
Rules of Department of Higher Education

Division 10—Commissioner of Higher Education

Chapter 2—Student Financial Assistance Program

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**Title 6—DEPARTMENT OF
HIGHER EDUCATION
Division 10—Commissioner
of Higher Education
Chapter 2—Student Financial
Assistance Program**

**6 CSR 10-2.010 Institutional Eligibility for
Student Participation**

PURPOSE: This rule sets forth policies and procedures of the Coordinating Board for Higher Education regarding the certification of public and private institutions of higher education so that their full-time students may qualify for participation in the state's Financial Assistance Program, established by sections 173.200–173.230, RSMo.

(1) Definitions.

(A) Approved institution means an approved private institution or approved public institution.

(B) Approved private institution means an educational institution as defined in section 173.205.2, RSMo.

(C) Approved public institution means an educational institution as defined in section 173.205.3, RSMo.

(D) Coordinating Board for Higher Education or CBHE means the Coordinating Board for Higher Education created by the Omnibus State Reorganization Act, Law 1974, p. 530.

(E) Department of Higher Education or department means the Department of Higher Education created by the Omnibus State Reorganization Act, Law 1974, p. 530.

(F) Student Financial Assistance Program and Financial Assistance Program means the program of financial assistance as set forth in sections 173.200–173.230, RSMo.

(2) Policy.

(A) The CBHE is charged by statute to promulgate reasonable rules to effect the purposes of the state's Student Financial Assistance Program. In establishing this rule of institutional eligibility, the CBHE is guided principally by the constitution of Missouri, the provisions of sections 173.205–173.230, RSMo and decisions of the Supreme Court of Missouri construing the sections and the Missouri Constitution and other pertinent statutory and constitutional provisions.

(B) The CBHE will administer the Student Financial Assistance Program to assist financially qualified full-time students enrolled in an approved institution of higher education.

(3) Institutional Eligibility.

(A) Approved Institutions. To be an approved private institution, an educational institution in the state, in addition to meeting

other criteria set forth in section 173.205.2, RSMo, must be operated privately under the control of an independent board. To be an approved institution, an educational institution, in addition to meeting other criteria set forth in section 173.205.2, RSMo in the case of an approved private institution and section 173.205.3, RSMo in the case of an approved public institution, must be an educational institution which permits faculty members to select textbooks without influence or pressure by any source.

(B) Condition Affecting Status of Independent Board of Private Institution. To be an approved private institution, an institution must be a nonprofit educational institution operated privately under the control of an independent board and not directly controlled or administered by any public agency or political subdivision, in addition to meeting other conditions referred to in subsection (3)(A). To qualify as an approved private institution for the purposes of this rule, an institution's governing board must meet the following minimum criteria:

1. The governing board, under the governing instrument of the institution, shall possess and exercise final decision-making authority for the institution;

2. The governing board shall be composed of a number of members as fixed or provided for in the governing instrument of the institution, who shall serve for terms of definite duration;

3. Each member of the governing board shall be free to exercise judgment independently in the interests of the institution without being controlled in the exercise of judgment by any person or authority; and

4. The members of the governing board shall be immune from removal by any authority during their respective terms, except for cause. For purposes of this criterion, cause shall not include any reason based upon religious affiliation, including failure to follow the directives of any purported superior authority, religious or otherwise.

(C) Condition Affecting Textbook Selection. To be an approved institution, an institution must permit faculty members to select textbooks without influence or pressure by any source, in addition to meeting other conditions referred to in section (3). For the purposes of this criterion, the selection of textbooks within individual departments or schools by faculty curriculum committees shall not be considered inconsistent with the requirement that, to be an approved institution, the institution must permit faculty members to select textbooks without influence or pressure by any source.

(D) No educational institution offering a course of study leading only to a degree in theology or divinity shall be eligible to be certified under the rule as an approved institution.

(4) Procedures.

(A) All institutions currently holding an approved institution status shall retain the status for a period of three (3) years (December 16, 1981), from the effective date of this rule (December 16, 1978), unless that status is terminated by operation of section (3) or subsection (4)(C).

(B) Any institution not holding an approved institution status on December 16, 1978, in order for students attending the institution to be eligible to participate in the Student Financial Assistance Program, shall make application to the CBHE to be certified as an approved institution. Applications under this subsection for approved institution status shall be made on forms provided by the CBHE. Upon certification of an institution as an approved institution by the CBHE, the status of an approved institution shall continue for a period of three (3) years from the date of certification unless earlier terminated for changes in operation specified in section (3) or subsection (4)(C).

(C) During a period in which an institution is certified as an approved institution, if a substantial change occurs in the governing structure of the institution, in the hiring policies of the institution pertaining to administration, faculty and staff, in the admissions policies of the institution, in the textbook selection procedures of the institution, in the level of programs or degrees offered by the institution, in the qualification for accreditation of the institution by the North Central Association of Colleges and Secondary Schools, in the institution's record of compliance with lawfully promulgated CBHE policies and procedures or in any other matter affecting the criteria set forth in section 173.205.2 or 173.205.3, RSMo, the CBHE may consider whether to terminate the institution's approved status because of this change. Whenever any such change shall occur, the institution shall notify the CBHE in writing within thirty (30) days after the change occurs. The CBHE, before it makes a decision on the status of an approved institution, at its own discretion, may hold one (1) or more public hearings under the procedures set forth in subsection (4)(G) of this rule.

(D) In the event the approved institution status of an institution is terminated before the expiration of the three (3)-year term, the institution, after that, may apply to the CBHE



for recertification on forms provided by the CBHE.

(E) An approved institution, if it desires to continue its status as an approved institution, may apply for renewal of its approved institution status by filing an application for recertification as an approved institution at least sixty (60) days prior to the normal expiration of a certification period. An application for recertification as an approved institution shall be made to the CBHE on forms provided by the department.

(F) Upon receipt of a completed institutional application form, the CBHE may certify or recertify the institution as an approved institution, or deny certification as an approved institution. The CBHE may base its decision on the information submitted by the institution, on the institution's record of compliance with CBHE policies and procedures, and on any other information that the CBHE deems reliable. The CBHE, at its own discretion, may hold one (1) or more public hearing(s) regarding the merits of the application.

(G) In the event the CBHE requires a hearing to be held, the CBHE shall so advise the institution within a reasonable amount of time. The advice to the institution shall state the time and place of the hearing and the issues of concern to the CBHE. The institution shall publish conspicuous notices of the hearing in its buildings and on its grounds, in areas accessible to staff, faculty and students, which notices shall set forth that the hearing is to be held, its date, time, location and purpose, the telephone number and mailing address of the Commissioner of Higher Education at the Department of Higher Education and advice that comments concerning the issues identified by the CBHE may be communicated to the Commissioner of Higher Education.

(H) The decision to certify, recertify, decertify or reject initial certification of an institution as an approved institution shall rest solely within the discretion of the CBHE.

*AUTHORITY: section 173.210, RSMo (1994). * Original rule filed June 9, 1978, effective Dec. 16, 1978. Amended: Filed Dec. 15, 1988, effective April 1, 1989.*

**Original authority 1972, amended 1979.*

6 CSR 10-2.020 Student Eligibility and Application Procedures

PURPOSE: This rule sets forth policies of the Coordinating Board for Higher Education regarding student eligibility and application procedures for tuition grants under the Finan-

cial Assistance Program section of Chapter 173, RSMo.

Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the rule has been filed with the secretary of state and is summarized here by the agency adopting it. The entire text of the rule may be found at the headquarters of the agency and is available to any interested person at a cost established by state law.

(1) Definitions.

(A) Applicant means a student who qualifies under section 173.215, RSMo and has filed an accurate and complete application for financial assistance under that section.

(B) Coordinating board means the Coordinating Board for Higher Education (CBHE) created by the Omnibus State Reorganization Act, Law, 1974 p. 530.

(C) Department means the Department of Higher Education created by the Omnibus State Reorganization Act, Law, 1974 p. 530.

(D) Dependent student means one who does not qualify as a self-supporting student.

(E) Full-time student means a student who is enrolled in at least twelve (12) semester hours, eight (8) quarter hours or the equivalent of either, but not less than the respective number sufficient to secure the certificate or degree toward which the student is working in no more than the number of semesters or their equivalent normally required by the institutions for the program in which the student is enrolled.

(F) His, him or he shall apply equally to the female as well as the male sex where applicable in this rule.

(G) Nonrenewal applicant means a student who qualifies under sections 173.200—173.230, RSMo and who has filed an accurate and complete application by the deadline for financial assistance but did not receive a grant of financial assistance the prior academic year, under the Missouri Financial Assistance Program sections 173.200—173.230, RSMo.

(H) Renewal applicant means a student who was awarded and who received a grant of financial assistance in the prior academic year pursuant to sections 173.200—173.230, RSMo, who qualifies under section 173.215, RSMo and who has filed an accurate and complete application by the deadline for renewed financial assistance under that section.

(I) Residency, for the purpose of this rule, shall be determined by reference to the stan-

dards set forth in the residency rule for higher education, 6 CSR 10-3.010.

(J) Satisfactory academic progress means that a student successfully is completing sufficient courses in his/her course of study to secure the certificate or degree toward which s/he is working in no more than the number of semesters or their equivalent normally required by the institution in which the student is enrolled, by means such as suggested in the following table:

Program	By End of Semester	Completed Percentage of Program Requirements	Completed Semester (or) Hours
One-year	1	20%	(or) 6
One-year	2	60%	(or) 18
One-year	3	100%	(or) 30
Two-year	2	25%	(or) 15
Two-year	3	50%	(or) 30
Two-year	4	75%	(or) 45
Two-year	5	100%	(or) 60
Four-year	2	12.5%	(or) 15
Four-year	3	25.0%	(or) 30
Four-year	4	37.5%	(or) 45
Four-year	5	50.0%	(or) 60
Four-year	6	60.0%	(or) 72
Four-year	7	70.0%	(or) 84
Four-year	8	80.0%	(or) 96
Four-year	9	90.0%	(or) 102
Four-year	10	100.0%	(or) 120

Students at institutions on the quarter system must meet at least the equivalent standard of satisfactory progress in terms of quarter hours. Institutions also shall report their own standards for satisfactory academic progress to the department by July 1 of each year as they are to be applied by that institution in the subsequent academic year.

(K) Self-supporting student means a student who meets those self-supporting criteria set forth annually for federal Title IV programs.

(L) Student Financial Assistance Program and Financial Assistance Program means the program of financial assistance as set forth in sections 173.200—173.230, RSMo.

(2) Basic Eligibility Policy. To qualify for initial or renewed financial assistance, an applicant, at the time of his/her application and throughout the period during which s/he receives that assistance, must meet the requirements set forth in section 173.215.1, RSMo.

(3) Application and Evaluation Policy.

(A) The CBHE annually shall prescribe the form of and the time and method for filing applications for financial assistance under the Missouri Student Financial Assistance Program. It shall make announcement of its

action in these respects and make available the application form.

(B) An application for financial assistance under the Missouri Student Financial Assistance Program shall be made upon the form prescribed by the CBHE. In order to receive a Missouri Student Grant, an applicant first must have applied for the federal Pell Grant Program.

(C) Applications for a grant of financial assistance will be evaluated according to nationally accepted standards used by any multiple data entry (MDE) processor approved by the United States Department of Education and the student budgets (allowable costs associated with attendance at an institution of higher education) including:

1. Actual tuition and fees normally charged by the institutions for a full-time student (twelve (12) hours or the equivalent);

2. An allowance for room and board costs incurred by the student which—

- A. For a student without dependents residing at home with parents shall be, a standard amount published annually by the CBHE per academic year;

- B. For students without dependents residing in institutionally owned or operated housing shall be, the amount charged by the institution; and

- C. For other students, shall be a standard amount published annually by the CBHE to reflect expenses reasonably incurred by these students;

3. An allowance for books and supplies costs determined by the institution; and

4. A standard amount published annually by the CBHE for transportation and other miscellaneous educational expenses incurred by the student. Student expense budgets developed by institutions and used in determining need will be evaluated for compliance with these provisions annually by the department.

(D) Renewal applicants shall be given priority over nonrenewal applicants in the consideration of applications for the awarding of grants. Notwithstanding, a renewal application must show a continuing need by the applicant and the amount of a grant responsive to a renewal application shall be determined independent of any prior grant to the student under the Missouri Student Financial Assistance Program.

