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RULES
OF GOVERNMENTAL
AGENCIES



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NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: General Provisions
- 2) Code Citation: 23 Ill. Adm. Code 2700
- 3)

<u>Section Numbers</u> :	<u>Proposed Action</u> :
2700.15	Amend
2700.20	Amend
2700.30	Amend
2700.40	Amend
- 4) Statutory Authority: Implementing the Higher Education Student Assistance Act [110 ILCS 947]; Title IV of the Higher Education Act of 1965, as amended (20 USC 1070 et seq., as amended by P.L. 105-244); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)]
- 5) A Complete Description of the Subjects and Issues Involved: The amendments proposed for this Part provide clarifications that are necessitated by federal statutory and regulatory changes impacting the definitions of co-maker and default status and eligibility for guaranteed student loans. The other amendments proposed are updates to federal regulatory citations.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace any emergency rulemaking currently in effect?
No
- 8) Does this proposed rulemaking contain an automatic repeal date? No
- 9) Does this proposed rulemaking contain incorporations by reference? No
- 10) Are there any other amendments pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

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- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:

Lynn Hynes
Agency Rules Coordinator
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield IL 60015

847/948-8500
email: lhynes@isac.org

Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not for profit corporations affected: None
- B) Reporting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2010

The full text of the Proposed Amendments begins on the following page:

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NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSIONPART 2700
GENERAL PROVISIONS

Section

2700.10	Summary and Purpose
2700.15	Incorporations by Reference
2700.20	Definitions
2700.30	General Institutional Eligibility Requirements
2700.40	General Applicant Eligibility Requirements
2700.50	Determining Applicant Eligibility
2700.55	Use, Security and Confidentiality of Data
2700.60	Audits and Investigations
2700.70	Appeal Procedures
2700.80	Contractual Agreement Requirements

AUTHORITY: Implementing the Higher Education Student Assistance Act [110 ILCS 947]; Title IV of the Higher Education Act of 1965, as amended (20 USC 1070 et seq., as amended by P.L. 105-244); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

SOURCE: Adopted at 9 Ill. Reg. 20783, effective January 1, 1986; amended at 11 Ill. Reg. 3167, effective January 29, 1987; amended at 11 Ill. Reg. 14099, effective August 10, 1987; amended at 12 Ill. Reg. 11510, effective July 1, 1988; amended at 13 Ill. Reg. 8626, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1700 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2700 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17854; amended at 14 Ill. Reg. 10538, effective July 1, 1990; amended at 16 Ill. Reg. 11206, effective July 1, 1992; amended at 17 Ill. Reg. 10541, effective July 1, 1993; amended at 18 Ill. Reg. 10282, effective July 1, 1994; amended at 19 Ill. Reg. 8343, effective July 1, 1995; amended at 20 Ill. Reg. 9170, effective July 1, 1996; amended at 21 Ill. Reg. 11066, effective July 18, 1997; amended at 22 Ill. Reg. 11072, effective July 1, 1998; amended at 23 Ill. Reg. 7550, effective July 1, 1999; amended at 24 Ill. Reg. 9121, effective July 1, 2000; amended at 25 Ill. Reg. 8383, effective July 1, 2001; amended at 26 Ill. Reg. 9980, effective July 1, 2002; amended at 27 Ill. Reg. 10320, effective July 1, 2003; amended at 29 Ill. Reg. 9884, effective July 1, 2005; amended at 30 Ill. Reg. 11600, effective July 1, 2006; amended at 31 Ill. Reg. 9478, effective July 1, 2007; amended at 32 Ill. Reg.

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10269, effective July 1, 2008; amended at 33 Ill. Reg. 9742, effective July 1, 2009; amended at 34 Ill. Reg. _____, effective _____.

Section 2700.15 Incorporations by Reference

- a) The Commission incorporates by reference 34 CFR 85, 237, 600, 653, 668, 674, 675, 676, 682 and 690 (~~October 2009~~)(~~July 1, 2008~~). No incorporation by reference in this Section includes any later amendment or edition beyond the date stated. The Code of Federal Regulations is available online at: www.gpoaccess.gov.
- b) Copies of the appropriate material are available for inspection at the Illinois Student Assistance Commission offices at:

1755 Lake Cook Road, Deerfield IL 60015-5209

500 West Monroe, Springfield IL 62704-1876

100 West Randolph, Suite 3-200, Chicago IL 60601-3219

(Source: Amended at 34 Ill. Reg. _____, effective _____)

Section 2700.20 Definitions

"Academic Level" – The classification of a student as a freshman, sophomore, junior, senior, or graduate student.

"Academic Year" – In relation to scholarship and grant programs, a twelve month period of time, normally from August or September of any year through August or September of the ensuing year. In relation to the Federal Family Education Loan Program, academic year is defined at ~~section~~Section 481(d)(2) of the Higher Education Act of 1965, as amended (HEA), and at 34 CFR 668.3.

"Alternative Loan" – Any educational loan made or purchased by ISAC other than a loan made pursuant to Title IV of the Higher Education Act of 1965, as amended (20 USC 1071 et seq.), or any other federal statute providing for federal insurance of education loans to borrowers.

"Applicant" – Any individual who requests ISAC consideration for a scholarship,

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grant, tuition waiver, or guaranteed or alternative loan.

"Approved High School" – *Any public high school located in this State; and any high school, located in this State or elsewhere (whether designated as a high school, secondary school, academy, preparatory school, or otherwise) which in the judgment of the State Superintendent of Education provides a course of instruction at the secondary level and maintains standards of instruction substantially the equivalent of those public high schools located in this State.* (Section 10 of the Higher Education Student Assistance Act [110 ILCS 947/10])

"Armed Forces" – The United States Army, Air Force, Navy, Marines and Coast Guard.

"Blanket Certificate of Loan Guaranty" – A process that permits an eligible lender to make loans without receiving prior approval from ISAC for individual loans to eligible borrowers enrolled in eligible programs at eligible institutions, as authorized by ~~section~~[Section](#) 428(n) of the HEA.

"Chargeback" – Payment of tuition by the community college district of a student's residence to the community college district of a student's attendance. (See 110 ILCS 805/6-2.)

"Citizen" – One who, under the Constitution and laws of the United States, is a native-born or naturalized citizen of the United States of America.

"College Savings Bond" – A State of Illinois general obligation, zero coupon bond, issued pursuant to the Baccalaureate Savings Act as a long-term education savings instrument.

"Co-maker" – One of the two individuals who are joint borrowers either on a Federal PLUS Loan ([parent borrowers](#)) that was certified prior to January 1, 1995 or on any Federal Consolidation loan ([married borrowers](#)) and who are equally liable for repayment of the loan. (See 34 CFR 682.200.)

"Commission" – The ten member Illinois Student Assistance Commission created by Section 15 of the Higher Education Student Assistance Act [110 ILCS 947/15].

"Compound Accreted Value" – An amount equal to the original amount plus an

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investment return accrued to the date of determination at a semiannual compounding rate that is necessary to produce the yield at maturity indicated on the Official Statement that was issued when the college savings bonds were sold. The "Compound Accreted Value at Maturity" will be equal to \$5000 or an integral multiple thereof.

"Concurrent Registration" – The simultaneous enrollment at two or more institutions.

"Consolidation" – A federal program under which a borrower may receive a single new loan that refinances one or more outstanding qualified education loans under new terms and conditions, as authorized by [sectionSection](#) 428C of the HEA.

"Contractual Agreement" – The written agreement between an eligible institution and a school or organization that is not eligible for participation in ISAC-administered programs whereby the non-eligible institution provides part of the education program of students enrolled at the eligible institution, as codified in Section 2700.80. A contractual agreement differs from a consortium agreement, which is an agreement among two or more eligible institutions only.

"Correctional Officer" – An employee of the Illinois Department of Corrections (DOC) who is assigned to a security position with the Department, and who has responsibility for inmates of any correctional institution under the jurisdiction of the Department.

"Correspondence Course" – A home study course provided by an institution under which the institution provides instructional materials, including examinations on the materials, to students who are not physically attending classes at the institution, as defined at 34 CFR 600.2.

"Co-signer" – A person who is secondarily liable for the repayment of an Alternative Loan.

"Cost of Attendance" – For the purposes of ISAC's rules, this term is defined at [sectionSection](#) 472 of the [HEAHigher Education Act of 1965, as amended](#) (20 USC 1087*l*).

"Cumulative Grade Point Average" – The average grade earned throughout a

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student's applicable secondary or postsecondary educational program. The calculation shall be consistent with the institution's established policy or practice and shall be the same as that completed for admission, placement or other similar purposes.

"Default Status" – The failure of a borrower or endorser (if any) to make an installment payment when due or to meet other terms of the promissory note as defined at 34 CFR 682.200.

