the school and the student must endorse the check;
  - (2) the school must credit the check to the student's financial account with the school;
- and
- (3) if the student is owed a credit balance and the school does not automatically refund the balance, the school must get the student's written instructions for holding or disbursing the balance or both.

**B. The school:**

- (1) may hold the loan proceeds until the student returns if the student is:
  - (a) on a school-approved leave of absence when the loan proceeds are received from the office; and
  - (b) scheduled to return within 30 days from the check date or date of the electronic funds transfer; or
- (2) must return the loan proceeds to the office if the student is not scheduled to return according to subitem (1), unit (b).

Subp. 3. [Repealed, 46 SR 542]

Subp. 4. [Repealed, 46 SR 542]

Subp. 5. **Disbursing directly to borrower.** The office must send the check directly payable to the borrower if:

- A. the eligible school is unable to disburse the check according to this part; and
- B. the student is owed a credit balance.

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

**History:** *10 SR 1852; 15 SR 1780; 20 SR 2214; 22 SR 1369; 35 SR 1092; L 2013 c 99 art 2  
s 29; 46 SR 542*

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