(E) Nonrenewal applicants shall be ranked in order by financial need from highest to lowest for the awarding of grants. If sufficient funds are unavailable to award to all eligible nonrenewal applicants, nonrenewal applicants with the highest financial need shall be given priority in the awarding of grants over

nonrenewal applicants with lower financial needs.

(F) For purposes of section 173.220.2, RSMo, in the case of an institution which charges an hourly tuition rate, tuition shall be determined as the product of the hourly tuition rate and number of hours enrolled in by an applicant, so that the amount of an award to a student attending that institution, subject to other limitations of section 173.220, RSMo, shall be determined in part by the sum of hours enrolled and hourly tuition rate.

(G) Exceptions to the procedures of the department applicable to the Missouri Student Financial Assistance Program and reconsideration of need, will be made only in unusual circumstances, such as death or disability of a wage earner, illness or other economic reversal and will be considered on an individual basis only upon written request, submitted to the Coordinating Board for Higher Education, Missouri Student Grant Program, 101 Adams Street, Jefferson City, MO 65101.

(4) Award Policy.

(A) A student may continue to receive a grant under the Missouri Student Financial Assistance Program so long as s/he shows satisfactory academic progress, otherwise meets the criteria of the Missouri Student Financial Assistance Program, but not for more than—

1. Five (5) semesters at a two (2)-year institution; or

2. Ten (10) semesters or fifteen (15) quarters at a four (4)-year institution.

(B) Satisfactory academic progress shall be determined as that term is defined in this rule, but—

1. If an institution requires a more rigorous standard, students must meet that institutional standard in order to be or continue to be qualified for a grant of financial assistance and in the event an institution requires a more rigorous standard and a student fails to meet this standard, but otherwise meets the standard of satisfactory academic progress as provided in this rule, the student may qualify or continue to qualify for financial assistance if the institution grants the student a waiver of its requirement for satisfactory academic progress; provided, however, that the student shall not be deemed qualified or to continue to qualify for financial assistance if s/he does not meet the more rigorous standards of the institution for more than one (1) semester; and

2. A student who has been denied the grant for lack of satisfactory academic progress may not receive financial assistance

again until the enrollment period after that in which satisfactory progress is attained.

(C) No financial assistance will be granted to a student after—

1. A baccalaureate degree has been granted to the student;

2. The required hours for a baccalaureate degree have been completed by a student; or

3. The student has completed one hundred fifty (150) semester hours or two hundred twenty-five (225) quarter hours of coursework.

(D) Grants of financial assistance will be awarded for use during the normal academic year but no funds for financial assistance will be granted for use for summer school.

(E) Financial aid from all sources, including public and private grants and loans, other than the family contribution, must not exceed need as determined by the institutional need analysis by more than one hundred dollars (\$100), except in the case where the student is receiving College Work-Study funds, in which case total financial assistance may not exceed need by more than two hundred dollars (\$200). The institution attended by a student receiving financial assistance under the Missouri Student Financial Assistance Program shall report the total financial aid package for each Missouri Student Grant recipient to the department annually to ensure that no overaward is made. If no institutional aid is involved, the Missouri Student Grant Program need may be used, otherwise the limit is the need established by the institutional system.

(F) No financial assistance grant will be made retroactive to a previous semester, except to correct an error made in departmental procedures and then only upon the sole discretion of the department.

(G) Individual student financial assistance checks will be issued only after certification of full-time attendance of the student by the institution two (2) weeks after the first day of classes.

(H) Only one-half (1/2) the annual award of financial assistance will be issued in a semester of that year.

(I) A student who does not enroll for fall term or who withdraws only for the fall semester must notify the department of his/her intent to enroll in the spring semester before the deadline for spring semester changes or an award paid in the spring semester will be forfeited.

(J) Failure to provide required information by the established deadlines may result in loss of the grant.

(K) The minimum grant awarded to qualified applicants is one-half (1/2) the base year

tuition and fees at the eligible institution having the lowest tuition and fees in the state.

(L) The CBHE has the discretion to withhold payments of any grant awards after initiating an inquiry into the eligibility or the continued eligibility of a full-time student or into the approved status of an institution.

(5) Information Sharing Policy. All information on an individual application will be shared with the college financial aid office to provide for verification of the data submitted. Information may be shared with federal financial aid offices if necessary to verify data furnished the state or federal governments as provided for in the Privacy Act of 1974, 5 U.S.C. Section 552, 552a.

AUTHORITY: section 173.210, RSMo (1994). *Original rule filed Aug. 7, 1978, effective March 17, 1979. Emergency amendment filed Sept. 13, 1979, effective Sept. 23, 1979, expired Jan. 11, 1980. Amended: Filed Sept. 13, 1979, effective March 13, 1980. Amended: Filed Dec. 16, 1988, effective April 1, 1989. Amended: Filed Jan. 10, 1990, effective April 16, 1990.

*Original authority 1972, amended 1979.

Missourians for Separation of Church and State v. Robertson, 592 SW2d 825 (Mo. App. 1979). A taxpayer may sue in his/her county of residence on a declaratory judgement action to have an administrative rule declared invalid on first amendment grounds.

6 CSR 10-2.030 Eligibility to Participate in the Missouri Student Loan Program

PURPOSE: This rule is contained in the *Common Manual, Unified Student Loan Policy*, which is produced collectively by the Missouri Student Loan Program and all other guaranty agencies that administer the guaranteed student loan program. It establishes the policies for implementation and operation of the loan program for borrowers, schools, lenders, and third-party servicers.

PUBLISHER'S NOTE: The publication of the full text of the material that the adopting agency has incorporated by reference in this rule would be unduly cumbersome or expensive. Therefore, the full text of that material will be made available to any interested person at both the Office of the Secretary of State and the office of the adopting agency, pursuant to section 536.031.4, RSMo. Such material will be provided at the cost established by state law.

(1) The *Common Manual, Unified Student Loan Policy* establishes the guidelines and specifies the federal policies by which the Missouri Student Loan Program administers the guaranteed student loan program, including Stafford Loans, Parent Loans for Undergraduate Students (PLUS), Consolidated Loans, and Supplemental Loans for Students (SLS). These national policies standardize administrative processes and enhance default prevention procedures.

(2) The manual includes policies to be followed by schools, lenders and third-party servicers that participate in the guaranteed student loan program.

(A) The manual contains general program information relevant to student loan borrowers, such as available loan types, eligibility criteria, borrowing limits, repayment options, interest rates, disbursement methods, and default activities.

(B) For schools, the manual outlines all applicable federal policies, including topics such as institutional eligibility criteria, recordkeeping and verification requirements, compliance reviews, entrance and exit counseling requirements, loan certification, disbursement and delivery methods, cohort default rates, and limitation, suspension and termination.

(C) For lenders, the manual also outlines all applicable federal policies, including topics such as eligibility criteria, audits, disbursement and delivery methods, loan servicing, due diligence requirements, claim filing, compliance reviews, and limitation, suspension, and termination.

(D) The manual also contains applicable policies that third-party servicers must adhere to in administering the guaranteed student loan program on behalf of schools and lenders.

(3) The manual includes the standard forms necessary to the administration of the guaranteed student loan program.

AUTHORITY: sections 173.095, 173.100, 173.105, 173.110, 173.115 and 173.120–173.186, RSMo (1994). *Original rule filed June 8, 1979, effective Nov. 11, 1979. Rescinded and readopted: Filed Oct. 11, 1983, effective Jan 13, 1984. Amended: Filed Oct. 1, 1985, effective Jan. 12, 1986. Amended: Filed July 1, 1988, effective Oct. 1, 1988. Amended: Filed Dec. 13, 1991, effective April 9, 1992. Rescinded and readopted: Filed Nov. 26, 1996, effective June 30, 1997.

*Original authority: 173.095, RSMo (1967), amended 1978; 173.100, RSMo (1967), amended 1978, 1981, 1994; 173.105, RSMo (1978), amended 1993, 1994; 173.110, RSMo (1967), amended 1978, 1994; 173.115, RSMo (1988); 173.120, RSMo (1967), amended 1982; 173.130,

RSMo (1967), amended 1978; 173.141, RSMo (1981); 173.150, RSMo (1967), amended 1994; 173.160 and 173.170, RSMo (1967), amended 1978, 1994; 173.180, RSMo (1967), amended 1978; and 173.186, RSMo (1986).

6 CSR 10-2.040 Eligibility and Responsibilities of Educational Institutions to Participate in the Missouri Guaranteed Student Loan Program

(Rescinded January 13, 1984)

6 CSR 10-2.041 Limitation, Suspension and Termination of Educational Institution Eligibility in the Missouri Guaranteed Student Loan Program

(Rescinded January 13, 1984)

6 CSR 10-2.050 Eligibility and Responsibilities of Lenders to Participate in the Missouri Guaranteed Student Loan Program

(Rescinded January 13, 1984)

6 CSR 10-2.051 Limitation, Suspension and Termination of Lender Participation in the Missouri Guaranteed Student Loan Program

(Rescinded January 13, 1984)

6 CSR 10-2.060 Loan Origination and Servicing in Missouri Guaranteed Student Loan Program

(Rescinded January 13, 1984)

6 CSR 10-2.070 Missouri Prospective Teacher Loan Program

PURPOSE: The Missouri Prospective Teacher Loan Program permits the Coordinating Board for Higher Education to provide loans to Missouri residents who are enrolled full-time as upperclassmen at participating Missouri public or private institutions and who are enrolled in an approved teacher education program leading to qualifications necessary to obtain a teaching certificate. The program also allows the Coordinating Board for Higher Education to defer or forgive principal and interest payments for those who teach in areas of critical need as determined by the State Board of Education.

(1) Definitions.

(A) Academic year or the period of the loan shall mean August 1 of any year through July 31 of the following year.

(B) Applicant is anyone who applies to the coordinating board for a loan under the MPTLP and, unless the context clearly requires otherwise, includes renewal applicants.

(C) Approved standard student teaching block is a period of supervised teaching experience provided by the participating institution for the student applicant to teach and complete a required number of credit hours to earn a teaching certificate in his/her teacher education program.

(D) Approved teacher education program shall mean a formal course of instruction leading to qualifications necessary to obtain a teaching certificate in Missouri and which has been approved by the State Board of Education.

(E) Areas of critical need shall be areas defined by the State Board of Education which may be either geographic or teacher certification areas in Missouri.

(F) Award is the granting of a loan under the MPTLP by the coordinating board to an applicant.

(G) Borrower is an applicant who has received loan monies under the MPTLP.

(H) Coordinating board or board is the Coordinating Board for Higher Education (CBHE) created by section 173.005, RSMo.

(I) Fiscal year shall mean July 1 of any year through June 30 of the following year.

(J) Full-time student shall be defined as an undergraduate student enrolled in college courses with credit hours equivalent to full-time status as defined by the participating institution or enrolled and participating in an approved standard student teaching block as defined by the participating institution.

(K) Fund shall mean the Missouri prospective teacher fund established by section 168.580, RSMo.

(L) Grace period shall mean the six (6)-month period between graduation, withdrawal, transfer to a nonparticipating institution or reduction to less than half-time enrollment and the date repayment begins.

(M) Missouri Prospective Teacher Loan Program or MPTLP shall mean the teacher loan program provisions included in sections 168.550—168.595, RSMo.

(N) Need shall mean the difference between the financial resources available to an applicant as determined by the coordinating board, and the applicant's cost of education (tuition, fees, room, board, books, supplies, transportation and other reasonable expenses) while attending a participating institution.

(O) Nonparticipating institution is an institution which falls outside the definition of a participating institution.

(P) Participating institution shall be a public or private Missouri institution offering an approved teacher education program and which has signed an agreement with the coordinating board to participate in the MPTLP.

(Q) Renewal applicant is a borrower who received funds under the MPTLP the prior academic year and who makes an accurate application for another loan under the MPTLP and who continues to meet the eligibility criteria.

(R) Resident of the state of Missouri is any person who meets the residency rule set forth by the coordinating board, 6 CSR 10-3.010.

(S) Satisfactory academic progress is an estimate made and certified by the participating institution, according to the institution's policies, regarding the student's rate of completion of study objective (degree or certificate).