"Delinquency" – For the purposes of ISAC's rules, this term is defined at 34 CFR 682.411(b).

"Dependent Student" – A scholarship, loan, tuition waiver or grant applicant or recipient who is not classified as an independent student.

"Disbursement" – In relation to scholarship and grant programs, a disbursement occurs on the payment voucher date. In relation to the Federal Family Education Loan Program, disbursement is the process of transferring loan proceeds as defined at 34 CFR 682.200.

"Distance Education" – A learning and teaching mode characterized by the separation of place or time between instructor and student, which includes programs and courses offered by correspondence and telecommunications.

"ED" – The acronym for the United States Department of Education.

"Educational Institution" – Unless otherwise qualified, any secondary or postsecondary educational organization that enrolls students who participate in ISAC programs.

"Educational Lender" – An institution that meets the lender eligibility criteria outlined in 23 Ill. Adm. Code 2720.25 for FFELP Loans and 2721.40 for alternative loans.

"EFT" – The acronym for electronic funds transfer.

"Eligible Noncitizen" – A noncitizen who is eligible for federal student assistance pursuant to ~~section~~Section 484 of the HEA~~Higher Education Act of 1965, as amended.~~ (See 20 USC 1091-).

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"Endorser" – A person who is secondarily liable for the repayment of a Federal PLUS Loan obligation ([34 CFR 682.200](#)).

"Enrolled" – The status of a student who has completed the institution's registration requirements and is attending classes.

"Executive Director" – The chief executive officer of ISAC.

"Expected Family Contribution" – The amount the student and the student's family may be reasonably expected to contribute toward the student's postsecondary education. Expected Family Contribution is defined at [sectionSection 474 of the Higher Education Act \(HEA\) of 1965, as amended.](#) (See 20 USC 1087nn-).

"FAFSA" – The acronym for the Free Application for Federal Student Aid.

"FAFSA Receipt Date" – The date reported by ED's processor as the date upon which it receives an applicant's initial FAFSA for an academic year. For paper FAFSA's sent through the U.S. Postal Service, this is the date of physical receipt at the processor, not the postmark date.

"Federal Regulations" – Refers to regulations promulgated by ED and codified at 34 CFR 600 et seq.

"FFELP" – The acronym for the Federal Family Education Loan Program, as authorized by [sectionSection 421 of the HEAHigher Education Act, as amended,](#) including subsidized and unsubsidized Federal Stafford Loans, Federal PLUS Loans, Federal SLS Loans and Federal Consolidation Loans.

"Fire Officer" – For the purposes of ISAC's rules, this term means a firefighter who is employed by, or in the voluntary service of, this State or any public entity in this State.

"Foreign Missionary" – An individual who is assigned duty outside of the United States by an organization that engages in educational, philanthropic, humanitarian or altruistic works. The missionary organization must be exempt from the payment of federal taxes and must have been engaged in placing foreign missionaries for at least five years. Examples of such missionary organizations

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include, but are not limited to, the following: Peace Corps, Evangelical Alliance Mission, etc.

"Full-time Student" – In relation to scholarship and grant programs, an individual enrolled for twelve or more credit hours, for either a semester or quarter term. In relation to the Federal Family Educational Loan Program, full-time student is defined at 34 CFR 668.2.

"Gift Assistance" – Student assistance funds in the form of a scholarship, grant or tuition waiver, including, but not limited to, federal, State, institutional and private aid.

"Golden Apple Scholars of Illinois" – A private, not-for-profit program under the auspices of the Golden Apple Foundation that recruits, prepares and provides financial assistance to high school graduates to pursue postsecondary education for careers as teachers for particular Illinois schools.

"Good Moral Character" – An applicant is of good moral character if the applicant will benefit from postsecondary instruction and is allowed to enroll at an approved postsecondary institution.

"Graduating Class" – The students who will complete the high school's program of instruction and graduate within an academic year.

"Guaranteed Loan" – Loan assistance through the Federal Family Education Loan Program (FFELP) that includes the subsidized and unsubsidized Federal Stafford Loan, the Federal PLUS Loan, the Federal Supplemental Loans for Students (SLS), and the Federal Consolidation Loan programs.

"HEA" – The acronym for the Higher Education Act of 1965, as amended, and codified at 20 USC 1070 et seq.

"Half-time Student" – In relation to scholarship and grant programs, an individual enrolled for six or more credit hours (but fewer than ~~12~~^{twelve} credit hours) for either a semester or quarter term. In relation to the Federal Family Education Loan Program, half-time student is defined at 34 CFR 668.2.

"Holder" – An organization authorized by ED and ISAC to purchase or retain possession of guaranteed loans. These organizations operate as commercial and

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educational lenders or secondary markets and may purchase ISAC-guaranteed loans from approved lenders.

"IBHE" – The acronym for the Illinois Board of Higher Education, the administrative agency created by the Board of Higher Education Act [110 ILCS 947/205].

"IDAPP" – The acronym for ISAC's Illinois Designated Account Purchase Program as authorized by the Education Loan Purchase Program Law [110 ILCS 947/125 through 170].

"Independent Student" – For the purposes of ISAC's rules, an independent student is defined by ~~section~~Section 480 of the ~~HEA~~Higher Education Act of 1965, as amended by P.L. 110-84. (See 20 USC 1087vv).

"Institution" – Unless otherwise qualified, any secondary or postsecondary educational organization that enrolls students who participate in ISAC programs.

"Institution of Higher Learning" – An educational organization whose main campus is physically located in Illinois that:

provides at least a two-year program of collegiate study in liberal arts or sciences, or associate degree or both, directly applicable toward the attainment of a baccalaureate degree, or, a program in health education directly applicable toward the attainment of a certificate, diploma, or an associate degree; and

is operated:

by the State; or

publicly or privately, not for profit; or

for profit, provided it:

offers degree programs that have been approved by the IBHE for a minimum of three years under the Academic Degree Act; and

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enrolls a majority of its students in these degree programs;
and

maintains accredited status with the Higher Learning
Commission of the North Central Association of Colleges
and Schools.

For otherwise eligible educational organizations that provide academic programs for incarcerated students, the term "institution of higher learning" shall specifically exclude academic programs for incarcerated students (Section 10 of the Higher Education Student Assistance Act). For eligible institutions with campuses in multiple states, the term "institution of higher learning" shall include only those campuses located in Illinois.

"Institution of Record" – The postsecondary institution at which a student is enrolled and seeking a degree or certificate. This institution assumes primary responsibility for certification of eligibility for ISAC-administered programs and for requesting payment from ISAC.

"ISAC" – The acronym for the Illinois Student Assistance Commission, the administrative agency created by Section 15 of the Higher Education Student Assistance Act [110 ILCS 947/15] to administer student assistance programs.

"ISBE" – The acronym for the Illinois State Board of Education, the administrative agency created by the School Code [105 ILCS 5].

"Lender" – An organization authorized by ISAC to make educational loans to students.

"Mandatory Fees" – The charges assessed by an institution to each and every full-time student for each term. Application, graduation, laboratory, breakage, add/drop fees, and program administrative fees for out-of-state or foreign study are specifically excluded. For the purposes of ISAC's rules, tuition is not a mandatory fee.

"MAP" – The acronym for the Monetary Award Program administered by ISAC, as authorized by [Section 35 of the Higher Education Student Assistance Act](#) ~~40 ILCS 947/35~~ and codified at 23 Ill. Adm. Code 2735.

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"Master Check" – A single check representing the loan proceeds for more than one borrower.

"Minority Student" – *A student who is either Black (a person having origins in any of the black racial groups in Africa); Hispanic (a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race); Asian American (a person with origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, including Pakistan, and the Pacific Islands, including, among others, Hawaii, Melanesia, Micronesia and Polynesia); or Native American (a person who is a member of a federally or state recognized Indian tribe, or whose parents or grandparents have such membership) and to include the native people of Alaska* (Section 50(a) of the Higher Education Student Assistance Act).

"Parent" – For the purposes of ISAC's rules, this term is defined at 34 CFR 668.2.

"Pell Grant" – A federal gift assistance program administered by ED in accordance with ~~section~~Section 411 of the ~~HEA~~Higher Education Act of 1965, as amended. (See 20 USC 1070a et seq.).

"PLUS" – The federal program that provides loans to graduate students or parents of certain undergraduate students, as authorized by ~~section~~Section 428B of the ~~HEA~~Higher Education Act of 1965, as amended (20 USC 1078-2) and Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/80 through 175].

"Police Officer" – For the purposes of ISAC's rules, this term means a law enforcement officer who is employed by, or in the voluntary service of, this State or any public entity in this State.

"Qualified Applicant" – An individual who meets the eligibility requirements of the gift assistance program for which she/he is applying.

"Regular School Year" – An eight to nine month period of time that includes two semester terms or three quarter terms. The regular school year excludes summer terms. Terms that begin after April 15 and end before September 16 are considered summer terms.

