

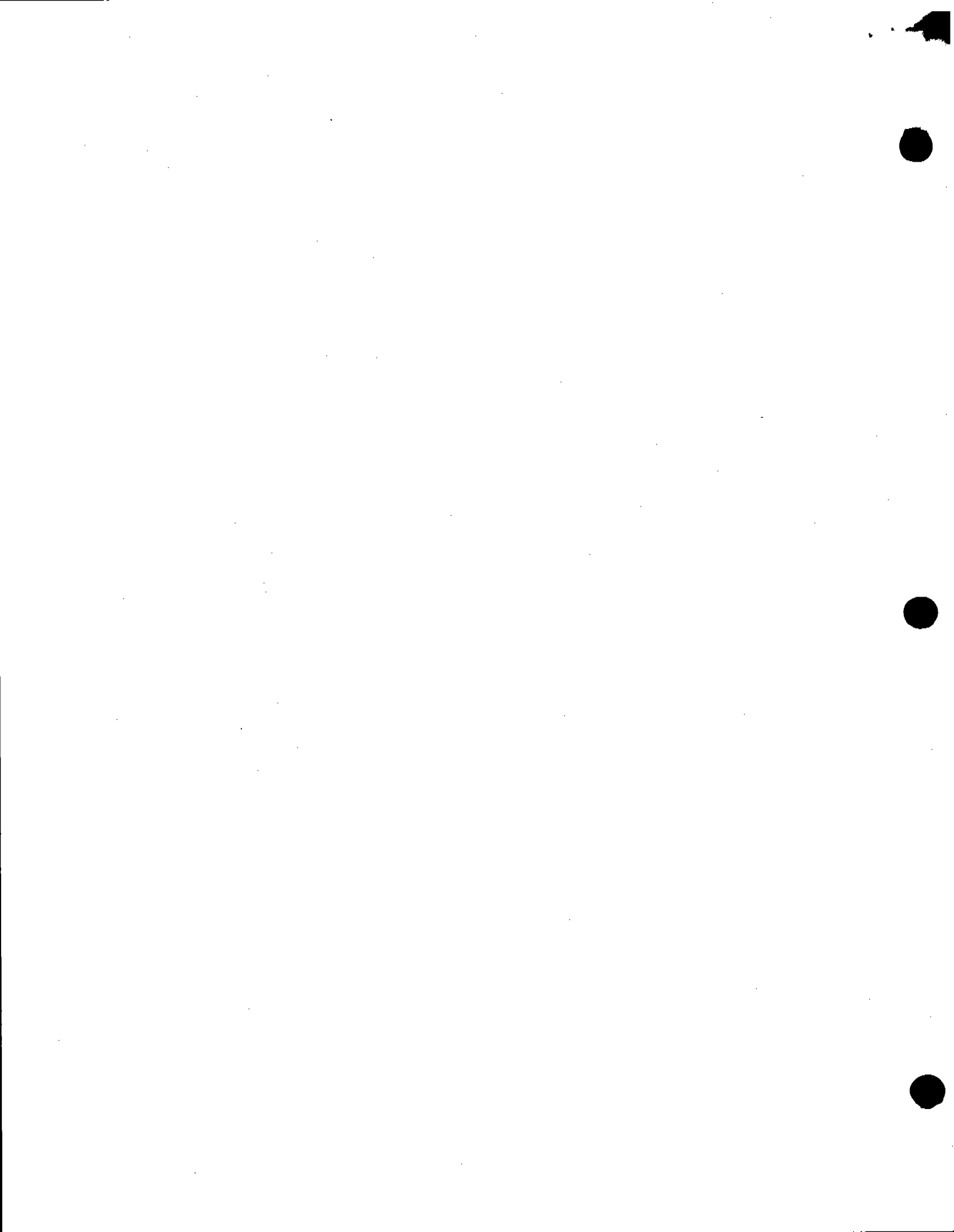
UNIVERSITY OF HAWAII

Amendment and Compilation of Chapter 20-8
Hawaii Administrative Rules

(September 7, 2001)

SUMMARY

1. §20-8-6 is amended.
2. Chapter 8 is compiled.