(T) State Board of Education or state board is the State Board of Education as established in section 161.022, RSMo and includes the Department of Elementary and Secondary Education established in section 161.012, RSMo.

(U) Teaching certificate shall mean a certificate of license for any person to teach in the public schools of Missouri as granted by the State Board of Education under the rules prescribed by the state board.

(2) Student Borrower Qualifications and Responsibilities. To be eligible for an award under the MPTLP, an applicant must meet the following conditions:

(A) Be a citizen or a permanent resident of the United States;

(B) Be a resident of Missouri;

(C) Be enrolled as a full-time undergraduate student in an approved teacher education program at a participating institution for the period of the loan or be enrolled and participating in an approved standard student teaching block as defined by the participating institution for the period of the loan;

(D) Have completed the equivalent number of college credit hours to be classified in junior status or above as determined by the participating institution but not have earned and completed one hundred fifty (150) semester credit hours nor have earned a previous baccalaureate degree;

(E) Be evaluated on an entry level test and obtain a satisfactory rating prior to admission to an approved teacher education program in accordance with section 168.400.2, RSMo;

(F) Demonstrate need for the loan amount requested as recommended by the participating institution in the institution's section of the MPTLP application;

(G) Intend to obtain a teaching certificate under the rules prescribed by the State Board of Education;

(H) Maintain a cumulative grade point average in college credit of no less than 3.0

on a 4.0 scale or the equivalent determined by the coordinating board;

(I) Be in good standing and maintain satisfactory academic progress in his/her course of study, according to standards determined by the participating institution;

(J) Not be in default on other previous educational loans and not owe a refund or a repayment on other Title IV financial assistance programs included in the Higher Education Act of 1965;

(K) Complete the student borrower's section of the MPTLP application, MO 555-0041 (1-86), including the borrower's Social Security number subject to the provisions of section 7 of P. L. 93-579; and

(L) Execute and deliver to the coordinating board a signed promissory note in accordance with these rules. The signed promissory note constitutes the loan contract required under section 168.570, RSMo and must be received by the coordinating board before the applicant's award can be sent to the participating institution.

(3) Responsibilities of Participating Institutions.

(A) Participating institutions shall meet the following requirements:

1. Be a public or private institution located in Missouri;

2. Be accredited by either the North Central Association of Colleges and Secondary Schools, by other accrediting bodies recognized by the United States Department of Education or be approved by the State Board of Education pursuant to section 161.097, RSMo;

3. Admit only those students having a certificate of graduation from a school providing secondary education or the recognized equivalent of that certificate;

4. Offer an approved teacher education program for enrolled students to obtain a teaching certificate as defined by the state board;

5. Establish fair and equitable refund policies covering tuition, fees, and where paid to the school, room and board charges;

6. Sign the Agreement for Educational Institution Participation in the MPTLP as provided by the coordinating board;

7. Retain, pursuant to the provisions under this rule, MPTLP records for five (5) years and systematically organize records to be made readily available for review upon request by the coordinating board; and

8. Complete the institution's section of the MPTLP application, MO 555-0041 (1-86), to verify the student's eligibility for the MPTLP and send to the coordinating board by June 1 of the current processing year.

(B) When the participating institution receives the MPTLP funds for the awards made by the coordinating board, the participating institution must comply with the following:

1. Determine if the applicant is enrolled full-time making satisfactory academic progress in his/her course of study, according to standards determined by the participating institution;

2. Do not obtain an applicant's authorization as an instrument of endorsement for the disbursement of funds on the applicant's behalf;

3. Deliver the MPTLP funds to the applicant in the amount awarded to that applicant by the coordinating board and obtain the applicant's endorsement, retaining the portion of the award which the applicant owes for the cost of education (tuition, fees, room, board, books, supplies, transportation and other reasonable expenses) to that particular participating institution and promptly give the applicant any remaining funds;

4. Inform the coordinating board of changes in the applicant's enrollment status, graduation date(s) and last known address by promptly completing and returning enrollment verification reports to the coordinating board. Enrollment verification reports are to be submitted two (2) times during the academic year: one (1) in October and one (1) in March;

5. Notify the coordinating board directly about the applicant's status change within sixty (60) days of the participating institution becoming aware of the change if the institution does not expect to submit the next enrollment verification report within the next sixty (60) days;

6. Must notify if the applicant to whom an award has been made has not enrolled full-time, or has indicated that s/he does not plan to enroll full-time, the coordinating board and return the applicant's check within thirty (30) days of learning these facts;

7. Shall be responsible for the repayment of any loan funds sent to it by the coordinating board in the following instances:

A. The participating institution delivers funds to an applicant not eligible under the MPTLP if the award was based on erroneous, improper or misleading information provided by the participating institution to the coordinating board; or

B. The participating institution delivers the MPTLP funds to a person other than one to whom the coordinating board has directed the funds be delivered; and

8. Determine and calculate the amount of refunds to the coordinating board based on

the refund formula of the participating institution.

(4) Application and Evaluation.

(A) The coordinating board annually shall prescribe the form of and the time and method for filing applications under the MPTLP.

(B) An application for assistance under the MPTLP shall be made annually by the applicant upon the form prescribed by the coordinating board.

(C) The application shall be divided into three (3) separate sections. The application will be completed in the following order according to the section name:

1. Student Applicant;

2. Student Financial Aid Office of the participating institution; and

3. Coordinating Board for Higher Education.

(D) Applicants will be evaluated by the coordinating board according to the eligibility criteria under the provisions of this rule and the information submitted by the participating institution on the completed application and on any other information received by and deemed reliable by the coordinating board.

(E) The completed MPTLP application must be received by the coordinating board on or before June 1 of the current processing year in order to be considered on time and to have priority consideration.

(5) MPTLP Award Limits and Criteria.

(A) For the Fiscal Years 1987, 1988 and 1989, the maximum loan amount for each applicant per academic year shall be one thousand dollars (\$1000), not to exceed five hundred dollars (\$500) per school term.

(B) The fourth and each subsequent year in which loans are made under the MPTLP, the coordinating board shall determine the maximum amount for loans to eligible applicants in each academic year.

(C) The minimum award amount for each applicant per academic year shall be five hundred dollars (\$500), not to exceed two hundred fifty dollars (\$250) per school term.

(D) The loan amount recommended by the participating institution shall not exceed the cost of education (tuition, fees, room, board, books, supplies, transportation and other reasonable expenses) less any financial aid and other resources available to the applicant or the annual loan limits.

(E) Funds under the MPTLP shall be awarded to applicants who otherwise qualify under this rule in the following order until all the funds have been expended. Class levels

shall be defined by the participating institutions.

1. Renewal applicants who are obtaining a teaching certificate in an area of critical need.

2. Nonrenewal applicants classified as seniors who are obtaining a teaching certificate in an area of critical need.

3. Nonrenewal applicants classified as juniors who are obtaining a teaching certificate in an area of critical need.

4. Renewal applicants who are obtaining a teaching certificate in an area of noncritical need.

5. Nonrenewal applicants classified as seniors who are obtaining a teaching certificate in an area of noncritical need.

6. Nonrenewal applicants classified as juniors who are obtaining a teaching certificate in an area of noncritical need.

(F) If the amount of MPTLP funds available to award for loans is insufficient to award the loan amount recommended by the participating institution, for each and all of those applicants who qualify for MPTLP funds from all the participating institutions, the qualified applicants with the highest cumulative grade point average shall have priority in receiving awards within the priority groupings described in subsection (5)(E).

(G) An applicant shall have advanced to the next class level in order to be eligible for a subsequent loan under the MPTLP and the applicant shall receive only one (1) award under the MPTLP for each eligible class level of enrollment at the participating institution.

(H) The annual award amount will be disbursed equally according to the number of semesters at the participating institution and awarded for each semester of enrollment.

(I) An award(s) will not be made for the periods of enrollment during the summer term(s).

(J) An applicant or borrower may change his/her participating institution choice prior to registration and may transfer between participating institutions during the academic year. The deadline for these actions is August 1 for the fall semester and January 1 for the winter or spring semester. Failure to notify the coordinating board of these actions may result in loss of the award.

(K) Award notifications and promissory notes forms will be sent to applicants by the coordinating board once the awards have been determined. Notifications of awards also will be sent to the student financial aid office at the participating institution where the applicant plans to or has enrolled.

(L) The applicant's award will be sent to the participating institution to be endorsed by

the applicant in accordance with the requirements of subsection (3)(B) of this rule.

(M) Should a borrower withdraw prior to the end of the participating institution's refund period for the period of the loan, then a refund shall be calculated and made to the coordinating board by the participating institution within forty (40) days from the day on which the borrower withdraws. The amount of the refund will be calculated by the participating institution based on the refund formula of that institution. The coordinating board may refuse to award loans to applicants who attend participating institutions which fail to make timely refunds to the coordinating board.

(N) Interest shall be calculated on the total amount borrowed at the time repayment is required to begin. The interest rate shall be calculated at ten percent (10%) simple interest with daily accrual on the total unpaid principal balance.

(O) If after making all the awards to those applicants whom the coordinating board finds qualified under these rules, there remains money in the fund, the coordinating board shall not be required to award those unexpended funds.

(6) Grace Period.

(A) A borrower shall be allowed a one (1)-time six (6)-month grace period following graduation, withdrawal, transfer to a nonparticipating institution, or reduction to less than half-time status at the participating institution before repayment must begin.

(B) The grace period begins when a borrower graduates, transfers to a nonparticipating institution or reduces his/her academic load to less than half-time enrollment as determined by the participating institution.

(C) The grace period terminates on the first day of the seventh month after the borrower graduates, withdraws, transfers to a nonparticipating institution or ceases half-time enrollment. No extensions of the grace period shall be allowed.

(D) The grace period, for all borrowers who enter into a contract with a Missouri public elementary or secondary school in an area of critical need, shall be the length of time between graduation from an approved teacher education program and the effective date of the contract in the area of critical need or six (6) months, whichever is less. For borrowers not teaching in an area of critical need or not entering teaching, the grace period for the MPTLP shall be six (6) months following graduation from an approved teacher education program.

(E) Nonattendance or enrollment in any school or participating institution for less

than half-time status during the summer months does not affect the grace period.

(F) The borrower can waive any or of his/her grace period and begin repayment early. The borrower must so inform MPTLP in writing. Once the borrower has waived the grace period, it cannot be reinstated.

(7) Repayment.

(A) Repayment shall begin at the end of the allowed grace period.

(B) The coordinating board will mail the repayment schedule to the borrower during the grace period of the MPTLP.

(C) The first payment must be made by the borrower no later than the last day of the seventh month after the borrower graduates, withdraws, transfers to an ineligible nonparticipating institution or ceases half-time enrollment.

(D) The minimum payment amount shall be thirty dollars (\$30) each month until the loan is paid in full or cancelled. The loan payment amount will vary depending on the total amount borrowed, plus accrued interest. Under no circumstances shall the minimum annual repayment be less than three hundred sixty dollars (\$360).

(E) The borrower shall repay the total amount borrowed (principal and interest) within five (5) years of the first payment date. The periods of repayment, cancellation, or both, shall not extend beyond five (5) years from the first payment date.

(F) If the borrower makes payments during the grace period, the payment shall be deducted from the principal amount owed by the borrower.

(G) Payments made by the borrower after the allowed grace period has expired shall be applied first to the accrued interest with the balance of the payment, if any, being applied to principal.

(H) The borrower may repay the whole or any part of the total award with accrued interest at any time without penalty.

(8) Delinquency and Default.

(A) A borrower shall be delinquent when one (1) scheduled payment is missed.

(B) A borrower shall be in default when three (3) consecutive scheduled payments are missed; after that, payment of principal and interest is due in full immediately.

(C) A borrower shall be notified by certified mail by the coordinating board of his/her default status within ten (10) days of when the loan is considered in default. The borrower will have thirty (30) days from the date of the certified letter to make satisfactory payment arrangements.

(D) If satisfactory payment arrangements have not been made within thirty (30) days from the date the default notice is mailed, then the borrower's default status will be reported to a national credit bureau.

(E) Borrower's responsibility includes maintaining a current address with the coordinating board. A notice of default returned to the coordinating board as undeliverable will be considered as no response and the borrower's default status will be reported to a national credit bureau within thirty (30) days from the mailing date of the default notice.