"Remedial Courses" – The course work that prepares a student for study at the

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postsecondary level and is necessary for the student to pursue the eligible postsecondary program.

"Resident of Illinois" –

A dependent student is a resident of Illinois if the parent of the dependent-applicant, who is required by the instructions to complete the Free Application for Federal Student Aid (FAFSA), physically resides within the State of Illinois and Illinois is his or her true, fixed and permanent home.

An independent student is a resident of Illinois if the applicant physically resides within the State of Illinois (at the time of application), and has so resided for a period of 12 continuous, full months immediately prior to the start of the academic year for which assistance is requested and Illinois is his or her true, fixed and permanent home.

When an applicant does not qualify as a resident of Illinois under the preceding two paragraphs and the applicant is a member of the U.S. Armed Forces or a foreign missionary, or is the dependent or the spouse of an individual who is a member of the U.S. Armed Forces or a foreign missionary, then the applicant's residency shall be determined in accordance with the following four paragraphs.

An applicant who is a member of the U.S. Armed Forces will be a resident of Illinois if the applicant physically resided in Illinois immediately prior to entering the U.S. Armed Forces, returned (or plans to return) to Illinois within six months after and including the date of separation and can demonstrate (pursuant to Section 2700.50(f) and (g)) that his/her domicile was the State of Illinois throughout such enlistment.

An applicant who is a foreign missionary will be a resident of Illinois if the applicant physically resided in Illinois for six continuous months immediately prior to entering missionary service, returned (or plans to return) to Illinois within six months after the conclusion of missionary service, and can demonstrate (pursuant to Section 2700.50(f) and (g)) that his/her domicile was the State of Illinois throughout such missionary service.

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The dependent-applicant shall be a resident of Illinois notwithstanding the parents' temporary physical absence from Illinois provided the parents would be a resident of Illinois under the preceding two paragraphs.

The spouse-applicant shall be a resident of Illinois immediately upon physically occupying a dwelling within the State of Illinois provided the applicant can demonstrate that his/her absence from the State was the result of residing with the spouse during enlistment or missionary service outside of Illinois and that the spouse-applicant's domicile continues to be the State of Illinois.

"Rules" – The rules of ISAC codified at 23 Ill. Adm. Code: Subtitle A, Chapter XIX.

"Satisfactory Academic Progress" – An institutional policy that establishes minimum standards of academic performance. For purposes of ISAC-administered programs, the standards must be at least as stringent as those required by ED pursuant to ~~section~~Section 484 of the ~~HEA~~Higher Education Act of 1965, as amended. (See 20 USC 1091-).

"Service Academy" – *The U.S. Air Force Academy, the U.S. Coast Guard Academy, the U.S. Military Academy or the U.S. Naval Academy* (Section 30(a) of the Higher Education Student Assistance Act).

"SLS" – The acronym for the federal Supplemental Loans for Students Program, as authorized by ~~section~~Section 428A of the ~~HEA~~Higher Education Act, as amended (20 USC 1078-1). No SLS loans have been made for periods of enrollment beginning on or after July 1, 1994.

"Special Education" – A postsecondary educational program designed to teach persons how to meet the needs of all children designated as physically disabled, with specific learning disabilities, or requiring extraordinary special education services and facilities. (See 105 ILCS 5/14-1.02 and 7.20a.) These programs prepare persons for meeting the needs of children who exhibit disabilities or exceptional characteristics ranging from very mild to very severe. (See 23 Ill. Adm. Code 226, Special Education.) Such a program prepares a student to teach physically disabled children or children with learning disabilities. (See 105 ILCS 5/14-1.02 and 1.03a.)

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"Stafford" – The federal subsidized and unsubsidized loan programs as authorized by ~~sections~~ Sections 427, 428 and 428H of the ~~HEA~~ Higher Education Act, as amended (20 USC 1078).

"Student Beneficiary" – An individual designated as the recipient of a College Savings Bond Bonus Incentive Grant.

"Teacher Education Program" – An undergraduate postsecondary course of study that, upon completion, qualifies a student to be certified as a pre-school, elementary or secondary teacher by a state board of education or its equivalent (including the Illinois State Board of Education). For a student who has completed less than four semesters/six quarters of postsecondary study, this includes a postsecondary course of study that leads to a teacher education program.

"Teacher Shortage Discipline" – An academic discipline in which a shortage of teachers exists in Illinois, as designated by the Illinois State Board of Education.

"Telecommunications Course" – A course offered principally through the use of television, audio, or computer transmission, including open broadcast, closed circuit, cable microwave, satellite, audio conferencing, computer conferencing, and video cassettes or disks, as defined at 34 CFR 600.2.

"Term" – A unit of time for student attendance, including, but not limited to, a quarter or semester.

"Tuition" – The charge for instruction assessed by an institution.

"Verification" – Procedures implemented by postsecondary institutions to verify the eligibility of applicants. The procedures are established by 34 CFR 668 et seq. and by ISAC's rules.

(Source: Amended at 34 Ill. Reg. _____, effective _____)

Section 2700.30 General Institutional Eligibility Requirements

- a) ISAC Program Participation Agreement
 - 1) All institutions shall execute an ISAC Program Participation Agreement in

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order to participate in ISAC gift assistance programs.

- 2) The ISAC Program Participation Agreement shall identify the ISAC programs under which the institution's students may receive benefits.
 - 3) The ISAC Program Participation Agreement shall include provisions requiring institutions to comply with statutes, federal regulations and State rules.
 - 4) The ISAC Program Participation Agreement may be modified or terminated in accordance with 23 Ill. Adm. Code 2790, Limitation, Suspension or Termination Proceedings.
- b) With respect to ISAC student assistance programs, institutions shall develop and maintain procedures to verify the consistency and accuracy of information received from their enrolled recipients.
 - c) Institutions shall be subject to possible limitation, suspension or termination of eligibility for failure to comply with statutes, regulations, rules or procedures and for failure to maintain the standards required by this Section for initial participation. (See 23 Ill. Adm. Code 2790.)
 - d) Postsecondary institutions that participate in gift assistance programs shall annually submit to ISAC a copy of their tuition refund policy. Such submissions shall not be considered ISAC approval of such policies.
 - e) Postsecondary institutions that participate in gift assistance programs shall annually report their tuition and fee charges, as well as initial MAP advance payment requests, to ISAC on or before June 1 preceding each academic year.
 - 1) Failure to report any cost changes by the deadline will cause the prior year's charges to be used as part of the calculation process for gift assistance benefits. Failure to report the assessment of a fee charge by the deadline will result in that fee charge being ineligible for payment under ISAC gift assistance programs.
 - 2) The report shall match specific fee charges with the gift assistance programs that may finance the fee. Such categorizations by the institution shall not be considered ISAC approval.

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- 3) The Illinois National Guard Grant and the Illinois Veteran Grant (IVG) Programs may finance only a portion of certain fee charges. (See 23 Ill. Adm. Code 2730.30(a) and 2733.30(e).)
 - A) Example: One fee finances both tuition and text book expenses. Only the portion of the fee that is attributable to tuition expenses may be financed with program benefits.
 - B) Institutions with such a fee shall certify what percentage of the fee is eligible to be financed with program benefits. Certification shall be performed by the institution's chief fiscal officer.
- f) Institutions shall submit additional reports, data and information to ISAC as may be requested. These inquiries include, but are not limited to, surveys, enrollment confirmations and evaluation instruments.
- g) Additional institutional eligibility requirements are contained in subsequent Parts of ISAC's rules.
- h) Postsecondary institutions may apply to participate in ISAC-guaranteed loan programs in accordance with 23 Ill. Adm. Code 2720.
- i) Postsecondary institutions may apply to participate in ISAC gift assistance programs in accordance with this subsection.
 - 1) The Commission approves participation in ISAC gift assistance programs for an institution rather than for specific academic programs within an institution.
 - 2) Prior to applying for participation in ISAC gift assistance programs, the institutional applicant must have authority to operate a postsecondary institution in Illinois. (See 23 Ill. Adm. Code 1030.)
 - 3) Institutional applicants that are fully accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools and have degree-granting authority may be approved to participate in ISAC gift assistance programs provided the institution meets and maintains the requirements of subsections (i)(4)(C) and (D).

