

**4850.0017 REPAYMENT PROCEDURES.**

Borrowers or cosigners must make payments of principal and interest according to this part.

A. During an in-school period, the office or its agent shall bill borrowers a minimum amount due as required by the terms of the promissory note and applicable late charges at least once during each calendar quarter.

B. During a transition period, the office or its agent shall bill borrowers a minimum amount due as required by the terms of the promissory note and applicable late charges once during each calendar month.

C. During the repayment period, the office or its agent shall bill borrowers for interest, applicable late charges, and principal once during each calendar month. The interest rate may vary throughout the period, according to the promissory note. The sum of the monthly payments must equal the sum of interest plus principal, plus any applicable late charges. Except for income-driven repayment under item D, the borrower must pay a total of at least \$600 each year on all of the borrower's SELF Loans.

D. Income-driven repayment is permitted under any program that offers it.

E. Capitalization of interest is permitted when there is delinquent interest, deferred interest, a forbearance, or a natural disaster forbearance.

F. A prepayment penalty must not be assessed against borrowers who elect to make unscheduled payments of loan principal.

G. The commissioner must grant a forbearance or natural disaster forbearance when the borrower is unable to make payment and has not exhausted the permitted number of occurrences and upon receiving a written request from the borrower and the cosigner. The commissioner must waive the requirement for signatures from both the borrower and the cosigner when there is no current contact information for one of the parties or an affidavit or police report documents an adversarial relationship between the parties. A forbearance must not be longer than four months, but the forbearance is renewable for an additional four months upon the commissioner receiving another written request. The commissioner must set the length for any natural disaster forbearance.

H. If there is a peacetime public health emergency or a local-, state-, or federal-declared natural disaster, the commissioner is authorized to forego the requirement for a written request applicable to all borrowers under item G.

I. Upon request, the commissioner shall provide borrowers and cosigners with an annual statement of outstanding principal and interest paid during the previous calendar year.

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

**History:** *10 SR 1852; 11 SR 1276; 13 SR 128; 15 SR 1780; 18 SR 1848; L 1995 c 212 art 3 s 59; 20 SR 2214; 26 SR 1333; 35 SR 1092; L 2013 c 99 art 2 s 29; 43 SR 831; 46 SR 542*

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