(9) Cancellation.

(A) A borrower may cancel twenty percent (20%) of the remaining balance including principal and interest owed for each academic year the borrower is employed in a Missouri public elementary or secondary school in the state and is teaching in a teacher certification area or a geographic area of critical need.

(B) The teacher certification area of critical need for a borrower shall be determined at the time the borrower initially receives and accepts funds under the MPTLP.

(C) The geographic area of critical need for a borrower shall be determined at the time the borrower signs a contract to teach in a Missouri public elementary or secondary school.

(D) A borrower requesting cancellation must enter into a contract with an elementary or secondary school recognized as a public school by the state board and the school official shall verify on the MPTLP Employment Status Form the borrower's employment each academic year of teaching.

(E) A borrower requesting cancellation as an elementary teacher must have a major area of emphasis in the teacher certification area of critical need and the school official must verify the borrower is teaching in the major area on the MPTLP Employment Status Form for the borrower to qualify for cancellation requirements in accordance with subsection (9)(A) of this rule.

(F) No payment is due from a borrower as long as s/he is regularly employed by a public elementary or secondary school in Missouri and is teaching in an area of critical need.

(G) Repayment of the loan and interest shall begin immediately if the borrower ceases employment with a public elementary or secondary school in Missouri or discontinues teaching in the area of critical need before or at the end of the academic year in which the borrower has begun teaching.

(H) After five (5) years of employment and teaching by the borrower in an area of critical

need, the total amount borrowed, principal and interest, or the remaining balance may be fully cancelled.

(10) Deferment of Repayment.

(A) A borrower may qualify for an in-school deferment and defer payments of principal and interest if the borrower returns to pursue a full-time course of study at the graduate level as defined by the educational institution.

1. A borrower enrolled as a full-time graduate student and requesting deferment of repayment must enroll in an educational institution regionally accredited.

2. A Request for Deferment of Repayment Form must be completed by the borrower and a school official and the educational institution must verify the student's enrollment status in order to qualify for the in-school deferment.

3. The beginning date for the requested deferment is the date the borrower begins attending as a full-time graduate student. The deferment can continue for any length of time, as long as the borrower remains enrolled at an educational institution on a basis that meets the previously stated eligibility requirements.

4. A Request for Deferment of Repayment Form must be completed for each academic year the borrower is enrolled as a full-time graduate student and requests a deferment of principal and interest.

(B) A borrower may request a temporary total disability deferment for up to three (3) years if the borrower, by reason of injury or illness, cannot be expected to be able to attend a participating institution or to be gainfully employed during a reasonable period of recovery from such injury or illness not to exceed twelve (12) months.

1. A Request for Deferment of Repayment Form must be completed by the borrower and submitted to the MPTLP along with a physician's statement certifying the nature of the disability and the expected duration of the temporary total disability.

2. The borrower's grace period must be used before the temporary total disability deferment can be granted. The beginning date of this deferment is the date on the Request for Deferment of Repayment Form indicating when the disability began or the day after the end of the grace period, whichever is later.

(C) No other deferments shall be granted under the MPTLP.

(11) Forbearance.

(A) The Missouri Prospective Teacher Loan Program will consider the use of forbearance in cases where, because of temporary hardship, the borrower is willing but unable to pay in accordance with the repayment schedule. Forbearance shall not be used when a borrower is unwilling to make repayments. Forbearance is often granted in situations where the borrower is, for a period of time, unable but willing to meet his/her obligation, for example, hospitalization, prolonged illness or disability.

(B) Forbearance for a borrower may consist of a reduction in the amount of scheduled payments for a specific period of time or the suspension of payments for a specific period.

(C) The MPTLP shall determine the status of forbearance and if interest payments may be postponed during forbearance for each borrower.

(12) Death, Disability and Bankruptcy.

(A) In the event a borrower becomes totally and permanently disabled, the requirements of the borrower to make any further payment of principal and interest will be cancelled immediately upon approval of the disability. Disability exists when the borrower, by reason of injury or illness, cannot be gainfully employed for a period of not less than twelve (12) months from the injury or illness. S/he must have a severe impairment which makes him/her unable to do his/her previous work or any other substantial gainful activity which exists in the national economy. The appropriate documents necessary for filing a disability claim may be obtained from the MPTLP upon request.

(B) In the event, either voluntary or involuntary, a borrower becomes subject to a proceeding under the bankruptcy laws of the United States of America, s/he immediately shall report this proceeding to the coordinating board and provide a copy of the petition.

(13) Due Diligence. The coordinating board will monitor all student loans in deferment, cancellation, repayment or default status. The coordinating board may pursue all available legal remedies to ensure full repayment of loans.

*AUTHORITY: sections 168.550—168.595, RSMo (1995). * Original rule filed Jan. 11, 1986, effective June 12, 1986.*

**Original authority 1985.*

6 CSR 10-2.080 Higher Education Academic Scholarship Program

PURPOSE: The Higher Education Academic Scholarship Program permits the Coordinating Board for Higher Education to provide

academic scholarships for eligible Missouri residents to attend an approved Missouri college or university of their choice pursuant to the provisions included in section 173.250, RSMo. This rule sets forth qualifications required of student applicants for the scholarships, criteria to be used in selecting scholarship recipients and qualifications which approved colleges or universities must meet.

(1) Definitions.

(A) Academic year or the period of the scholarship is the period from July 1 of any year through June 30 of the following year.

(B) Applicant is anyone who applies to the coordinating board for a scholarship under the academic scholarship program.

(C) Approved institution shall be any private or public institution located in Missouri that meets the requirements set forth in section 173.205(2) or 173.205(3), RSMo.

(D) Certificate of high school equivalence shall be a certificate that is awarded to an applicant who has successfully completed and passed the General Educational Development (GED) examination as established by the Commission on Educational Credit and Credentials of the American Council on Education (ACE).

(E) Continually enrolled shall be enrollment as a full-time student who receives scholarship assistance at an approved institution for at least one (1) semester, trimester or quarter, not including summer terms, in the academic year for which the scholarship award was originally offered.

(F) Coordinating board or board is the Coordinating Board for Higher Education (CBHE) created by section 173.005, RSMo.

(G) Expenses shall be any allowable expenses related to room, board, travel and personal costs of the applicant necessary to satisfactorily provide and complete a service to a nonprofit organization, a state or federal government agency.

(H) Full-time student shall be defined by the approved institution as a postsecondary student who is enrolled in and is carrying a sufficient number of credit hours or its equivalent (minimum twelve (12) credit hours), excluding correspondence-type courses, at the approved private or public Missouri institution to secure the degree or certificate toward which the student is working in accordance with paragraph (2)(A)9. of this rule.

(I) Higher Education Academic Scholarship Program or academic scholarship program shall mean the academic scholarship program provisions included in section 173.250, RSMo.

(J) Initial recipient shall be any applicant who meets the eligibility requirements and is

awarded an academic scholarship under the academic scholarship program as a graduating high school senior, a homeschooled student, or a student who has obtained a certificate of high school equivalence by passing the GED examination.

(K) Medical need shall be an illness, disability, pregnancy or other medical need that prevents an eligible applicant from enrolling or which requires a recipient to cease all attendance at an approved institution in the academic year for which the scholarship award was originally offered.

(L) Nonprofit organization shall be any organization which is organized under the laws of its home state as a not-for-profit corporation or organization, such as a charitable, scientific or literary organization.

(M) Renewal recipient shall be any applicant who received an academic scholarship as an initial recipient under the academic scholarship program and meets the eligibility requirements under the provisions of this rule and requirements as defined by the approved institution and is awarded a renewable academic scholarship under the academic scholarship program.

(N) Resident of Missouri is any person who meets the requirements for resident status for Missouri set forth by the coordinating board, in 6 CSR 10-3.010.

(O) Satisfactory academic degree progress or satisfactory academic progress shall be determined by the approved institution's policies as applied to other students at the approved institution receiving assistance under Title IV financial aid programs included in the Higher Education Act of 1965.

(P) Scholarship assistance or award shall be an amount of money paid by Missouri to a qualified applicant pursuant to the provisions of this rule.

(Q) Standard admissions policies shall be policies approved and published by the approved institution to admit special students and students having a certificate of graduation.

(R) Student deferment or deferment of eligibility shall be a period of time up to twenty-seven (27) continuous months during which an eligible applicant or recipient may defer scholarship eligibility to participate in an international student exchange program, provide a service to a nonprofit organization, a state or federal government agency, serve on active duty in any branch of the armed forces of the United States or because of medical needs. The deferment shall begin on July 1 of the academic year that the student was approved for or July 1 following the most recent academic year that the student received scholarship assistance.

(S) Student exchange program shall be any recognized international or national exchange program that is available to qualified students for the applicant to continue his/her educational studies.

(T) Sufficient documentation or verification shall be required documents provided by the student exchange program, the nonprofit organization, a state or federal government agency, any branch of the armed forces or a practicing medical physician and must be in the form of letters of participation, application materials, copies of orders or release papers, or a statement of medical need.

(2) Student Applicant and Recipient Qualifications and Responsibilities.

(A) To be eligible for initial or renewed scholarship assistance under the academic scholarship program, an applicant must meet the following conditions:

1. Be a citizen or permanent resident of the United States;

2. Be a resident of Missouri;

3. Be enrolled or accepted for enrollment as a full-time postsecondary student at an approved institution for the period of the scholarship and is in compliance with section 173.215, RSMo excluding the requirements of financial need and undergraduate status;

4. Be a high school senior and have a composite score on either the American College Testing Program (ACT) or the Scholastic Aptitude Test (SAT) of the college board in the top three percent (3%) of all Missouri students taking those tests during the student's senior year in high school and be offered and receive a scholarship award as a first-time full-time first-year postsecondary student the academic year immediately following their senior year in high school to be eligible for scholarship assistance as an initial recipient;

5. Be enrolled full-time continually (not including periods of enrollment during the summer terms) as second-, third-, fourth- and fifth-year students or other students meeting the eligibility requirements of this rule in an approved institution and have continually received an academic scholarship subject to the availability of state-appropriated funds to be eligible for scholarship assistance as a renewal recipient;

6. Maintain satisfactory academic progress in his/her course of study, according to standards determined by the approved institution;

7. Has never been convicted in any court of an offense which involved the use of force, disruption or seizure of property under the control of any institution of higher education to prevent officials or students in these insti-

tutions from engaging in their duties or pursuing their studies;

8. Not be enrolled or intend to use the award to enroll in a course of study leading to a degree in theology or divinity;

9. Be allotted scholarship assistance for one (1) academic year, but an applicant shall be eligible for renewed assistance until s/he has obtained a baccalaureate degree; provided, the scholarship assistance shall not exceed a total of ten (10) semesters or fifteen (15) quarters or their equivalents; and

10. An initial recipient must complete an application for scholarship assistance and must submit all of the required application materials to the coordinating board according to the provisions of this rule.

(B) To be approved for student deferment status, applicants and recipients must meet the following requirements:

1. Meet the eligibility requirements for scholarship assistance in accordance with the provisions of this rule;

2. Contact the coordinating board in writing to request a student deferment of eligibility;

3. Complete and submit the deferment of eligibility form that is provided by the coordinating board; and

4. Submit to the coordinating board, along with the completed deferment form, sufficient documentation that verifies to the satisfaction of the coordinating board the student ceased all attendance or the student was unable to enroll and receive scholarship assistance at an approved institution in the academic year for which the scholarship award was originally offered.

(C) To satisfactorily complete the approved student deferment period, applicants and recipients must meet the following requirements:

1. Notify the coordinating board by submitting verification documenting that the deferment period was satisfactorily completed within the original dates, not to exceed twenty-seven (27) continuous months, as approved by the coordinating board;

2. Have a completed scholarship application or a renewal student record submitted with the coordinating board in accordance with the provisions of this rule;

3. Enroll as a full-time student at an approved institution in the academic year immediately following the student deferment period; and

4. Submit sufficient documentation as verification to the coordinating board that the student was not compensated for other than expenses for a service that was provided to a nonprofit organization, a state or federal government agency.

(3) Responsibilities of Approved Institutions.