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- 4) Public or private not for profit institutional applicants that do not meet the requirements of subsection (i)(3) may be approved to participate in ISAC gift assistance programs if the institution has:
 - A) obtained candidate status for the Higher Learning Commission of the North Central Association of Colleges and Schools accreditation.
 - B) applied for and is seeking degree-granting authority.
 - C) obtained at least three letters indicating the transferability of academic credit from the applicant institution to other institutions. The letters must be from institutions that are approved to participate in the Monetary Award Program (MAP) and are accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools.
 - D) an adequate number of qualified persons to administer their responsibilities under ISAC's rules. In determining whether an institution employs an adequate number of qualified persons, the Commission considers the number of students aided, the number of programs in which the institution participates, the number of applications evaluated, the amount of funds administered, and the financial aid delivery system used by the institution.
- 5) Institutional applicants must also supply ISAC with audited financial statements, prepared by an independent third party in accordance with generally accepted accounting principles, to establish financial responsibility. (See, e.g., 34 CFR 668.15.)
- 6) Once approved to participate in ISAC gift assistance programs by the Commission, an institution shall receive provisional eligibility for a minimum of five academic years. An institution with provisional eligibility must petition the Commission for full eligibility. Full eligibility will be granted if the institution meets the requirements of subsection (i)(3) and if there are no outstanding audit exceptions.
- j) As a condition of eligibility for participation in ISAC student assistance programs,

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postsecondary institutions shall have a valid Program Participation Agreement with ED (see ~~section~~Section 487 of the ~~HEA~~Higher Education Act of 1965, as amended (20 USC 1094)) and shall report their Office of Postsecondary Education Identification (OPE-ID) number to ISAC.

- k) In order to begin and to continue participation in ISAC-administered student assistance programs, institutions must also demonstrate administrative capability and financial responsibility, as defined by federal regulations. (See, e.g., 34 CFR 668.15 & 668.16.) An institution's failure to meet and maintain those standards can lead to limitation, suspension or termination proceedings. (See 23 Ill. Adm. Code 2790.)
- l) Institutions that have been assigned multiple main OPE-ID numbers will be considered separate entities by ISAC. Different campus codes associated with the same main OPE-ID number will not be considered separate entities.
- m) An institution shall notify ISAC of its Federal Employer Identification Number (FEIN) in order to receive payment pursuant to any ISAC-administered program.
- n) When an approved institution has a change of ownership resulting in a change of control, a change of location, or a change of name as defined by federal regulations, the institution's Program Participation Agreement with ED may be terminated. After an institution has undergone a change of status affecting its participation in any Title IV federal student financial aid programs, the institution may have its eligibility with ISAC reinstated by the execution of a new Program Participation Agreement with ED (see, e.g., 34 CFR 600.31 et seq.)(~~see, e.g., 34 CFR 600.30 et seq.~~) and by the submission and Commission approval of a new application for participation with ISAC.

(Source: Amended at 34 Ill. Reg. _____, effective _____)

Section 2700.40 General Applicant Eligibility Requirements

- a) Except as otherwise provided by this subsection, an applicant with a defaulted loan made pursuant to Title IV of the Higher Education Act is not eligible for benefits under ISAC-administered programs.
 - 1) Eligibility for guaranteed loans may be reinstated in accordance with federal regulations and the following provisions:

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- A) Eligibility for ISAC-guaranteed loans will be reinstated when:
- i) the debt has been paid in full;
 - ii) the borrower has made a "satisfactory repayment arrangement," in accordance with 34 CFR 682.200;
 - iii) the borrower's prior defaulted loan has been rehabilitated, in accordance with 34 CFR 682.405; or
 - iv) the borrower has made payments on a defaulted loan to consolidate that loan in accordance with 34 CFR 682.201.
- B) Borrowers are eligible to use subsections (a)(1)(A)(ii) and (iii)~~subsection (a)(1)(A)(ii)~~ only one time.
- C) Eligibility for ISAC-administered gift assistance will be reinstated for current and future terms when the applicant has maintained a satisfactory repayment record for at least six consecutive months or has met the requirements of subsection (a)(1)(A). Factors to be considered by ISAC in evaluating the repayment record include: the amount of the debt, the amount of the payments received by ISAC, the employment status of the applicant, and the frequency of the applicant's contact with ISAC.
- 2) A qualified applicant for Illinois Veteran Grant (IVG) assistance (23 Ill. Adm. Code 2733) shall be permitted one term of assistance during which a satisfactory repayment record, as defined by subsection (a)(1)(C), must be established. If such a repayment record is not established, additional assistance shall be denied until a satisfactory repayment record is established.
- b) No applicant shall receive ISAC-administered assistance if the applicant owes a refund for any ISAC-administered gift assistance, a Federal Pell Grant, or a Federal Supplemental Educational Opportunity Grant (FSEOG) (20 USC 1070(b)).
- c) An applicant shall, upon request, provide documentation to establish and verify

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eligibility. (See Section 2700.50.) Failure to supply adequate documentation will result in the denial of student assistance benefits.

- d) An applicant who has received financial assistance based on fraudulent data shall be denied ISAC-administered assistance until full restitution has been made to ISAC for any fraudulently-obtained funds, and may also be subject to prosecution by the Illinois Attorney General, United States Department of Justice and/or an Illinois State's Attorney.
- e) Each applicant must submit his/her Social Security Number (SSN).
- f) Recipients who cease to be residents of Illinois after notification of eligibility may complete the academic year with the assistance awarded.
- g) Unless otherwise provided, benefits under gift assistance programs are subject to the limits of dollars appropriated to ISAC by the Illinois General Assembly and approved by the Governor.
- h) When gift assistance eligibility is limited to a specified number of term payments, the eligibility cap is calculated in accordance with this subsection.
 - 1) For each semester term of full-time payment benefits, the recipient is assessed six eligibility units. For each quarter term of full-time payment benefits, the recipient is assessed four eligibility units.
 - 2) For each semester term of half-time payment benefits, the recipient is assessed three eligibility units. For each quarter term of half-time payment benefits, the recipient is assessed two eligibility units.
 - 3) For each semester or quarter term of less than half-time payment benefits, the recipient is assessed one eligibility unit.
 - 4) Sixty eligibility units are the equivalent of payments for ~~10~~^{ten} semesters/~~15~~^{fifteen} quarters of full-time benefits.
 - 5) Forty-eight eligibility units are the equivalent of payments for eight semesters/~~12~~^{twelve} quarters of full-time benefits.
- i) An applicant shall comply with Selective Service registration requirements,

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pursuant to 34 CFR 668.37 et seq.

- j) Except for grants pursuant to 23 Ill. Adm. Code 2730 (Illinois National Guard Grant Program) and 23 Ill. Adm. Code 2733 (Illinois Veteran Grant Program), an applicant must be maintaining satisfactory academic progress in accordance with the institution's policy.
- k) Except for grants pursuant to 23 Ill. Adm. Code 2730 (Illinois National Guard Grant Program) and 23 Ill. Adm. Code 2733 (Illinois Veteran Grant Program), ISAC gift assistance benefits for courses utilizing distance education are limited to students enrolled in eligible degree or certificate programs who are eligible to receive Title IV, HEA program funds. (See 34 CFR 668.38.)
- l) Except for grants pursuant to 23 Ill. Adm. Code 2730 (Illinois National Guard Grant Program) and 23 Ill. Adm. Code 2733 (Illinois Veteran Grant Program), students enrolled in academic programs while incarcerated are ineligible for ISAC gift assistance benefits.
- m) For the purpose of determining the timeliness of an individual's application, the postmark date of an application submitted electronically shall be the date on which ISAC receives that individual's submission of complete application data.

(Source: Amended at 34 Ill. Reg. _____, effective _____)

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- 1) Heading of the Part: Federal Family Education Loan Program (FFELP)
- 2) Code Citation: 23 Ill. Adm. Code 2720
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
2720.50	Amend
2720.70	Amend
- 4) Statutory Authority: Implementing Sections 80-175 of the Higher Education Student Assistance Act [110 ILCS 947/80-175]; Title IV, Part B, of the Higher Education Act of 1965, as amended (20 USC 1071 et seq.); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)]
- 5) A Complete Description of the Subjects and Issues Involved: The amendments proposed for this Part are necessitated by federal statutory and regulatory changes. In addition to making minor technical changes, ISAC proposes an amendment to reflect the provision that lenders must provide required disclosures to borrowers of federal Stafford, PLUS and Consolidation loans as detailed in federal regulations.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other amendments pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:

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Lynn Hynes
Agency Rules Coordinator
Illinois Student Assistance Commission
1755 Lake Cook Road
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- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2010

The full text of the Proposed Amendments begins on the following page:

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NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2720

FEDERAL FAMILY EDUCATION LOAN PROGRAM (FFELP)

SUBPART A: FEDERAL LOAN PROGRAMS: THE FEDERAL STAFFORD LOAN PROGRAM, FEDERAL PLUS PROGRAM, FEDERAL SUPPLEMENTAL LOANS FOR STUDENTS (SLS) PROGRAM, AND FEDERAL CONSOLIDATION LOAN PROGRAM

