

4850.0021 NONACCRUAL OF INTEREST PERIOD DURING A TEMPORARY TOTAL DISABILITY.

A borrower who has a temporary total disability shall be granted a period of nonaccrual of interest upon written request to the office, effective the date the temporary total disability documentation is approved and accepted by the office, if the office determines that the borrower has a temporary total disability and if the temporary total disability of the borrower occurred after all disbursements of the loan were made. Interest does not accrue during an approved nonaccrual of interest period and no payments will be required to be made during this time. A nonaccrual of interest period may be granted for up to one year at a time with a maximum of no more than three years. Extensions may be requested after the end of each approved period of nonaccrual of interest. Updated medical information is required of the borrower for each extension request. If at any time during a nonaccrual of interest period the borrower qualifies for loan forgiveness due to total and permanent disability status, the borrower may submit the required medical documentation to the office for review. At the end of the nonaccrual of interest period the borrower must resume payments at an amount necessary to repay the loan in the time period required by the promissory note unless a payment extension agreement has been entered into with the office.

Statutory Authority: *MS s 136A.16*

History: *32 SR 2268*

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