(A) Approved institutions shall meet the following requirements:

1. Follow the provisions included in section 173.205(2) or (3), RSMo;

2. Admit students based on the approved institution's standard admissions policies;

3. Submit a copy of the institution's policy on satisfactory academic degree progress for the coordinating board's records;

4. Establish fair and equitable refund policies covering tuition, fees and, where paid to the school, room and board charges. That refund policy shall be the same policy which is utilized by the approved institution for refunding all federal Title IV financial aid programs included in the Higher Education Act of 1965;

5. Sign the Agreement for Educational Institution Participation in the Higher Education Academic Scholarship Program as provided by the coordinating board;

6. Systematically organize all student records (student financial aid, registrar, business office) pertaining to student recipients under the scholarship program to be made readily available for review upon request by the coordinating board; and

7. Verify the student's renewal eligibility for the academic scholarship program by transmitting the renewal student's record to the coordinating board by the annual deadline published by the coordinating board for the current academic year.

(B) When the approved institution receives the academic scholarship program funds for the awards made by the coordinating board, the approved institution must comply with the following:

1. Determine if the applicant is enrolled full-time and is making satisfactory academic progress in his/her course of study according to standards determined by the approved institution;

2. Deliver the scholarship program funds to the applicant in the amount awarded to that applicant by the coordinating board and obtain the applicant's endorsement, retaining the portion of the award which the applicant owes for educational-related expenses (tuition, fees, room and board or other educational-related expenses) to that particular approved institution and promptly give the applicant any remaining funds;

3. Must notify the coordinating board if, prior to disbursement, the applicant to whom an award has been made has not enrolled full-time, or has indicated that s/he does not plan to enroll full-time, and return the applicant's check within thirty (30) days of learning these facts;

4. Shall be responsible for the repayment of any scholarship funds sent to it by the coordinating board in the following instances:

A. The approved institution delivers funds to an applicant not eligible under the academic scholarship program if the award was based on erroneous, improper or misleading information provided by the approved institution to the coordinating board; or

B. The approved institution delivers the academic scholarship funds to a person other than the one to whom the coordinating board has directed the funds be delivered; and

5. Determine and calculate the amount of refunds to the coordinating board based on the refund formula of the approved institution for applicants who withdraw. The coordinating board may refuse to award scholarships to applicants who attend approved institutions which fail to make timely refunds to the coordinating board.

(4) Application and Evaluation.

(A) The coordinating board shall annually prescribe the form of and the time and method of filing applications under the academic scholarship program.

(B) An application for scholarship assistance under the academic scholarship program shall be made annually by the applicant upon the form and method prescribed by the coordinating board.

(C) High school seniors' ACT or SAT official test scores from national test dates will be evaluated using the Missouri high school profile chart provided by the ACT or the SAT of the college board to determine if the applicants' test scores are in the top three percent (3%) of all Missouri students taking the ACT or SAT test during their senior year in high school for the coordinating board to make a determination of the applicants' eligibility for awards as initial recipients. Verification of the initial recipient's test scores from national test dates must be provided by the ACT Program, by the college board or by the high school official with the student's scholarship application. Failure to provide official test score verification will result in the application being incomplete.

(D) Test scores from the applicant's sophomore, junior or senior year in high school shall be acceptable in determining eligibility for the academic scholarship program as long as the test scores are in the top three percent (3%) during their senior year in high school.

(E) If an eligible applicant has been offered or has received a scholarship award under the provisions of this rule and if the applicant's qualifying composite test score has officially been cancelled and is determined to be

invalid by the ACT or the SAT of the college board then the applicant will be declared ineligible by the coordinating board for the scholarship program and the applicant or the recipient shall be responsible for the repayment of all scholarship awards to the coordinating board.

(F) Second-, third-, fourth- and fifth-year students or other students meeting the eligibility requirements of this rule enrolled in approved institutions will be evaluated by the coordinating board according to the eligibility criteria under the provisions of this rule and the information submitted by the approved institution and on any other information received by and deemed reliable by the coordinating board for renewal recipients.

(G) The deadline for receiving completed academic scholarship applications will be published annually by the coordinating board for each academic year. Completed applications and renewal records must be received by the coordinating board on or before the published deadline to be considered on time and to have priority consideration. Incomplete applications or incomplete renewal records received by the coordinating board will not be processed.

(H) Completed academic scholarship applications and renewal records received after the annual deadline published by the coordinating board will be awarded provided program funds are available, based on a review by the coordinating board.

(5) Academic Scholarship Program Award Limits and Criteria.

(A) The maximum academic scholarship program award amount for each applicant per academic year shall be two thousand dollars (\$2000), not to exceed one thousand dollars (\$1000) per school term. Awards at approved institutions utilizing trimester academic programs shall be evenly distributed over the three (3) terms.

(B) Financial need shall not be used by the coordinating board in determining eligibility for awards under the academic scholarship program for an applicant.

(C) Applicants who qualify as renewal recipients under the provisions of this rule shall have priority in the awarding of program funds. If sufficient program funds are unavailable to award all eligible renewal recipients, program funds shall be awarded in the following order: fifth-, fourth-, third- and second-year students as defined by the approved institution.

(D) Applicants who qualify as initial recipients under the provisions of this rule, will be awarded each year of the program, based on the availability of program funds.

(E) If sufficient program funds are unavailable to award to initial recipients, the awards will be made based on the earliest date the completed applications are received by the coordinating board until all funds have been expended.

(F) An applicant receiving an award under the academic scholarship program shall have made satisfactory academic progress as defined by the approved institution in order to be eligible for a subsequent award under the academic scholarship program.

(G) The award amount for any given academic year will be disbursed to the approved institution equally according to the number of semesters at the approved institution and awarded for each semester of enrollment.

(H) Awards will not be made for periods of enrollment during the summer term(s).

(I) An applicant may change his/her approved institution choice prior to the beginning of the first day of classes and may transfer between approved institutions during the academic year. Failure to notify the coordinating board of action may result in loss of the award.

(J) Award notifications will be sent to applicants by the coordinating board once the awards have been determined. Notification of awards also will be sent to the student financial aid office at the approved institution where the applicant plans to enroll or has enrolled.

(K) The applicant's award will be sent to the approved institution to be endorsed by the applicant in accordance with the requirements of subsection (3)(B) of this rule.

(L) Should an applicant withdraw prior to the end of the approved institution's refund period for the period of the scholarship, then a refund shall be calculated and made to the coordinating board by the approved institution within forty (40) days from the day on which the applicant withdraws. The amount of the refund will be calculated by the approved institution based on the refund formula of that institution.

*AUTHORITY: section 173.250, RSMo (1994). * Original rule filed Nov. 14, 1986, effective Feb. 28, 1987. Amended: Filed Feb. 3, 1988, effective April 28, 1988. Amended: Filed Dec. 5, 1988, effective March 1, 1989. Amended: Filed Aug. 15, 1989, effective Nov. 15, 1989. Amended: Filed Oct. 14, 1992, effective May 6, 1993. Amended: Filed Sept. 29, 1994, effective March 30, 1995.*

**Original authority 1986, amended 1988, 1990, 1991.*

6 CSR 10-2.090 Guarantors of Student Loans to Missourians

PURPOSE: This rule establishes the guidelines pertaining to the activities of independent and private guarantors of student loans with respect to Missouri residents attending Missouri schools pursuant to the provisions included in section 173.186, RSMo. This rule sets forth the responsibilities of the guarantors and the procedures for the identification and notification of affected parties.

Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the material referenced has been filed with the secretary of state. This material may be found at the Office of the Secretary of State or at the headquarters of the agency and is available to any interested person at a cost established by state law.

(1) Definitions.

(A) Coordinating board or board is the Coordinating Board for Higher Education (CBHE) created by section 173.005, RSMo.

(B) Correspondence school is any school or program in which a significant percentage of the instruction is through the study of materials in the home rather than through resident instruction at the school.

(C) Eligible institution is any school which meets the eligibility requirements set forth by the coordinating board in 6 CSR 10-2.030 (*Missouri Guaranteed Student Loan Program Manual*, Chapter 3, Section 3.1).

(D) Independent or private guarantors of student loans denotes private nonprofit agencies that administer a student loan insurance program.

(E) Missouri resident is any person who meets the residency rule set forth by the coordinating board in 6 CSR 10-3.010.

(F) Participate means a postsecondary educational institution has submitted a signed School Eligibility Agreement, been approved by the Missouri Guaranteed Student Loan Program and has delivered one (1) or more Missouri guaranteed student loans to one (1) or more students in the current or previous state fiscal years.

(G) Postsecondary educational institution is any school which comes within the terms institution of higher education or vocational school as those terms are used in Title IV, Part B, of the Higher Education Act of 1965, 20 U.S.C. SS 1080—1087-2.

(H) Student loans are those loans made under the provisions of Title IV, Part B, of the

Higher Education Act of 1965, 20 U.S.C. SS 1071—1098-2.

(I) Total amount of student loans is the sum arrived at by adding the dollar amount of each loan as it exists before that amount is reduced by any fees, payment to postsecondary educational institutions or lenders or other amounts.

(2) Responsibilities of Independent or Private Guarantors of Student Loans.

(A) An annual report will be required from each independent or private guarantor of student loans who guarantees a student loan made to a Missouri resident to attend a postsecondary educational institution located in Missouri and who makes this guarantee on any loan on or after July 1, 1986.

(B) The annual report shall be filed with the coordinating board by August 15 of each year beginning August 15, 1987.

(C) The annual report shall be submitted on a form provided by the coordinating board and will contain at least the following information for the guaranteed student loans guaranteed within the period of July 1 through June 30, inclusive, immediately preceding the August 15 filing deadline:

1. The complete name of the independent or private guarantor of student loans who is filing the report;

2. The signature, at the end of the report, of the officer or employee of the guaranty agency who was responsible for the filing of the report;

3. The date on which the report was signed;

4. The total dollar amount of the student loans guaranteed by the guaranty agency for each postsecondary educational institution in Missouri attended by the students for whom the loans were guaranteed, broken down for each month of the reporting period according to the month in which the loan was guaranteed. These amounts should be reported regardless of whether any loans were cancelled in part or in full;

5. The name and address of each postsecondary educational institution attended by the students who were beneficiaries of the guaranteed loans; and

6. The total dollar amount for the entire twelve (12)-month reporting period of the guaranteed student loans broken down according to each postsecondary educational institution attended by the students for whom the loans were guaranteed.

(3) Identification and Notification of Parties Affected by This Rule.

(A) Affected guaranty agencies will be identified from information compiled by the

United States Department of Education. Affected lenders and postsecondary educational institutions will be identified from information compiled by the United States Department of Education and by the coordinating board.

(B) The coordinating board will send written notification to these entities by first class mail initially in August 1986 and in even-numbered years after. The notification will contain the requirements of the statutes. The form for the annual report and instructions for completion will be mailed to the affected guaranty agencies annually, beginning in June 1987.

AUTHORITY: section 173.186, RSMo (1994). Original rule filed Oct. 15, 1986, effective March 12, 1987.*

**Original authority 1986.*

6 CSR 10-2.100 Public Service Officer or Employee's Child Survivor Grant Program

PURPOSE: The public service officer or employee's child survivor grant program, established by section 173.260, RSMo, authorizes the Coordinating Board for Higher Education to provide educational benefits for eligible Missouri residents who are dependents of certain public safety officers and certain public employees killed in the line of duty to attend an approved Missouri college or university. This rule sets forth qualifications required of student applicants for grant assistance and qualifications which approved colleges or universities must meet.

(1) Definitions.

(A) Academic year or the period of the grant is the period from August 1 of any year through July 31 of the following year.

(B) Coordinating board or board is the Coordinating Board for Higher education created by section 173.005, RSMo.

(C) Eligible child or applicant is anyone who applies to the coordinating board for grant assistance under the survivor grant program and is the natural, adopted or stepchild of a public safety officer or employee who is less than twenty-four (24) years of age and who is a dependent of a public safety officer or employee or was a dependent at the time of death of a public safety officer or employee.

(D) Employee shall be any full-time employee of the Department of Highways and Transportation engaged in the construction or maintenance of the state's highways, roads and bridges who is killed in the line of duty.

(E) Full-time student shall be an undergraduate student who is enrolled in and is carrying sufficient number of credit hours or their equivalent at an approved private or public Missouri institution to secure a degree or certificate.