Section

- 2720.5 Summary and Purpose
- 2720.6 Definitions (Repealed)
- 2720.10 Eligibility for ISAC Loan Guarantees
- 2720.20 Lender Eligibility
- 2720.25 Educational Lender Eligibility
- 2720.30 Institutional Eligibility
- 2720.35 Holder Eligibility
- 2720.40 Procedures for Obtaining a Guaranteed Loan
- 2720.41 One-Lender Requirement
- 2720.42 One-Holder Requirement
- 2720.50 Procedures for Disbursement, Disclosure, Delivery and Repayment
- 2720.55 Federal Consolidation Loan Program
- 2720.60 Default Aversion Assistance
- 2720.70 Reimbursement Procedures
- 2720.80 Federal Default Fee
- 2720.90 Guarantee Transfers

SUBPART B: ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM (IDAPP)

Section

- 2720.105 Summary and Purpose
- 2720.120 IDAPP Eligible Loans
- 2720.130 IDAPP Eligible Lenders

SUBPART C: ISAC ORIGINATED LOANS

Section

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- 2720.200 ISAC Originated Consolidation Loans
2720.210 Illinois Opportunity Loan Program (IOP)
2720.220 Federal Family Education Loan Program (FFELP) Loans

2720.APPENDIX A Required Activities of Educational Lenders (Repealed)

AUTHORITY: Implementing Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/80 through 175]; Title IV, Part B, of the Higher Education Act of 1965, as amended (20 USC 1071 et seq.); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

SOURCE: Adopted at 3 Ill. Reg. 4, p. 38, effective January 26, 1979; amended at 5 Ill. Reg. 8698, effective August 17, 1981; emergency rule and emergency repealer at 6 Ill. Reg. 7558, 7573, effective June 9, 1982, for a maximum of 150 days; new rules adopted at 6 Ill. Reg. 13799, effective October 25, 1982; old rules repealed at 6 Ill. Reg. 15254, effective December 3, 1982; emergency amendment at 7 Ill. Reg. 9942, effective August 8, 1983, for a maximum of 150 days; codified at 7 Ill. Reg. 13309; amended at 8 Ill. Reg. 876, effective January 9, 1984; amended at 8 Ill. Reg. 7286, effective May 18, 1984; amended at 8 Ill. Reg. 17006, effective September 5, 1984; amended at 9 Ill. Reg. 20796, effective January 1, 1986; amended at 11 Ill. Reg. 3181, effective January 29, 1987; emergency amendment at 11 Ill. Reg. 13669, effective August 5, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 14103, effective August 10, 1987; emergency amendment at 11 Ill. Reg. 18370, effective October 23, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 20989, effective January 1, 1988; amended at 12 Ill. Reg. 6971, effective April 1, 1988; amended at 12 Ill. Reg. 11520, effective July 1, 1988; emergency amendment at 12 Ill. Reg. 15221, effective September 15, 1988, for a maximum of 150 days; emergency expired February 12, 1989; amended at 13 Ill. Reg. 2872, effective February 16, 1989; amended at 13 Ill. Reg. 8630, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1720 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2720 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17855; emergency amendment at 14 Ill. Reg. 4266, effective March 1, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 10553, effective July 1, 1990; amended at 14 Ill. Reg. 10941, effective July 1, 1990; emergency amendments at 15 Ill. Reg. 18769, effective January 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 4060, effective February 28, 1992; amended at 16 Ill. Reg. 11224, effective July 1, 1992; emergency amendment at 17 Ill. Reg. 2055, effective February 1, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 10506, effective July 1, 1993; amended at 18 Ill. Reg. 10254, effective July 1, 1994; emergency amendment at 18 Ill. Reg. 15636, effective October 15, 1994, for a maximum of 150 days; emergency expired March 13, 1995; amended at 19 Ill. Reg. 6215, effective April 15, 1995; amended at 19 Ill. Reg. 8320, effective July 1, 1995; amended at 20 Ill. Reg. 9147, effective July

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1, 1996; amended at 21 Ill. Reg. 11038, effective July 18, 1997; amended at 22 Ill. Reg. 11051, effective July 1, 1998; amended at 23 Ill. Reg. 7537, effective July 1, 1999; amended at 24 Ill. Reg. 9101, effective July 1, 2000; amended at 25 Ill. Reg. 8369, effective July 1, 2001; amended at 26 Ill. Reg. 9998, effective July 1, 2002; amended at 27 Ill. Reg. 10326, effective July 1, 2003; amended at 28 Ill. Reg. 9135, effective July 1, 2004; amended at 29 Ill. Reg. 9897, effective July 1, 2005; amended at 31 Ill. Reg. 9496, effective July 1, 2007; amended at 32 Ill. Reg. 10290, effective July 1, 2008; amended at 33 Ill. Reg. 9758, effective July 1, 2009; amended at 34 Ill. Reg. _____, effective _____.

SUBPART A: FEDERAL LOAN PROGRAMS: THE FEDERAL STAFFORD LOAN PROGRAM, FEDERAL PLUS PROGRAM, FEDERAL SUPPLEMENTAL LOANS FOR STUDENTS (SLS) PROGRAM, AND FEDERAL CONSOLIDATION LOAN PROGRAM

Section 2720.50 Procedures for Disbursement, Disclosure, Delivery and Repayment

- a) Disbursement, disclosure, delivery and repayment procedures are specified in federal regulations. (See 34 CFR 682.205, 34 CFR 682.206, 34 CFR 682.207, 34 CFR 682.209, and 34 CFR 682.604.) Furthermore, the lender shall provide required disclosures to federal Stafford, PLUS, and Consolidation loan borrowers, according to federal regulations. (See 34 CFR 682.205, 34 CFR 682.208(e)(1), 34 CFR 682.210(a)(3)(ii); 34 CFR 682.211(e).)
- b) Prior to disbursement, the borrower shall execute a common ED-approved promissory note for the principal and interest on the loan. The lender shall retain an original or true and exact copy of the promissory note. (See 34 CFR 682.414.)
- c) The lender shall transmit to ED any and all statements and reports necessary to obtain federal interest payments on the borrower's behalf. The lender shall not collect or attempt to collect from the borrower or ISAC any portion of the interest on the loan that is payable by ED.
- d) Except for loans pursuant to Section 2720.55, or loans made under a Blanket Certificate of Loan Guaranty agreement, the lender shall not disburse the proceeds of any loan on the borrower's behalf unless and until the lender shall have received from ISAC evidence of a guarantee. The lender shall inform ISAC of all disbursement dates.
- e) Federal Stafford and Federal PLUS Loan proceeds shall be transmitted directly to the institution.

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- 1) Federal Stafford Loan checks shall be payable to the student borrower unless the institution requires all Stafford loan checks to be co-payable to the borrower and the institution. Federal PLUS Loan checks shall be co-payable to the institution and the borrower. Federal Stafford or Federal PLUS Loan funds disbursed either via EFT or by Master Check to the institution shall include information identifying the names, Social Security Numbers and the loan amounts of the borrowers who are receiving a portion of the disbursement, and, in the case of a Parent PLUS Loan, the names and the Social Security Numbers of the students on whose behalf the parents are borrowing.
- 2) Loan proceeds must be disbursed to the institution and delivered to the borrower no later than 180 days after the end of the loan period or 180 days after the date on which the student ceased to be enrolled at least half-time, whichever is earlier. If the loan proceeds are not delivered pursuant to this subsection (e)(2), the school must request that the loan be canceled and must return any loan proceeds. (See 34 CFR 668.164(g).)
- 3) If the student has withdrawn from enrollment and federal regulations require the institution to submit a refund to the lender, either electronically or in the form of a check payable to the lender on behalf of the borrower, the institution shall provide simultaneous written notice to the borrower of the refund.
 - A) If the institution fails to issue a timely refund, as defined by federal regulations (see 34 CFR 682.607(c) and 668.22(j)), the institution shall pay penalty interest.
 - B) The penalty interest shall equal the total amount of interest and special allowance generated by the principal value of the refund amount. The penalty interest shall be computed from the date the refund was due until the date the refund was issued.
 - C) The penalty interest shall be paid to the lender or subsequent holder.
- f) The borrower shall have the right to prepay without penalty the whole or any part of a loan guaranteed under this Part.

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- g) The lender or holder shall notify the borrower of the repayment options available, as specified in 34 CFR 682.209. The lender or holder shall send a repayment schedule to a FFELP borrower no less than 30 days nor more than 150 days before the first payment on the loan is due from the borrower.
- h) The lender or holder shall notify ISAC of payment in full or prepayment in full by the borrower.
- i) In accordance with federal regulations, the lender or holder may extend the maturity date of any note.
- j) Lenders or holders may exercise administrative forbearances, which do not require the agreement of the borrower, as authorized by section 428(c)(3)(C) of the Higher Education Act of 1965, as amended (20 USC 1078(c)(3)(C)), and by federal regulations. (See 34 CFR 682.211.)
- k) Borrowers are entitled to deferments, which extend the maturity date of any note, under conditions established by federal regulations. (See 34 CFR 682.210.)
- l) ISAC provides lenders or holders with the ED-approved common forms necessary for servicing their guaranteed loan portfolio (e.g., deferment forms, mandatory forbearance forms).
- m) No note shall be sold or transferred by the lender except to an ISAC-approved lender, an ISAC-approved holder, or ISAC.

