

Chapter 131-36 WAC

INSTITUTIONAL FINANCIAL AID FUND

WAC

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WAC 131-36-010 Purpose and intent. (1) The purpose of chapter 131-36 WAC is to implement the institutional financial aid fund established by RCW 28B.15.820.

(2) It is the intent of this chapter to provide for a financial aid program that will be operational in all Washington community and technical colleges.

(3) Each community college and technical college shall deposit a minimum of three and one-half percent of revenues collected from tuition and services and activities fees in to the institutional financial aid fund.

(4) These funds shall be used in addition to and not to replace institutional funds that would otherwise support locally administered financial aid programs.

[Statutory Authority: Chapter 28B.50 RCW. 98-15-012, § 131-36-010, filed 7/2/98, effective 8/2/98. Statutory Authority: 1981 c 257. 81-19-113 (Order 90, Resolution 81-66), § 131-36-010, filed 9/23/81.]

WAC 131-36-050 Definitions. For the purposes of chapter 131-36 WAC, the following definitions shall apply:

(1) "Fund" shall mean the institutional financial aid fund established by RCW 28B.15.820.

(2) "Current federal methodology" shall mean the method of determining financial need as prescribed by the United States Department of Education.

(3) "NELA" shall mean Northwestern Education Loan Association, a private student loan guaranteeing association authorized to guarantee educational loans in Washington granted pursuant to 20 U.S. Code Section 1071.

(4) "Operational" shall mean that the institution has been approved as a lender and is eligible to provide loans guaranteed by NELA.

(5) "Needy student" is defined in RCW 28B.92.030(3).

(6) "Other institutional financial aid" shall be defined as locally administered, need-based institutional employment, tuition and fee scholarships, or grants.

[Statutory Authority: RCW 28B.15.820. 09-06-046, § 131-36-050, filed 2/25/09, effective 3/28/09. Statutory Authority: Chapter 28B.50 RCW. 98-15-012, § 131-36-050, filed 7/2/98, effective 8/2/98. Statutory Authority: 1981 c 257. 81-19-113 (Order 90, Resolution 81-66), § 131-36-050, filed 9/23/81.]

WAC 131-36-055 Use of fund. Moneys in this fund shall be used for student financial aid:

- (1) Long-term loans;
- (2) Short-term loans; or

(2/25/09)

(3) Locally administered need-based grants, tuition scholarships and institutional employment programs for needy, resident students. The moneys in this fund shall not be used for college operating expenses.

[Statutory Authority: RCW 28B.15.820. 09-06-046, § 131-36-055, filed 2/25/09, effective 3/28/09. Statutory Authority: Chapter 28B.50 RCW. 98-15-012, § 131-36-055, filed 7/2/98, effective 8/2/98.]

WAC 131-36-100 Eligibility. (1) Long-term loans and other institutional financial aid to needy students shall be made only to students who qualify as residents under RCW 28B.15.012 and 28B.15.013 and are enrolled for at least three credit hours of instruction or the equivalent.

(2) Priorities for use of other institutional financial aid shall be given to:

(a) Needy students who have accumulated excessive educational loan burdens;

(b) Needy single parents for educational expenses, including child care and transportation; and

(c) Other eligible needy students.

(3) Short-term loans may be made to any student enrolled in the institution.

(4) For long-term and short-term loans, institutions must have ample evidence that students have the capability of repaying the loan within the time frame specified by the institution.

(5) No individual shall be eligible for long-term loans, short-term loans or other institutional financial aid for needy students if currently in default or delinquent in the payment on any educational loan or who owes a repayment on any federal or state grant.

[Statutory Authority: RCW 28B.15.820. 09-06-046, § 131-36-100, filed 2/25/09, effective 3/28/09. Statutory Authority: Chapter 28B.50 RCW. 98-15-012, § 131-36-100, filed 7/2/98, effective 8/2/98. Statutory Authority: 1981 c 257. 81-19-113 (Order 90, Resolution 81-66), § 131-36-100, filed 9/23/81.]

WAC 131-36-150 Limitation on amount. (1) No long-term or short-term loan shall be made from the fund that exceeds either the demonstrated financial need of an eligible student or the maximum allowed under the federal guaranteed need-based loan program.

(2) All long-term loans granted from the fund for periods in excess of one academic quarter shall be disbursed in quarterly installments through proration of the total loan amount.

(3) For purposes of this section, demonstrated financial need shall be the amount determined by application of uniform methodology as defined by WAC 131-36-050(2).

[Statutory Authority: RCW 28B.15.820. 09-06-046, § 131-36-150, filed 2/25/09, effective 3/28/09. Statutory Authority: Chapter 28B.50 RCW. 98-15-012, § 131-36-150, filed 7/2/98, effective 8/2/98. Statutory Authority: 1981 c 257. 81-19-113 (Order 90, Resolution 81-66), § 131-36-150, filed 9/23/81.]

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WAC 131-36-200 Terms and conditions of loans. (1)

The terms and conditions of long-term loans made from the fund, including, but not limited to, maximum annual loan amount, maximum aggregate loan amount, loan initiation fee, guarantee fee, repayment, cancellation, consolidation of loans, deferment, default, and forbearance shall be the same as those set forth by the federal need-based guaranteed student loan regulations.

(2) All long-term loans granted from the fund for periods in excess of one academic quarter shall be disbursed in quarterly installments through proration of the total loan amount.

(3) For short-term loans only, students must repay in one year.

[Statutory Authority: Chapter 28B.50 RCW. 98-15-012, § 131-36-200, filed 7/2/98, effective 8/2/98. Statutory Authority: 1981 c 257. 81-19-113 (Order 90, Resolution 81-66), § 131-36-200, filed 9/23/81.]

WAC 131-36-250 Initiating, servicing, and collecting

loans. (1) Community colleges shall utilize the loan collecting and servicing agency designated by the state director for community and technical colleges and the NELA.

(2) The state director of community and technical colleges shall determine and designate on behalf of the state board an appropriate entity to conduct servicing and collection activities with regard to loans made from the fund.

(3) The state director of community and technical colleges shall, when (s)he determines that it is in the best interest of the college system, determine and designate on behalf of the state board an appropriate entity to perform loan initiation activities and transaction reporting regarding loans made from the fund.

(4) Subsequent to granting loans from the fund each college shall cooperate with the NELA and the servicing and collection agency through informing students of their rights and responsibilities regarding such loans; timely provision of student status verification information and information pertaining to determinations of default, forbearance, and deferment of loans; consolidation of loans; and records maintenance.

[Statutory Authority: Chapter 28B.50 RCW. 98-15-012, § 131-36-250, filed 7/2/98, effective 8/2/98. Statutory Authority: 1981 c 257. 81-19-113 (Order 90, Resolution 81-66), § 131-36-250, filed 9/23/81.]

WAC 131-36-300 Investment of fund principal. (1)

Moneys in the fund not committed to long-term loans may be invested by each college.

(2) Colleges shall comply with all laws or regulations regarding the investment of state funds.

(3) Interest earned through such investments shall be credited to the fund.

[Statutory Authority: Chapter 28B.50 RCW. 98-15-012, § 131-36-300, filed 7/2/98, effective 8/2/98. Statutory Authority: 1981 c 257. 81-19-113 (Order 90, Resolution 81-66), § 131-36-300, filed 9/23/81.]