(F) Grant assistance or award shall be an amount of money paid by Missouri to a qualified applicant pursuant to the provisions of this rule.

(G) Institution of postsecondary education or approved institution shall be any private or public institution located in Missouri that meets the requirements set forth in section 173.205(2) and (3), RSMo.

(H) Public safety officer shall be any firefighter, police officer, parole officer, probation officer, state correctional employee, water safety officer, conservation officer or highway patrolman employed by Missouri or a political subdivision of Missouri who is killed in the line of duty.

(I) Satisfactory academic degree progress or satisfactory academic progress shall be determined by the approved institution's policies as applied to other students at the approved institution receiving assistance under Title IV financial aid programs included in the Higher Education Act of 1965.

(J) Similar program funds shall be need-based funds an applicant receives under any federal or state grant aid programs.

(K) Standard admissions policies shall be policies approved and published by the approved institution to admit students having a certificate of graduation or the equivalent of this certificate and to allow the early admission of superior high school students.

(L) Survivor grant or grant shall mean the public safety officer or employee survivor grant as established by section 173.260, RSMo.

(M) Tuition or incidental fee shall be the amount charged for nondesignated and unrestricted fees by an institution of postsecondary education for an applicant to attend full-time at that institution.

(2) Eligible Child Qualifications and Responsibilities.

(A) To be eligible for grant assistance under the survivor grant program, an applicant must meet the following conditions:

1. Be a citizen or permanent resident of the United States;
2. Be a resident of Missouri;
3. Be a dependent child of a public safety officer or employee who was killed in the line of duty;
4. Be enrolled or accepted for enrollment as a full-time undergraduate student in a course of study leading to a certificate or an

associate or baccalaureate degree at an approved institution for the period of the grant;

5. Maintain satisfactory academic progress in his/her course of study, according to standards determined by the approved institution; and

6. Complete an application for grant assistance according to the provisions of this rule.

(B) No award shall be made under section 173.260, RSMo to any applicant who is enrolled or who intends to use the award to enroll in a course of study leading to a degree in theology or divinity.

(C) Grant assistance shall be allotted for one (1) academic year, but an applicant shall be eligible for renewed assistance until s/he has obtained a baccalaureate degree or has reached age twenty-four (24) years, whichever occurs first, except that the applicant may receive such grant assistance through the completion of the semester or similar grading period in which the child reaches his/her twenty-fourth year.

(3) Responsibilities of Institutions of Postsecondary Education.

(A) Approved institutions shall meet the following requirements:

1. Follow the provisions included in section 173.205(2) and (3), RSMo;
2. Admit students based on the approved institution's standard admissions policies;
3. Establish fair and equitable refund policies covering tuition, fees, and where paid to the school, room and board charges. That refund policy shall be the same policy which is utilized by the approved institution for refunding all federal Title IV financial aid programs included in the Higher Education Act of 1965;
4. Sign the agreement for institution of postsecondary education participation in the survivor grant program as provided by the coordinating board; and
5. Complete the institution's section of the survivor grant program application to verify the applicant's eligibility for the grant program and send to the coordinating board for approval for the current academic year.

(B) When the approved institution receives the survivor grant program funds for the awards made by the coordinating board, the approved institution shall—

1. Determine if the applicant is enrolled full-time and making satisfactory academic progress in his/her course of study according to standards determined by the approved institution;
2. Deliver the grant program funds to the applicant in the amount awarded to that

applicant by the coordinating board, or the approved institution must obtain the applicant's endorsement to retain the portion of the award which the applicant owes for tuition or incidental fees for the current academic year to that particular approved institution;

3. Notify the coordinating board if, prior to disbursement, the applicant to whom an award has been made has not enrolled full-time, or has indicated that s/he does not plan to enroll full-time, and return the applicant's check within thirty (30) days of learning these facts;

4. Be responsible for the repayment of survivor grant funds to the coordinating board if the grant funds were delivered erroneously to the applicant; and

5. Determine and calculate the amount of refunds to the coordinating board based on the refund formula of the approved institution for applicants who withdraw during the institution's refund period.

(C) Repayment under paragraph (3)(B)4. of this rule shall be necessary when the—

1. Approved institution delivers funds to an applicant not eligible under the survivor grant program;

2. Award was based on erroneous, improper or misleading information provided by the approved institution to the coordinating board; or

3. Approved institution delivers the grant funds to a person other than the one to whom the coordinating board has directed the funds be delivered.

(4) Application and Evaluation.

(A) The coordinating board annually shall prescribe the form of, and the time and method of filing, applications under the survivor grant program.

(B) An application for grant assistance under the survivor grant program shall be made annually by the applicant on the form prescribed by the coordinating board.

(C) Completed applications must be received by the coordinating board to be approved for grant awards.

(5) Survivor Grant Program Award Limits and Criteria.

(A) The maximum survivor grant program award amount for each applicant per academic year shall be the least of the actual tuition charged at an approved institution where the eligible child is enrolled or accepted for full-time enrollment; or the amount of tuition charged a Missouri undergraduate resident enrolled full-time in the same class level (freshman, sophomore, junior, senior) and in the same academic major of the applicant at the University of Missouri.

(B) The applicant's survivor grant, when combined with similar program funds for which the applicant is eligible and receives, shall not exceed the total cost of tuition charged by the approved institution for full-time enrollment.

(C) An applicant receiving an award under the survivor grant program shall have made satisfactory academic progress as defined by the approved institution in order to be eligible for a subsequent award under the survivor grant program.

(D) The award amount for any given academic year will be disbursed to the approved institution, equally, according to the number of semesters at that particular approved institution and awarded for each semester of enrollment.

(E) Awards will not be made for periods of enrollment during the summer term(s).

(F) An applicant may change his/her approved institution choice prior to the beginning of the first day of classes and may transfer between approved institutions during the academic year. The deadline for those actions is August 1 for the fall semester and January 1 for the winter or spring semester. Failure to notify the coordinating board by these dates of the change may result in loss of the award.

(G) Award notifications will be sent to applicants by the coordinating board once applications have been approved and the awards have been determined. Notification of awards also will be sent to the student financial aid office at the approved institution in which the applicant plans to or has enrolled.

(H) The applicant's award will be sent to the approved institution to be endorsed by the applicant in accordance with the requirements of subsection (3)(B) of this rule.

(I) Should an applicant withdraw prior to the end of the approved institution's refund period for the period of the scholarship, then a refund shall be calculated and made to the coordinating board by the approved institution within forty (40) days from the day on which the applicant withdraws. The amount of the refund will be calculated by the approved institution based on the refund formula of that institution in accordance with paragraph (3)(A)3. of this rule.

*AUTHORITY: section 173.260, RSMo (1994). * Original rule filed April 29, 1988, effective July 28, 1988.*

**Original authority 1987.*

6 CSR 10-2.110 Wage Garnishment for Repayment of Defaulted Guaranteed Student Loans

PURPOSE: This rule sets forth policies and procedures of the Coordinating Board for Higher Education regarding the garnishment of borrowers' earnings to repay defaulted Missouri guaranteed student loans as authorized by section 173.115, RSMo.

(1) Definitions.

(A) Board—the Missouri Coordinating Board for Higher Education as established by the Omnibus State Reorganization Act, Law, 1974 p. 530.

(B) Borrower—any person who has become legally obligated to repay a loan made under the guaranteed student loan programs established under provisions of Title IV, Part B, of the Higher Education Act of 1965 or that person's guardian, trustee, estate or other person legally responsible for defending against or satisfying a borrower's obligations under the guaranteed student loan program.

(C) Department—the Missouri Department of Higher Education as established by the Omnibus State Reorganization Act, Law, 1974 p. 530.

(D) Earnings—compensation paid or payable for personal services, whether denominated wages, salary, commission, bonus or otherwise.

(E) Eligible lender—any bank, savings and loan association, credit union, insurance company, pension fund, eligible educational institution lender or the federal Student Loan Marketing Association or other secondary market operation that has executed a lender participation agreement with the department.

(F) Employer—any person, partnership, association, corporation, institution, governmental body, unit or agency, school district or municipal corporation or any other entity employing one (1) or more persons for a salary, wage, commission or other compensation, or any self-employed borrower.

(2) Statement of Claim.

(A) After the department has paid a loss on a defaulted loan, it shall enter a statement of claim in which it determines and sets forth the existence, nature and amount of the money due it by the defaulting borrower and a proposed payment schedule. The department shall inform the borrower that the department intends to initiate proceedings to collect the debt through deductions from earnings. The department also shall provide a copy of section 173.115, RSMo or an explanation of the borrower's rights under that section, and a

form by which the borrower may request a hearing on the statement of claim.

(B) The statement of claim shall set forth at least the following for each loan on which a borrower has defaulted:

1. The name, last known address and Social Security number of the borrower;

2. The name and address of the eligible lender by which the loan was made;

3. The date on which the promissory note was signed by the borrower;

4. The amount of each disbursement made;

5. A statement that the loan was guaranteed by the department pursuant to sections 173.100—173.186, RSMo;

6. A statement of facts on which is based the department's determination that the loan is in default;

7. The date on which the loss was paid under the certificate of guarantee and the amount paid;

8. A statement of the total amount of the claim constituting the debt of the borrower to the department as of the date of the statement of claim with an itemization including, but not limited to, the following amounts:

A. The outstanding balance on the principal amount of the loan;

B. Any capitalized interest;

C. The interest paid to the lender/noteholder by the department not subsequently paid by the borrower;

D. Unpaid interest which has accrued since the claim was paid to the lender/noteholder;

E. Any collection charges;

F. Any other fees or charges owed by the borrower; and

G. A statement indicating that the interest on the amount represented by the principal of the loan and on any capitalized interest will continue to accrue at a particular rate and in a particular manner until the money owed to the department is paid;

9. A statement that the department will issue an order pursuant to this section to require the borrower's employer to withhold from his/her pay the amounts required to satisfy the borrower's debt to the department unless, within fifteen (15) days from the borrower's receipt of the notice or thirty (30) days from the sending of the notice if the borrower does not accept service or cannot be found at his/her last known address, the borrower files a written request with the department for a hearing on a form prescribed by the board;

10. A proposed agreement to establish a schedule for the repayment of the debt and a statement that the borrower has the opportunity to enter into a written agreement with the

department under terms agreeable to the department to establish a schedule for the repayment of the debt;

11. The date of the statement of claim; and

12. The signature of the commissioner of higher education or of an employee of the department designated by the commissioner.

(3) Inspection of Records. The department shall provide the borrower with an opportunity to inspect and copy records related to the defaulted loans.

(4) Appeal Process.

(A) Upon the borrower's filing of a request for a hearing in compliance with the rules of the board, the department shall provide the borrower with the opportunity to have a hearing before an impartial hearing officer appointed by the department but who is not under the control or supervision of the board or department. The procedures for the hearing shall be the same as those for contested cases under Chapter 536, RSMo. Upon the consent of the parties, the hearing may be conducted by telephone. Upon the proper and timely filing of the request for hearing, the department shall stay the commencement of collection proceedings for the debt described in the statement of claim until the department issues an order provided for in section 173.115.6., 7. or 8., RSMo.

(B) A request for a hearing must be submitted in writing on a form prescribed by the board and must be received by the board within fifteen (15) days of the borrower's receipt of the statement of claim or thirty (30) days from the sending of the notice if the borrower does not accept service or cannot be found at his/her last known address. The written request for a hearing must state any defense or reason why the debt is not past due or legally enforceable, why any amount set forth in the statement of claim is incorrect or why the terms of the repayment schedule set forth in the statement of claim should be changed. The request must include a statement of facts to support the borrower's assertions.

(C) At the earliest practicable date but not later than sixty (60) days after the filing of the request for the hearing, the hearing officer shall file with the department his/her written decision which states specifically his/her findings in regard to those matters set forth in the department's statement of claim. The hearing officer also shall determine and include in his/her decision the terms of the repayment schedule which shall be the same as that set forth by the department in its statement of claim unless s/he finds no good cause

to enter that schedule. Upon receipt of the hearing officer's decision, the department shall issue an order to pay debt which adopts the findings in the decision as to the existence, nature and amount of the debt and as to the repayment schedule.