(Source: Amended at 34 Ill. Reg. _____, effective _____)

Section 2720.70 Reimbursement Procedures

- a) The lender or holder shall request reimbursement from ISAC within 60 days from the date the lender or holder receives a completed request for loan cancellation or discharge due to death, total and permanent disability, attendance at a school that closes, false certification by a school of a borrower's eligibility for a loan, unpaid refunds, ~~areas of national need, civil legal assistance attorneys, or child care provider~~ or teacher loan forgiveness, in accordance with federal regulations and the Higher Education Act of 1965, as amended. (See, e.g., ~~34 CFR 682.21634~~ ~~CFR 682.215~~, 682.402 and 682.409.)

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- b) Requests for default reimbursement must be submitted to ISAC within the time frames specified in, and the lender or holder shall be reimbursed in accordance with, federal regulations and the Higher Education Act of 1965, as amended. In the case of a default on a Federal PLUS Loan, the borrower, co-maker and endorser must meet the default criteria contained in federal regulations.
- c) The lender or holder must request ISAC reimbursement for a bankruptcy claim in accordance with federal regulations and the Higher Education Act of 1965, as amended. (See, e.g., 34 CFR 682.402(f).) The request for reimbursement must be submitted within 30 days after the lender's or holder's receipt of notice that collection on the debt is stayed, or 15 days upon notice of an adversary proceeding for undue hardship. A copy of the restraining order and the appropriate papers must be included. In the case of a bankruptcy involving a Federal PLUS Loan, the borrower, co-maker and endorser must meet the bankruptcy criteria contained in federal regulations.
- d) Prior to reimbursement, the lender or holder must certify compliance with federal due diligence requirements and subsection (h) of this Section.
- e) Prior to reimbursement, the lender or holder must have remitted the federal default fee established by Section 2720.80.
- f) The lender or holder shall forward to ISAC any payments made by or on behalf of the borrower after default reimbursement and shall advise ISAC of any subsequent information received concerning the borrower. Prior to reimbursement, all original notes or true and exact copies of original notes must be properly endorsed and submitted to ISAC. If the notes have been lost or erroneously stamped "Paid in Full," the lender or holder shall execute a Hold Harmless Agreement with ISAC.
- g) No fee or charge to the borrower, other than the maximum interest rate prescribed by ED and the collection charges outlined in federal regulations (see 34 CFR 682.202(f) and (g)), including the federal default fee, and the federal loan origination fee, shall be contracted for or received by the lender.
- h) The lender or holder shall make a proper collection effort in accordance with acceptable practices of prudent lending institutions including, but not limited to, the collection activities required by federal regulations. (See, e.g., 34 CFR

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682.402, 682.411 and 682.412.)

- i) ISAC shall collect the outstanding amount on the reimbursed guaranteed loan. If the borrower refuses to retire the debt, ISAC shall follow the requirements of federal regulations, including, but not limited to, offsets of federal income tax refunds and other payments made by the federal government to the borrower. (See 34 CFR 682.410(b)(6).)
- j) Should a borrower refuse to retire the debt, ISAC shall direct the State Comptroller to offset any payment from the State Treasurer to the borrower. The funds offset shall be remitted to ISAC and credited against the debt.
 - 1) All offsets shall be processed in accordance with 74 Ill. Adm. Code 285.
 - 2) ISAC shall not direct an offset if the borrower has maintained a satisfactory repayment record. (See 23 Ill. Adm. Code 2700.40(a)(1).)
 - 3) ISAC shall notify the Office of the Comptroller that a borrower is eligible to be offset. ISAC may provide additional notice of subsequent offsets for the same debt. The Comptroller shall notify the borrower that the Comptroller is required to hold all eligible payments until the loan is paid in full. Should the borrower dispute the debt, a protest must be filed with the Office of the Comptroller within 30 days after and including the date of the notice. If the requested relief is granted, the funds offset shall be returned to the borrower.
 - 4) Funds eligible to be offset include, but are not limited to, State income tax refunds and the wages of State employees.
- k) ISAC shall provide a borrower with an opportunity for an administrative review of the legal enforceability or past-due status of the loan obligation after it pays a default claim but before it reports the default to each national consumer reporting agency-credit bureau or assesses collection costs against the borrower, in accordance with federal regulations (34 CFR 682.410(b)(5)(ii)(C)).
- l) ISAC may garnish the disposable pay of a borrower if the individual is not currently making required payments, in accordance with Section 488A of the Higher Education Act, as amended.

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- m) ISAC requires the lender or holder to submit a request for an increase in claim payment within 90 days after receiving the claim payment. ISAC will provide the lender or holder with a determination on the increase in claim payment within 90 days after receiving the request and supporting documentation.

(Source: Amended at 34 Ill. Reg. _____, effective _____)

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NOTICE OF PROPOSED RULES

- 1) Heading of the Part: Grant Program For Participants in SIU-C Achieve Program
- 2) Code Citation: 23 Ill. Adm. Code 2739
- 3)

<u>Section Numbers</u> :	<u>Proposed Action</u> :
2739.10	New Section
2739.20	New Section
2739.30	New Section
2739.40	New Section
- 4) Statutory Authority: Implementing Section 65.85 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/65.85 and 20(f)]
- 5) A Complete Description of the Subjects and Issues Involved: These proposed rules govern the administration of the new Grant Program for Participants in SIU-C Achieve Program. The Part sets forth the applicant eligibility requirements, program procedures and institutional procedures for students to receive a grant equal to the amount of fees charged for participation in the Clinical Center Achieve program at Southern Illinois University at Carbondale.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: PA 96-229; effective 7/1/09
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other amendments pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Interested parties may submit comments in writing within 45 days after publication to:

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Lynn Hynes
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Illinois Student Assistance Commission
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email: lhynes@isac.org

- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2010

The full text of the Proposed Rules begins on the next page:

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NOTICE OF PROPOSED RULES

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2739

GRANT PROGRAM FOR PARTICIPANTS IN SIU-C ACHIEVE PROGRAM

Section

2739.10	Summary and Purpose
2739.20	Applicant Eligibility
2739.30	Program Procedures
2739.40	Institutional Procedures

AUTHORITY: Implementing Section 65.85 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/65.85 and 20(f)].

SOURCE: Adopted at 34 Ill. Reg. _____, effective _____.

Section 2739.10 Summary and Purpose

- a) Subject to appropriation, ISAC shall award grants to eligible students who are participants in the Clinical Center Achieve Program in order to pay for fees that are charged for the comprehensive services provided. The Clinical Center Achieve Program is an academic support program for college students with learning disabilities or attention deficit disorders who are enrolled at Southern Illinois University at Carbondale.
- b) This Part establishes rules that govern the Program. Additional rules and definitions are contained in General Provisions (23 Ill. Adm. Code 2700).

Section 2739.20 Applicant Eligibility

A qualified applicant shall be:

- a) a U.S. citizen or eligible noncitizen;
- b) a resident of Illinois; and

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- c) admitted to and in good standing with the Clinical Center Achieve Program at Southern Illinois University at Carbondale (SIU-C).

Section 2739.30 Program Procedures

- a) All applicants must complete and file the form that the U.S. Department of Education (ED) designates as an application for federal student financial aid and must notify the financial aid office of their desire to receive a grant.
- b) Awards shall be made to participants using a need-based formula. When funds are insufficient to award all participants, priority will be given to students with the highest calculated unmet financial need.

Section 2739.40 Institutional Procedures

- a) Funds shall be disbursed by ISAC to SIU-C. ISAC shall notify the institution of the amount of funds available and shall send a claim form that is to be used by SIU-C to request the amount of funds needed to pay claims. The form must be signed by an official of SIU-C and returned to ISAC's Deerfield office.
- b) The institution shall determine the amount of each grant, which shall be equal to the amount of the fees charged the student as a participant of the Clinical Center Achieve Program.
- c) If the institution cannot award the full amount of funds disbursed to it in the fiscal year for which the funds are appropriated, the unused portion must be returned to ISAC.
- d) The institution shall notify applicants that grant assistance is contingent upon the availability of funds appropriated for this Program.