HAWAII ADMINISTRATIVE RULES

TITLE 20

UNIVERSITY OF HAWAII

CHAPTER 8

STATE HIGHER EDUCATION LOAN FUND

§20-8-1	Statement of purpose
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§20-8-1 Statement of purpose. The purpose of these rules is to provide guidelines and procedures for the administration of the Student Loan Assistance Program in conformance with the guidelines set forth in the Hawaii Revised Statutes, chapter 304, Part IV. [Eff 6/22/81; am and comp 5/9/98; comp]
(Auth: HRS §§304-4, 304-91, 304-95) (Imp. **DEC 19 2002** §§304-91, 304-95)

§20-8-2 Definitions. As used in this chapter:
"Board" means the Board of Regents of the University of Hawaii.

"Borrower" means a student who receives a loan under the State Loan Assistance Program established under Hawaii Revised Statutes, chapter 304, Part IV, and this chapter.

"Degree" means an associate, baccalaureate, masters, doctoral, or certificate program approved by the Board of Regents and requiring not less than one academic year for completion.

"Financial aid office" means the primary University office which administers the student financial aid for the University campus.

"Financial need" means the student's education and

maintenance expenses exceed the student's ability to pay for those expenses.

"Grace period" means the nine consecutive months following the termination of the student's enrollment on at least a half-time basis.

"President" means the president of the University of Hawaii and shall include the president's authorized designees.

"State Higher Education Loan Fund" means the revolving fund established by Hawaii Revised Statutes, section 304-91.

"Student" means a person who is enrolled at the University with at least a half-time course load as determined by the University according to its own standards and practices.

"Student Loan Assistance Program" means the financial aid program established under Hawaii Revised Statutes, chapter 304, Part IV, for students of the University of Hawaii, including its community colleges.

"University" means the several institutions, collectively or individually, which fall under the jurisdiction of the Board of Regents of the University of Hawaii.

Words of the masculine gender include the feminine and neuter, and when the sense so indicates, words of the neuter gender may refer to any gender. Words in the singular number include the plural and words in the plural number include the singular. [Eff 3/12/84; am and comp 5/9/98; comp] (Auth: HRS §§304-4, 304-91, 304-95) (Imp: HRS §§304-91, 304-95)

§20-8-3 Delegation of authority. The Board of Regents delegates its authority to administer and manage the Student Loan Assistance Program and the State Higher Education Loan Fund at the University, in accordance with the guidelines established under Hawaii Revised Statutes, chapter 304, Part IV, and this chapter, to the President and the President's authorized designees. [Eff 6/22/81; comp 5/9/98; comp] (Auth: HRS §§304-4, 304-91, 304-95) (Imp: HRS §§304-91, 304-95)

§20-8-4 Eligibility. (a) To be eligible for a loan under this chapter, the applicant shall be a student and:

- (1) Be registered in a program at the University which culminates in the award of a degree;
- (2) Provide evidence of financial need by completing and submitting forms provided by the financial aid office;
- (3) Not be under suspension from the University for disciplinary reasons;
- (4) Be a resident of the State of Hawaii for tuition purposes as defined in chapter 20-4; and
- (5) Be willing to repay the loan. Failure to meet payment obligations on any previous student loan is evidence that the student is unwilling to repay the loan.