(D) When a borrower who makes timely request for a hearing fails to appear at the time and place set for the hearing and upon a showing that the department complied with section 173.115.8., RSMo concerning the service of the notice on the borrower, the hearing officer, at the earliest practicable date but not later than sixty (60) days after the filing of the request for the hearing, shall enter his/her findings and decision in accordance with the provisions of the department's statement of claim and proposed repayment schedule unless s/he determines that no good cause exists. Upon receipt of the hearing officer's decision, the department shall issue an order to pay debt which contains as its provisions the content of the statement of claim, including the proposed repayment schedule.

(E) When a borrower properly requests a hearing under the board's rules and when the hearing officer does not issue a decision within sixty (60) days of the department's having received the request for the hearing, the department shall issue an order withdrawing the statement of claim and serve it upon the borrower with a copy of section 173.115, RSMo. After that order is entered, the department shall not use the provisions of that section in regard to the loans set forth in the statement of claim, but may use any other remedy provided by law to recover the moneys owed the department.

(F) When the delay of the hearing officer's decision beyond the sixty (60)-day period is brought about by the acts or omissions of the borrower and without the consent of the department, the hearing officer, at any time within thirty (30) days after the expiration of that period, may enter a decision setting forth how the borrower brought about the delay and setting forth his/her findings and decision in accordance with the provisions of the department's statement of claim and proposed repayment schedule unless s/he determines that no good cause exists. The department may proceed as in subsection (5)(A) of this rule upon receipt of the hearing officer's decision.

(5) Order to Pay Debt.

(A) When a borrower does not make a proper timely request for a hearing, the department may issue and serve on the borrower an order to pay debt which contains as its provisions the content of the statement of

claim, including the proposed repayment schedule.

(B) Any order to pay debt and any amended order shall be served on the borrower along with a copy of the hearing officer's decision, if one was issued, and along with a statement informing the borrower of his/her right to seek judicial review. This latter statement may consist of a copy of section 173.100, RSMo, a copy of section 173.115, RSMo and a copy of sections 536.100—536.140, RSMo.

(6) Order to Withhold Earnings.

(A) Upon issuing an order to pay debt, but not less than thirty (30) days after the statement of claim was served on the borrower, the department may issue an order to withhold earnings which directs any employer of the borrower to withhold and pay over to the department money due or to become due the borrower.

(B) The order to withhold earnings shall state—

1. The name of the borrower;
2. The borrower's Social Security number;
3. The amount of the debt as determined by the order to pay debt issued by the department; and
4. Instructions regarding transmitting the payments to the department.

(C) A copy of section 173.115, RSMo shall be appended to the order.

(D) The order to withhold earnings shall be served on the employer and shall be binding on the employer two (2) weeks after the employer's receipt of the order for earnings or other income payable to the borrower on or after the receipt date.

(7) Withholding Policy.

(A) The employer shall withhold from the earnings the amount specified in the order, except that the total amount withheld shall not exceed ten percent (10%) of the borrower's earnings after deduction from those earnings of any amount required by law to be withheld. When the borrower voluntarily makes a written request that money due or to become due him/her be withheld or applied to the debt or that more than the ten percent (10%) maximum be withheld from his/her earnings, the employer shall comply with that request as if so ordered by the department.

(B) The employer shall transmit the payments as directed in the order within ten (10) calendar days of the date the earnings or other income are payable to the borrower. With each payment, the employer shall submit a statement on a form prepared by the department setting forth information about the

amount of earnings and deductions used to compute the amount withheld.

(C) The order to withhold wages is a continuing order and remains in effect and is binding on the employer until further notice from the department. The department shall notify an employer upon whom the order has been directed whenever the debt has been paid-in-full, as determined by the order to pay debt, and whenever, for any other reason, the amount required to be withheld and paid over to the department under the order as to future pay periods is to be reduced or redirected.

(D) An employer who fails or refuses to withhold or pay the amounts as ordered under this section shall be liable to the department in an amount equal to the amount which became due the department during the relevant period and which, under the order, should have been withheld and paid over.

(E) An employer shall not discharge, refuse to hire or otherwise discipline an employee as a result of an order to withhold and pay over certain money authorized by this section.

(F) When a borrower for whom an order to withhold earnings has been issued terminates his/her employment, the employer, within ten (10) days of the termination, shall provide to the department the last known address of the borrower, if known to the employer, and shall provide to the department the name and address of the borrower's new employer, if known. When the department determines the identity of the borrower's new employer, the department may issue an order to withhold to the new employer and serve it upon him/her.

(8) Service Policy.

(A) Service on the borrower or on the employer will be made pursuant to section 173.115.14., RSMo.

(B) In computing any period of time prescribed or allowed by these rules, by order issued under them, or by any applicable statute, the day of the act, event or default after which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included, unless it is a Saturday, Sunday or legal holiday, in which event the period runs until the end of the next day which is neither a Saturday, Sunday nor legal holiday.

*AUTHORITY: section 173.115, RSMo (1994). * Original rule filed July 18, 1989, effective Oct. 15, 1989.*

**Original authority 1988.*

6 CSR 10-2.120 Competitiveness Scholarship Program

PURPOSE: The competitiveness scholarship program permits the Coordinating Board for Higher Education to provide scholarships for eligible part-time Missouri residents to attend an approved Missouri college or university pursuant to the provisions included in 173.262, RSMo. This rule sets forth qualifications required of student applicants for the scholarships, criteria to be used in selecting scholarship recipients and qualifications which approved colleges or universities must meet.

(1) Definitions.

(A) Academic year or period of the scholarship is the period from August 1 of any year through July 31 of the following year.

(B) Applicant is anyone who applies to the coordinating board for a scholarship under the competitiveness scholarship program.

(C) Approved institution shall be any private or public institution located in Missouri that meets the requirements set forth in section 173.205(2) or (3), RSMo.

(D) Competitiveness scholarship assistance or award shall be an amount of money paid by Missouri to a qualified applicant pursuant to the provisions of this rule.

(E) Competitiveness scholarship program or scholarship program shall mean the scholarship program established by section 173.262, RSMo.

(F) Coordinating board or board is the Coordinating Board for Higher Education created by section 173.005, RSMo.

(G) Financial need shall be the difference between the total financial resources available to an applicant and the applicant's total cost of attendance, including tuition, fees, room and board, books and supplies, personal expenses and transportation while attending part-time at an approved institution.

(H) Financial resources shall be the amount of financial assistance (scholarship, grant, work, loan) awarded to the applicant by the approved institution and the amount of the applicant's expected family contribution as determined by any multiple data entry (MDE) processor approved by the United States Department of Education.

(I) Initial recipient shall be any applicant who meets the eligibility requirements and is awarded and received a competitiveness scholarship for the first time.

(J) Part-time student shall be any undergraduate student who is enrolled less than full-time but at least half-time in a degree program as defined by the approved private or public Missouri institution.

(K) Renewal recipient shall be any applicant who received a competitiveness scholarship as an initial recipient under the competitiveness scholarship program and meets the eligibility requirements under the provisions of this rule and requirements as defined by the approved institution, and is awarded and received a renewable competitiveness scholarship under the competitiveness scholarship program as a second-year, third-year or fourth-year undergraduate student at an approved institution in Missouri.

(L) Resident of Missouri is any person who meets the requirements for resident status for Missouri as set forth by the coordinating board in 6 CSR 10-3.010 the residency rule for higher education.

(M) Satisfactory academic degree progress or satisfactory academic progress shall be determined by the approved institution's policies as applied to other students at the approved institution receiving assistance under Title IV financial aid programs included in the Higher Education Act of 1965.

(N) Standard admissions policies shall be policies approved and published by the approved institution to admit part-time students and students having a certificate of graduation from high school or the equivalent of that certificate.

(O) Undergraduate student shall be any student who has not obtained a first baccalaureate degree.

(2) Student Applicant Qualifications and Responsibilities.

(A) To be eligible for initial or renewed scholarship under the competitiveness scholarship program, an applicant must—

1. Be a citizen or permanent resident of the United States;
2. Be a resident of Missouri;
3. Be enrolled or accepted for enrollment as a part-time undergraduate student at an approved institution for the period of the scholarship;
4. Maintain satisfactory academic progress in a course of study, according to standards determined by the approved institution;
5. Complete an application for scholarship assistance according to the provisions of this rule;
6. Demonstrate financial need;
7. Be eighteen (18) years of age or older at the time the application is submitted to the coordinating board;
8. Be employed and compensated for twenty (20) hours or more per week; and
9. Not be employed under the federal Title IV College Work-Study Program.

(B) No award shall be made under section 173.262, RSMo to any applicant who is enrolled or who intends to use the award to enroll in a course of study leading to a degree in theology or divinity.

(C) Scholarship assistance shall be allotted for one (1) academic year, but an applicant shall be eligible for renewed assistance until s/he has obtained a baccalaureate degree or completed one hundred fifty (150) semester credit hours.

(3) Responsibilities of Approved Institutions.

(A) Approved institutions shall—

1. Comply with the provisions included in section 172.205(2) or (3) RSMo;
2. Admit students based on the approved institution's standard admissions policies;
3. Submit a copy of the institution's policy on satisfactory academic degree progress to the coordinating board;
4. Establish fair and equitable refund policies covering tuition, fees and, where paid to the school, room and board charges. That refund policy shall be the same policy which is utilized by the approved institution for refunding all federal Title IV financial aid programs included in the Higher Education Act of 1965;
5. Sign the agreement for educational institution participation in the competitiveness scholarship program as provided by the coordinating board;
6. Systematically organize all student records (student financial aid, registrar, business office) pertaining to student recipients under the scholarship program to be made readily available for review upon request by the coordinating board;
7. Complete the institution's section of the competitiveness scholarship program application to verify the student's eligibility for the scholarship program and submit it to the coordinating board by the annual deadline published by the coordinating board for the current academic year; and
8. Determine if the student applicant has demonstrated financial need.

(B) When the approved institution receives the competitiveness scholarship program funds for the awards made by the coordinating board, the approved institution must—

1. Determine if the applicant is enrolled part-time and is making satisfactory academic progress in a course of study according to standards determined by the approved institution;
2. Determine if the applicant is employed twenty (20) hours or more per week at the time the award is delivered to the applicant;

3. Deliver the scholarship program funds to the applicant in the amount awarded to that applicant by the coordinating board and obtain the applicant's endorsement, retaining the portion of the award which the applicant owes for undergraduate tuition or incidental fees for the current academic year to that particular approved institution;

4. Notify the coordinating board and return the applicant's check within thirty (30) days of learning, prior to disbursement, that the applicant to whom an award has been made has not enrolled part-time, has indicated that s/he does not plan to enroll part-time or does not meet the other student eligibility requirements;

5. Be responsible for the repayment of any competitiveness scholarship funds sent to the approved institution by the coordinating board if the scholarship funds were delivered erroneously; and

6. Determine and calculate the amount of refunds to the coordinating board based on the refund formula of the approved institution for applicants who withdraw during the institution's refund period. The coordinating board may refuse to award scholarships to applicants who attend approved institutions which fail to make timely refunds to the coordinating board.

(C) Repayment under paragraph (3)(B)5. of this rule shall be necessary when the—

1. Approved institution delivers funds to an applicant not eligible under the competitiveness scholarship program;
2. Award was based on erroneous, improper or misleading information provided by the approved institution to the coordinating board; or
3. Approved institution delivers the scholarship funds to a person other than the one to whom the coordinating board has directed the funds be delivered.

(4) Application and Evaluation.

(A) The coordinating board annually shall prescribe the form of, and the time and method of filing applications for participation in the competitiveness scholarship program.

(B) An application for scholarship assistance under the competitiveness scholarship program shall be made annually by the applicant upon the form prescribed by the coordinating board.

(C) Completed applications must be received by the coordinating board to be approved for scholarship awards.

(D) The deadline for receiving completed competitiveness scholarship applications will be published annually by the coordinating board for each academic year. Completed

applications must be received by the coordinating board on or before the published deadline to be considered on time and to have priority consideration. Incomplete applications received by the coordinating board will not be processed.

(E) Completed competitiveness scholarship applications received after the annual deadline published by the coordinating board will be awarded provided program funds are available, based on a review by the coordinating board.