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NOTICE OF PROPOSED REPEALER

- 1) Heading of the Part: Forensic Science Grant Program
- 2) Code Citation: 23 Ill. Adm. Code 2742
- 3)

<u>Section Numbers</u> :	<u>Proposed Action</u> :
2742.10	Repeal
2742.20	Repeal
2742.30	Repeal
2742.40	Repeal
- 4) Statutory Authority: Implementing Section 65.80 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/65.80 and 20(f)]
- 5) A Complete Description of the Subjects and Issues Involved: 110 ILCS 947/65.80 states that, subject to appropriation, the Commission shall receive and consider applications for grant assistance under the program until July 1, 2010. Since the inception of the program, no grants have been made, thereby eliminating the need to monitor the fulfillment of the employment agreement. As a result, ISAC is repealing the administrative rules for this program.
- 6) Will this proposed repealer replace any emergency rulemakings currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this rulemaking contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No
- 10) Statement of Statewide Policy Objectives: This proposed repealer does not create or expand a State mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed repealer may submit written comments no later than 45 days after the publication of this notice to:

Lynn Hynes
Agency Rules Coordinator

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED REPEALER

Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, IL 60015

847/948-8500
email: lhynes@isac.org

- 12) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 13) Regulatory Agenda on which this rulemaking was summarized: January 2010

The full text of the Proposed Repealer begins on the next page:

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NOTICE OF PROPOSED REPEALER

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2742

FORENSIC SCIENCE GRANT PROGRAM **(REPEALED)**

Section

2742.10	Summary and Purpose
2742.20	Applicant Eligibility
2742.30	Program Procedures
2742.40	Institutional Procedures

AUTHORITY: Implementing Section 65.80 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/65.80 and 20(f)].

SOURCE: Adopted at 30 Ill. Reg. 18764, effective December 1, 2006; repealed at 34 Ill. Reg. _____, effective _____.

Section 2742.10 Summary and Purpose

- a) The Forensic Science Grant Program encourages graduate students to enter the field of forensic science and continue their careers as forensic scientists with the Illinois State Police (ISP). The career opportunity will take place in one of the specialty areas of forensic science that is considered a shortage specialty area. For purposes of this Part, ISP has determined that specialty shortage area means that forensic scientists are needed for the processing and analysis of latent fingerprints and forensic biology/DNA testing.
- b) This Part governs the Forensic Science Grant Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

Section 2742.20 Applicant Eligibility

- a) A qualified applicant shall be:
 - 1) a United States citizen or eligible noncitizen;

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- 2) a resident of Illinois or will be residing in Illinois for other than a temporary or transitory purpose upon completion of the forensic science program;
- 3) enrolled on a full-time basis at an Illinois institution of higher learning in a minimum one-year program that combines graduate education with training in a specific forensic discipline in a manner equivalent to the Illinois State Police's new examiner training program so as to prepare him or her to do casework; and
- 4) in compliance with all of the evaluation criteria required by the ISP for employment.

Section 2742.30 Program Procedures

- a) A completed ISAC application/ISP Employment Agreement and promissory note for the Forensic Science Grant Program must be received preceding the academic year for which the grant is being requested in order to receive priority consideration for an award.
- b) If, in any given year, the number of qualified applicants exceeds the amount of funds available, priority will be given according to the following criteria:
 - 1) students demonstrating exceptional merit according to their cumulative grade point averages, prioritized from the highest to the lowest. All grade point averages will be converted to a four-point scale; and
 - 2) grant recipients under the Forensic Science Grant Program during the previous academic year shall receive first priority consideration provided the student:
 - A) maintains his or her status as a qualified applicant;
 - B) maintains satisfactory academic progress as determined by the institution; and
 - C) submits all necessary documentation on a timely basis.

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- c) If all other criteria are equal, priority consideration will be given to the applicant who submitted his or her completed application on the earliest date.
- d) A recipient may receive the equivalent of two academic years of award assistance under this Part.
- e) Awards are applicable for full-time study during any academic year.
- f) The total number of grants in a given fiscal year is contingent upon available funding.
- g) Each qualified applicant who is selected to receive a Forensic Science Grant shall be notified.
- h) This forensic Science Grant information shall be available to the public with the application packet or online at ISAC's website.
- i) Prior to receiving grant assistance for any academic year, the qualified applicant must sign an ISP Employment Agreement/Promissory Note that is submitted to ISAC. The ISP Employment Agreement/Promissory Note shall include the following stipulations:
 - 1) the recipient pledges to be employed in Illinois by the ISP as a forensic scientist in a designated specialty area under the guidelines of the ISP for a period of not less than four years as required for receiving an award under this Part;
 - 2) the recipient shall begin employment with the ISP within one year following termination of the academic program (unless circumstances prohibit ISP from hiring program participants), and shall maintain employment on a continuous basis for the required period of four years;
 - 3) if the recipient does not fulfill the requirement to work as a forensic scientist in a designated specialty area for the ISP, the grant converts to a loan and the recipient must repay the entire amount of the grant, prorated according to the fraction of the obligation not completed, plus interest at a rate of 5% and, if applicable, reasonable collection fees;

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- 4) the recipient agrees to provide ISAC with evidence of compliance with program requirements; and
 - 5) the recipient promises to use the proceeds awarded for educational expenses related to his or her education and any cost deemed necessary by the ISP and or the institution of higher learning to complete training.
- j) If deemed necessary by the ISP, the recipient shall sign an affidavit regarding participation and conduct.
- k) A recipient of the grant under this Part shall not be in violation of the agreement entered into pursuant to subsection (i) during periods in which the recipient:
- 1) serves, for not more than three years, as a member of the United States Armed Forces;
 - 2) is enrolled full-time in a specific forensic discipline equivalent to the ISP's new examiner training program at an approved institution. This must be for one continuous period of time, not to exceed one year, following graduation;
 - 3) is temporarily totally disabled for not more than three years, as established by the sworn affidavit of a qualified physician; or
 - 4) meets all required qualifications and is actively seeking but unable to be employed as a forensic scientist with the ISP for one continuous period and provides evidence of that fact.
- l) If a recipient is required to repay any portion of the grant, the repayment period shall be completed within ten years after the grant converts to a loan. This ten-year period may be extended if the recipient:
- 1) serves, for not more than three years, as a member of the United States Armed Forces;
 - 2) is enrolled full-time in a graduate or doctoral program at an approved institution for one continuous period of time, not to exceed one year, following graduation;

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- 3) is temporarily totally disabled, for not more than three years, as established by the sworn affidavit of a licensed physician; or
 - 4) is seeking but unable to find full-time employment for one continuous period not to exceed two years and provides evidence of that fact.
- m) During the time a recipient qualifies for any of the extensions listed in subsection (l), he or she shall not be required to make payments and interest shall not accrue.
- n) A recipient shall enter repayment status on the earliest of the following dates:
- 1) the first day of the first calendar month after the recipient has ceased to pursue a course of study leading to certification as a forensic scientist;
 - 2) the date the recipient informs ISAC that she or he does not plan to fulfill the contractual agreement; or
 - 3) the day after the latest date upon which the recipient must have begun service with the ISP as a forensic scientist after termination of the education for which the grant was awarded.
- o) A recipient shall not be required to repay the amount of the proceeds received if she or he becomes permanently totally disabled, as established by the sworn affidavit of a licensed physician (see, e.g., 34 CFR 653.42(k)(1)), or if his or her representative provides ISAC with a certified death certificate.

Section 2742.40 Institutional Procedures

- a) The institution shall submit payment requests to ISAC. By submitting a payment request, an institution is certifying that the qualified applicants meet the requirements of Section 2742.20, Applicant Eligibility.
- b) Funds shall be remitted by ISAC annually to participating institutions on behalf of the recipients.
- c) The total amount awarded to a qualified applicant in a given academic year shall not exceed \$30,000, to cover those expenses related to the forensic science program in which he or she is enrolled.

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- d) Upon receipt of the funds, the institution shall verify the recipient's enrollment status for the term for which the award was intended. If enrolled, the institution may credit the funds to the recipient's account for expenses due and payable. The balance of the disbursement shall be released to the recipient.

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- 1) Heading of the Part: Public Interest Attorney Loan Repayment Assistance Program
- 2) Code Citation: 23 Ill. Adm. Code 2756
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
2756.10	New Section
2756.15	New Section
2756.20	New Section
2756.30	New Section
- 4) Statutory Authority: Implementing and authorized by Section 20 of the Public Interest Attorney Assistance Act [110 ILCS 916/20]
- 5) A Complete Description of the Subjects and Issues Involved: These proposed rules govern the administration of the new Public Interest Attorney Loan Repayment Assistance Program. Proposed rulemaking for this program will set forth the applicant eligibility and program procedures for eligible public interest attorneys to receive loan repayment assistance in the form of a forgivable loan.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: PA 96-615; effective 1/1/10
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other amendments pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Interested parties may submit comments in writing within 45 days after publication to:

ILLINOIS STUDENT ASSISTANCE COMMISSION

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Lynn Hynes
Agency Rules Coordinator
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield IL 60015

847/948-8500
email: lhynes@isac.org

- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2010

The full text of the Proposed Rules begins on the next page:

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NOTICE OF PROPOSED RULES

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2756

PUBLIC INTEREST ATTORNEY LOAN REPAYMENT ASSISTANCE PROGRAM

Section

2756.10	Summary and Purpose
2756.15	Definitions
2756.20	Applicant Eligibility
2756.30	Program Procedures

AUTHORITY: Implementing and authorized by Section 20 of the Public Interest Attorney Assistance Act [110 ILCS 916/20].