(b) In any period of enrollment during which a student drops below half-time status, the financial aid office shall review the student's eligibility and make any necessary adjustment to the loan award. [Eff 3/12/84; am and comp 5/9/98; comp DEC 19 2002]
(Auth: HRS §§304-4, 304-91, 304-95) (Imp: HRS §§304-91, 304-92, 304-95)

§20-8-5 Amount of loan. Financial need for each prospective borrower shall be computed by the financial aid office using its standard formula, but the aggregate loan amount for each student shall not exceed those amounts established for the Federal Perkins Loan Program authorized under Title IV, Part E, of the Higher Education Act of 1965, as amended. [Eff 3/12/84; am and comp 5/9/98; comp DEC 19 2002]
(Auth: HRS §§304-4, 304-91, 304-95) (Imp: HRS §§304-91, 304-92, 304-95)

§20-8-6 Repayment of the loan. (a) Each loan shall be evidenced by an executed promissory note which shall set forth the terms and conditions of the loan. Repayment of principal and interest shall commence after the grace period. Repayment of principal and interest shall be made in equal quarterly or monthly installments within a ten-year period as determined by the University. A payment plan of not less than \$45 a quarter or \$15 a month shall be required on all loans.

(b) Interest. The rate of interest payable on the loan shall be five per cent simple interest.

(c) Prior to the termination of the borrower's

half-time enrollment, the borrower shall be responsible for reporting any change in name, address, telephone number or social security number to the financial aid office. After the termination of the borrower's half-time enrollment, the borrower shall be responsible for reporting any change in name, address, phone number or social security number to the University office which handles the loan collection.

(d) Exit interview. Immediately prior to the termination of the borrower's half-time enrollment at a campus, the borrower shall be responsible for scheduling and attending an exit interview with the financial aid office. The purpose of the exit interview is to schedule repayments and explain the borrower's rights and responsibilities under the loan. If the borrower fails to schedule and attend an exit interview, the financial aid office shall provide the borrower with the exit interview information either in person or by mail.

(e) Collection costs. The University may charge late fees which do not exceed twenty percent of the installment payment due and all other reasonable costs for the collection of the loan. Any payment received shall be applied in the following order:

- (1) Collection costs;
- (2) Late fees;
- (3) Accrued interest; and
- (4) Principal.

(f) The University may demand the immediate repayment of the entire loan, including any accrued interest, late fees, and collection costs, if the borrower fails to make a scheduled repayment or fails to file a deferment on time.

(g) The borrower may prepay all or any part of the loan at any time without penalty.

(h) Deferment. To qualify for a deferment on the loan, the borrower shall submit a written request for deferment. The written request shall include all documentation required by the university and shall be submitted no later than the date the University establishes. Interest shall not accrue and installments need not be paid during any period:

- (1) During which the borrower is enrolled at least half-time in a regular semester at an institution of higher education or at a comparable institution outside the United States approved for this purpose by the

§20-8-8

304-95) (Imp: HRS §§304-91, 304-93, 304-94, 304-95)

§20-8-9 State higher education loan fund. The State Higher Education Loan Fund is a revolving fund administered by the President on behalf of the Board of Regents. All interest and payments received on account of principal in the loan fund shall be credited to the loan fund. All payments collected, exclusive of the collection agency's commissions, shall revert and be credited to the loan fund. The loan fund shall be disbursed to needy students in accordance with the guidelines established in this chapter. [Eff and comp 5/9/98; comp **DEC 19 2002**] (Auth: HRS §§304-4, 304-91, 304-94, 304-95) (Imp: HRS §§304-91, 304-93, 304-94, 304-95)

UNIVERSITY OF HAWAII

Amendments to and compilation of chapter 8, title 20, Hawaii Administrative Rules, on the Summary Page dated September 7, 2001 were adopted on _____ following a public hearing held on _____, after public notice was given in the _____ on _____

They shall take effect ten days after filing with the Office of the Lieutenant Governor.

Bert A. Kobayashi
BERT A. KOBAYASHI
Chairperson, Board of Regents
University of Hawaii

Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor
State of Hawaii

Dated: 11-29-02

Filed

APPROVED AS TO FORM:

Russell A. Szymanski
Deputy Attorney General

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