(5) Competitiveness Scholarship Program Award Limits and Criteria.

(A) Within the limits of the funds appropriated and made available, the maximum competitiveness scholarship program award amount for each applicant per academic year shall be the least of the actual undergraduate tuition charged at an approved institution where the applicant is enrolled or accepted for part-time enrollment or the amount of tuition charged a Missouri undergraduate resident enrolled part-time in the same class level (freshman, sophomore, junior, senior) and in the same academic major of the applicant at the University of Missouri-Columbia.

(B) Financial need shall be used by the approved institution in determining applicant eligibility for awards under the competitiveness scholarship program.

(C) The first year of the competitiveness scholarship program funds shall be awarded only to applicants as initial recipients.

(D) Applicants who qualify as initial recipients under the provisions of this rule in the second and each subsequent year of the program will be awarded based on the availability of program funds.

(E) If sufficient program funds are unavailable to award to initial recipients, the awards will be made based on the earliest date the completed applications are received by the coordinating board until all funds have been expended.

(F) During the second and each subsequent year in which awards are made under the competitiveness scholarship program, the renewal recipients shall have priority in the awarding of program funds. If sufficient program funds are unavailable to award all eligible renewal recipients, priority for program funds shall be awarded based on the earliest date the completed application is received by the coordinating board in the following order: fifth-year, fourth-year, third-year and second-year students as defined by the approved institution.

(G) An applicant receiving an award under the competitiveness scholarship program shall have made satisfactory academic

progress as defined by the approved institution and meet all other eligibility criteria according to the provisions of this rule to be eligible for a subsequent award under the competitiveness scholarship program.

(H) The award amount for any given academic year will be disbursed to the approved institution, equally, according to the number of semesters at the approved institution and awarded for each semester of part-time enrollment.

(I) Awards will not be made for periods of enrollment during the summer term(s).

(J) An applicant's approved institution choice may be changed prior to the beginning of the first day of classes and may transfer between approved institutions during the academic year. The deadline for these actions is August 1 for the fall semester and January 1 for the winter or spring semester. Failure to notify the coordinating board by the prescribed dates of this action may result in loss of the award.

(K) Award notifications will be sent to applicants by the coordinating board after the awards have been determined. Notification of awards also will be sent to the student financial aid office at the approved institution where the applicant plans to or has enrolled.

(L) The applicant's award will be sent to the approved institution to be endorsed by the applicant in accordance with the requirements of subsection (3)(B) of this rule.

(M) Should an applicant withdraw prior to the end of the approved institution's refund period during the period of the scholarship, then a refund shall be calculated and made to the coordinating board by the approved institution within forty (40) days from the day on which the applicant withdraws. The amount of the refund will be calculated by the approved institution based on the refund formula of that institution.

*AUTHORITY: section 173.262, RSMo (1994). * Original rule filed May 24, 1990, effective Nov. 30, 1990.*

**Original authority 1988, amended 1992.*

6 CSR 10-2.130 Vietnam Veteran's Survivors Grant Program

PURPOSE: The Vietnam Veteran's Survivors Grant Program, established by section 173.235, RSMo, authorizes the Coordinating Board for Higher Education to provide tuition grants for eligible undergraduate students, who are survivors of Vietnam veterans, and whose death was contributed to or was caused by exposure to toxic chemicals during the Vietnam conflict, to attend an approved

Missouri postsecondary institution. This administrative rule sets forth eligibility requirements of survivors for tuition grant assistance and the responsibilities that approved postsecondary institution must meet for the administration of the program.

(1) Definitions.

(A) Academic year or the period of the grant is the period from July 1 of any year through June 30 of the following year.

(B) Coordinating board or board is the Coordinating Board for Higher Education created by section 173.005, RSMo.

(C) Eligible survivor shall be any child or spouse of a Vietnam veteran as defined in section 173.235.1(4), RSMo.

(D) Full-time student shall be defined by the approved institution as an undergraduate student who is enrolled in and is carrying sufficient number of credit hours or their equivalent (minimum twelve (12) credit hours) at an approved private or public Missouri institution to secure a degree or certificate.

(E) Grant assistance or award shall be an amount of money paid by Missouri to an eligible survivor pursuant to the provisions of this rule.

(F) Initial recipient shall be any survivor who applies for a tuition grant and meets the eligibility requirements in accordance with the provisions of this rule and is awarded and receives a tuition grant under the grant program as a first-time recipient.

(G) Institution of postsecondary education or approved institution shall be any private or public institution located in Missouri that meets the requirements set forth in subdivision 173.205(2) or (3), RSMo.

(H) Renewal recipient shall be any survivor who applies for a tuition grant, received a tuition grant as an initial recipient and meets the eligibility requirements in accordance with the provisions of this rule and the requirements as defined by the approved institution and is awarded a renewable tuition grant under the grant program.

(I) Resident of Missouri is any veteran who meets the requirements for resident status for Missouri set forth by the coordinating board in 6 CSR 10-3.010.

(J) Satisfactory academic degree progress or satisfactory academic progress shall be determined by the approved institution's policies as applied to other students at the approved institution receiving assistance under Title IV financial aid programs included in the Higher Education Act of 1965.

(K) Similar funds shall be any other state or federal student financial aid funds that are specifically designated for survivors of veterans.

(L) Standard admissions policies shall be policies approved and published by the approved institution to admit special students and students having a certificate of graduation.

(M) Toxic chemicals shall be any chemical determined by the veteran's administration medical authority to have contributed to or was the cause of death of a Vietnam veteran.

(N) Tuition or incidental fee shall be the amount charged by an institution of postsecondary education for attendance at the institution by a student as a resident of this state.

(O) Tuition grant or grant shall mean the Vietnam Veteran's Survivors Grant Program as established by section 173.235, RSMo.

(P) Vietnam veteran shall be any person who meets the requirements as established by section 173.235.1(6)(a)—(c), RSMo.

(2) Eligible Survivor Qualifications and Responsibilities.

(A) To be eligible for grant assistance under the tuition grant program, an eligible survivor must meet the following conditions:

1. Be a citizen or permanent resident of the United States;
2. Be a child or spouse of a Vietnam veteran whose death was contributed to or caused by exposure to toxic chemicals during the Vietnam conflict;
3. Be enrolled or accepted for enrollment as a full-time undergraduate student in a course of study leading to a certificate, or an associate or baccalaureate degree at an approved institution for the period of the grant;
4. Maintain satisfactory academic progress in his/her course of study, according to standards determined by the approved institution;
5. Provide a qualified medical certification by a Veteran's Administration medical authority to verify that the exposure to toxic chemicals contributed to or was the cause of death of the veteran; and
6. Complete an application for tuition grant assistance on forms provided and prescribed by the coordinating board.

(B) Grant assistance shall be allotted for one (1) academic year, but an applicant shall be eligible for renewed assistance until s/he has obtained a baccalaureate degree or completed one hundred fifty (150) semester credit hours, provided the grant assistance shall not exceed a total of ten (10) semesters or their equivalents.

(3) Responsibilities of Institutions of Postsecondary Education.

(A) Approved institutions shall meet the following requirements:

1. Admit students based on the approved institution's standard admissions policies;

2. Establish fair and equitable refund policies covering tuition, fees or other charges. That refund policy shall be the same policy which is utilized by the approved institution for refunding all federal Title IV financial aid programs included in the Higher Education Act of 1965; and

3. Complete the institution's section of the tuition grant program application to verify the applicant's eligibility for the grant program and send it to the coordinating board for approval for the current academic year.

(B) When the approved institution receives the tuition grant program funds for the grants made by the coordinating board, the approved institution shall—

1. Determine if the student is enrolled full-time and making satisfactory academic progress in his/her course of study according to standards determined by the approved institution;

2. Deliver the tuition grant program funds to the eligible survivor in the amount awarded to that survivor by the coordinating board, or the approved institution must obtain the survivor's endorsement to retain the portion of the grant which the survivor owes for tuition or incidental fees for the current academic year to that particular approved institution;

3. Notify the coordinating board and return the student's check within thirty (30) days of learning that prior to disbursement, the student to whom an award has been made has not enrolled full-time, has indicated that s/he does not plan to enroll full-time, or does not meet the other student eligibility requirements;

4. Be responsible for the repayment of tuition grant funds to the coordinating board if the grant funds were delivered erroneously to the student; and

5. Determine and calculate the amount of refunds to the coordinating board based on the refund formula of the approved institution for students who withdraw during the institution's refund period. The coordinating board may refuse to award grants to applicants who attend approved institutions which fail to make timely refunds to the coordinating board.

(C) Repayment by the institution under paragraph (3)(B)4. of this rule shall be necessary when—

1. The approved institution delivers funds to a student not eligible under the tuition grant program;

2. The award was based on erroneous, improper or misleading information provided

by the approved institution to the coordinating board; or

3. The approved institution delivers the grant funds to a person other than the one to whom the coordinating board has directed the funds be delivered.

(4) Application and Evaluation.

(A) An application for grant assistance under the tuition grant program shall be made annually by the eligible survivor on the form prescribed by the coordinating board.

(B) Completed tuition grant applications must be received by the coordinating board on or before the application deadline that is established annually in the application materials by the coordinating board to be considered for tuition grants.

(C) Completed tuition grant applications received after the annual deadline established by the coordinating board will be awarded provided program funds are available, based on a review by the coordinating board.

(5) Tuition Grant Program Award Limits and Criteria.

(A) The maximum tuition grant amount for each survivor per academic year shall be the least of the actual tuition charged at an approved institution where the eligible survivor is enrolled or accepted for full-time enrollment; or the average amount of tuition charged a Missouri undergraduate resident enrolled full-time in the same class level (freshman, sophomore, junior, senior) and in the same academic major of the eligible survivor at the institutions identified in section 174.020, RSMo.

(B) The total eligible survivor's tuition grant and similar program funds the survivor is eligible for and receives shall not exceed the total cost of tuition charged by the approved institution for full-time enrollment.

(C) An eligible survivor receiving a grant under the tuition grant program shall have made satisfactory academic progress as defined by the approved institution in order to be eligible for a subsequent award under the tuition grant program.

(D) The grant amount for any given academic year will be disbursed to the approved institution equally according to the number of semesters at that particular approved institution and awarded for each semester of enrollment.

(E) Tuition grants will not be awarded for periods of enrollment during the summer term(s).

(F) Within the amounts appropriated for tuition grant awards, the coordinating board shall award up to twelve (12) grants annually

to eligible survivors to attend an approved institution.

(G) Eligible renewal recipients shall have priority in the awarding of tuition grants. If sufficient grant funds are unavailable to award all eligible renewal recipients, grant funds shall be awarded in the following order: fifth-, fourth-, third- and second-year students as defined by the approved institution.

(H) Eligible survivors who qualify as initial recipients under the provisions of this rule each year of the grant program shall be awarded based on the availability of grant funds.

(I) If sufficient tuition grant funds are unavailable to award to initial recipients, tuition grants will be awarded based on the earliest date the completed grant applications are received by the coordinating board until all grant funds have been expended.

(J) Eligible survivors who apply for a tuition grant but are not awarded a grant due to insufficient grant funds shall be put on an eligibility waiting list. The eligibility status of these eligible survivors will be extended to the following academic year and will be considered for a tuition grant in accordance with the criteria in subsections (5)(F)—(I) of this rule.

(K) A survivor who changes his/her approved institution choice prior to the beginning of the first day of classes or who transfers from one (1) approved institution to another must notify the board. Failure to notify the coordinating board may result in loss of the award.

(L) Award notifications will be sent to the eligible survivors by the coordinating board once the applications have been approved and the grants have been determined. Notification of grants will also be sent to the student financial aid office at the approved institution where the student plans to or has enrolled.

(M) The survivor's grant will be sent to the approved institution to be endorsed by the student in accordance with the requirements of subsection (3)(B) of this rule.

(N) Within forty (40) days from the date on which the survivor withdraws, the approved institution shall calculate and make a refund to the coordinating board based on the refund formula established by that institution in accordance with paragraph (3)(A)2. of this rule.

(O) Any eligible survivor is subject to the age limitation found in section 173.235.10., RSMo.

AUTHORITY: section 173.235, RSMo (1994). Original rule filed April 5, 1993, effective Sept. 9, 1993.

**Original authority 1991.*