SOURCE: Adopted at 34 Ill. Reg. _____, effective _____.

Section 2756.10 Summary and Purpose

- a) The Public Interest Attorney Loan Repayment Assistance Program provides loan repayment assistance to practicing attorneys to encourage them to pursue careers as public interest attorneys to protect the rights of this State's most vulnerable citizens or provide quality enforcement of State law.
- b) This Part governs the Public Interest Attorney Loan Repayment Assistance Program. Additional rules and definitions are contained in General Provisions (23 Ill. Adm. Code 2700).

Section 2756.15 Definitions

"Assistant State's Attorney" – *A full-time employee of a State's Attorney in Illinois or the State's Attorneys Appellate Prosecutor who is continually licensed to practice law and prosecutes or defends cases on behalf of the State or a county.*

"Assistant Attorney General" – *A full-time employee of the Illinois Attorney General who is continually licensed to practice law and prosecutes or defends cases on behalf of the State.*

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"Assistant Public Defender" – *A full-time employee of a Public Defender in Illinois or the State Appellate Defender who is continually licensed to practice law and provides legal representation to indigent persons, as provided by statute.*

"Assistant public guardian" – *A full-time employee of a public guardian in Illinois who is continually licensed to practice law and provides legal representation pursuant to court appointment.*

"Civil legal aid" – *Free or reduced-cost legal representation or advice to low-income clients in non-criminal matters.*

"Civil legal aid attorney" – *An attorney who is continually licensed to practice law and is employed full time as an attorney at a civil legal aid organization in Illinois.*

"Civil legal aid organization" – *A not-for-profit corporation in Illinois that:*

is exempt from the payment of federal income tax pursuant to section 501(c)(3) of the Internal Revenue Code;

is established for the purpose of providing legal services that include civil legal aid;

employs 2 or more full-time attorneys who are licensed to practice law in this State and who directly provide civil legal aid; and

is in compliance with registration and filing requirements that are applicable under the Charitable Trust Act [760 ILCS 65] and the Solicitation for Charity Act [225 ILCS 460].

"Eligible debt" – *The outstanding principal, interest, and related fees from loans obtained for undergraduate, graduate, or law school educational expenses made by government or commercial lending institutions or educational institutions. Eligible debt excludes loans made by a private individual or family member.*

"IGAC attorney" – *A full-time employee of the Illinois Guardianship and Advocacy Commission, including the Office of State Guardian, the Legal Advocacy Service, and the Human Rights Authority, who is continually licensed to*

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practice law and provides legal representation to carry out the responsibilities of the Illinois Guardianship and Advocacy Commission.

"Legislative attorney" – A full-time employee of the Illinois Senate, the Illinois House of Representatives, or the Illinois Legislative Reference Bureau who is continually licensed to practice law and provides legal advice to members of the General Assembly.

"Public interest attorney" – An attorney practicing in Illinois who is an assistant State's Attorney, assistant Public Defender, civil legal aid attorney, assistant Attorney General, assistant public guardian, IGAC attorney, or legislative attorney.

"Qualifying employer" – For purposes of this Part, a qualifying employer is: an Illinois State's Attorney or the State's Attorneys Appellate Prosecutor, an Illinois Public Defender or the State Appellate Defender, an Illinois civil legal aid organization, the Illinois Attorney General, an Illinois public guardian, the Illinois Guardianship and Advocacy Commission, the Illinois Senate, the Illinois House of Representatives, or the Illinois Legislative Reference Bureau. [110 ILCS 916/15]

Section 2756.20 Applicant Eligibility

A qualified applicant for loan repayment assistance shall be:

- a) a United States citizen or eligible noncitizen;
- b) a licensed member of the Illinois Bar in good standing;
- c) a borrower with an outstanding balance due on an eligible educational loan;
- d) an applicant who is not in default on a federal guaranteed educational loan or owes a refund on a grant or scholarship program administered by ISAC; and
- e) employed as a public interest attorney with a qualifying employer in Illinois.

Section 2756.30 Program Procedures

- a) Eligible educational loans include:

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- 1) Federal Stafford Loans;
 - 2) Federal Graduate PLUS Loans;
 - 3) Federal consolidation loans;
 - 4) Law school student loans;
 - 5) Federal Supplemental Loans for Students;
 - 6) Private/alternative loans; and
 - 7) Other types of educational loans made by government or commercial lending institutions or educational institutions.
- b) Non-eligible loans include:
- 1) Parent PLUS Loans;
 - 2) Loans that have been paid in full;
 - 3) Loans obtained from family members or a private individual;
 - 4) Any portion of a consolidated loan that is not the applicant's; and
 - 5) Any portion of a loan that is fully forgiven by a state or federal government or a lending institution through a comparable repayment or forgiveness program.
- c) All applicants annually must complete an ISAC application/promissory note for the loan repayment program. The qualified applicant must sign a promissory note that stipulates the loan repayment assistance is in the form of a forgivable loan.
- 1) The application/promissory note is available at ISAC's web site and ISAC's Springfield, Deerfield and Chicago offices.
 - 2) If the application/promissory note is incomplete, ISAC will notify the applicant, who will have an opportunity to furnish the missing

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information. The application will only be considered for processing as of the date it is complete and received at ISAC's Deerfield office.

- 3) Applicants must use the proceeds from assistance provided under this Part for the purpose of making payments to the loan holders of their eligible educational loans.
 - 4) The applicant shall submit eligibility information in sufficient time for ISAC to disburse monetary assistance each year the forgivable loans are made.
- d) Selection of Recipients for Forgivable Loans
- 1) ISAC shall select the recipients from those who have submitted a complete application/promissory note, with all required documentation, and the application/promissory note is received in ISAC's Deerfield office by the published due date. Applicants who filed renewal applications by the published due date and have complied with the information in subsection (c) have priority consideration. Selection is then made from among qualified new applicants.
 - 2) The total number of payments made for qualified applicants in a given fiscal year is contingent upon available funding. If funding is insufficient to make forgivable loans to all eligible applicants, first preference in the selection process is given to renewal applicants who meet the requirements outlined in subsection (d)(1). Priority, in combination with the following criteria, is then given to those who file timely applications and receive the highest point totals according to the following criteria:
 - A) Salary level at time of application: 0-40 points, reflecting salary of applicants from highest (0 points) to lowest (40 points);
 - B) Eligible debt at time of application: 0-30 points, reflecting debt of applicants from lowest (0 points) to highest (30 points);
 - C) Years of service as a public interest attorney at time of application: point value equal to number of years of service; and

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- D) Availability of other loan repayment assistance during award year:
15 points when no other assistance is available.
- 3) If all other criteria are equal, selection is made by lottery.
- e) Loan repayment assistance is in the form of a forgivable loan. The amount for a recipient shall not exceed \$6,000 per year, up to a maximum of \$30,000 during the recipient's career.
- f) The forgivable loan proceeds shall be remitted to the qualified applicant.
- g) To have the loan forgiven, the recipient must:
- 1) complete a year of employment with a qualifying employer; and
 - 2) make educational debt payments (interest or principal or both) that equal at least the amount of assistance received under the program during the assistance year.
- h) A recipient must respond to any notifications from ISAC and must notify ISAC of changes to his or her address or employment status within 10 days after a change.
- i) If the recipient becomes ineligible or does not make educational debt payments as prescribed in subsection (g), he or she can no longer receive benefits and must repay any amounts received under the program that are outstanding, plus interest at a rate of five percent and, if applicable, reasonable collection fees.
- 1) If the recipient must repay the forgivable loan, repayment status will begin on the earliest of the following dates:
 - A) the first day of the first calendar month after the recipient has ceased to practice as a public interest attorney as defined in Section 2756.15; or
 - B) the date the recipient informs ISAC that he or she does not plan to fulfill his or her practice obligation; or
 - C) the first day of the first calendar month after the recipient fails to make educational debt payments (interest or principal or both) that

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equal at least the amount of assistance received under the program during the assistance year.

- 2) The repayment period shall be completed within five years.
- 3) A recipient shall not be required to repay the educational loan received under this Part if he or she becomes permanently totally disabled, as established by the sworn affidavit of a qualified physician, or if his or her representative provides ISAC with a death certificate or other evidence that the recipient has died.
- 4) No claim for repayment may be filed against the estate of a decedent or incompetent.