

UNIVERSITY OF HAWAII

Adoption of Chapter 20-25
Hawaii Administrative Rules

(September 7, 2001)

SUMMARY

Chapter 20-25 Hawaii Administrative Rules,
entitled "Hawaii Educator Loan Program" is adopted.



HAWAII ADMINISTRATIVE RULES

TITLE 20

UNIVERSITY OF HAWAII

CHAPTER 25

HAWAII EDUCATOR LOAN PROGRAM

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§20-25-1 Statement of purpose. The purpose of these rules is to provide guidelines and procedures for the administration of the Hawaii Educator Loan Program in conformance with the guidelines set forth in the Hawaii Revised Statutes, chapter 304. [Eff

OCT 12 2002] (Auth: HRS §304-20.6)

§20-25-2 Definitions. As used in this chapter: "Board of Regents" means the Board of Regents of the University of Hawaii.

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

"College of Education" means the college that administers the education program for the University campus.

"Department of Education" means the State of Hawaii Department of Education.

"Elementary school teacher" means a person who is teaching in the field of elementary education who has met the standards set forth by the Hawaii Teacher Standards Board.

"Financial aid office" means the primary University office which administers the student

financial aid for the University campus.

"Grace period" means the twelve months following the borrower's graduation or three months after the borrower ceases to be enrolled in a state-approved teacher education program.

"Hawaii Educator Loan Program" means the financial aid program established under Hawaii Revised Statutes, chapter 304, for students who are enrolled in a state-approved teacher education program at the University and who agree to teach in the Hawaii public school system.

"Hawaii Educator Loan Program Special Fund" means the fund established by Hawaii Revised Statutes, section 304 for the purpose of recruiting college students to become teachers in the Hawaii Public School System.

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

"Secondary school teacher" means a person teaching in the subject area that is relevant to the person's academic major who has met the standards set forth by the Hawaii Teacher Standards Board.

"State-approved" means the approved teacher preparation programs that meet all standards developed by the Hawaii Teacher Standards Board pursuant to chapter 302A, HRS.

"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.

"Superintendent of Education" means the Superintendent of Education for the State of Hawaii.

"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

OCT 12 2002] (Auth: HRS §304-20.6)

§20-25-3 Delegation of authority. The Board of Regents delegates its authority to administer and

manage the Hawaii Educator Loan Program at the University, in accordance with the guidelines established under Hawaii Revised Statutes, chapter 304, and this chapter, to the President. [Eff

OCT 12 2002] (Auth: HRS §304-20.6)

§20-25-4 Eligibility. (a) To be eligible for a loan under this chapter, the student shall:

- (1) Not be under suspension from the University for disciplinary reasons;
- (2) Be registered in a state-approved teacher education program at the University;
- (3) Have continuous and consecutive enrollment in the teacher education program for which the student was initially accepted;
- (4) Provide evidence of financial need by completing and submitting forms provided by the financial aid office;
- (5) Be a resident of the State of Hawaii for tuition purposes as defined in chapter 20-4; and
- (6) Not be in default on any previous student loan. Failure to meet payment obligations on a 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

OCT 12 2002] (Auth: HRS §304-20.6)

§20-25-5 Amount of loan. The maximum amount of loans that a student may receive under this program shall be an aggregate amount equivalent to tuition payments and costs of textbooks and other instructional materials necessary to complete a state-approved teacher education program. [Eff

OCT 12 2002] (Auth: HRS §304-20.6)

§20-25-6 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 six-year period as determined by the University. A payment plan of not less than \$120 a quarter or \$40 a month shall be required on all loans.

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

(c) Interest rate penalty. If a borrower fails to submit, by the date the University establishes, documentation required by the University to verify that the borrower is teaching in the Hawaii Public School System for a minimum of six consecutive years from the original date of employment with the Department of Education, excluding sabbatical and other forms of temporary leaves of absence, then the borrower shall pay the remaining balance of the loan at the rate of ten percent simple interest.

(d) Prior to the borrower's graduation or termination from the teacher education program, 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 graduation or termination from the teacher education program, 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.

(e) Exit interview. Immediately prior to the borrower's graduation or termination from the teacher education program, 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.

(f) 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.

(g) Acceleration of loan. 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 submit the annual certification form on time.

(h) Annual certification. The borrower shall submit, by the date the University establishes, documentation required by the University to demonstrate that the borrower meets the conditions for the loan waiver or repayment at the five percent interest rate. The borrower shall submit the required certification for a minimum of six consecutive years from the borrower's original date of employment with the Department of Education, excluding sabbatical and other forms of temporary leaves of absence.

(1) Loan waiver.

(A) Waiver qualifications. The borrower shall:

- (i) be employed in a Hawaii public school as a full-time elementary or secondary school teacher for a complete academic year or its equivalent; and
- (ii) be employed in a hard-to-fill position as determined by the Superintendent of Education, including special education, regular education shortage categories, or Title 1 Schools.

(B) Waiver rate. For the first five years of teaching service, the annual waiver rate shall be ten percent of the original principal amount plus the interest which accrued on the unpaid balance during the year of qualifying service. For the sixth year of qualifying service, the waiver rate shall be fifty percent of the original principal amount plus the interest which accrued on the unpaid balance during the year of qualifying service.

(C) Waiver of defaulted loans. A borrower whose defaulted loan has been accelerated may qualify for a loan waiver for teaching service performed before the date of acceleration. A borrower shall not qualify for a loan waiver for services performed on or after the date of acceleration.

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- (2) Repayment at five percent interest rate. To qualify, the borrower shall teach in a Hawaii public school as a full-time elementary or secondary school teacher for a complete academic year or its equivalent in a position that has not been designated as hard-to-fill by the Superintendent of Education.

- (i) Cancellation of loan upon death or permanent disability of a borrower. If the borrower becomes permanently and totally disabled after receiving the loan, the unpaid balance of the loan shall be canceled upon receipt of a written request for cancellation and any documentation required by the University to demonstrate that the borrower meets the conditions for cancellation. If the borrower dies, the unpaid balance shall be canceled on the basis of a death certificate or other official proof of death. [Eff

OCT 12 2002] (Auth: HRS §304-20.6)

§20-25-7 Awarding of loans. Loans shall be awarded to students on a competitive basis as determined by the University. The amount to be loaned to a student shall be determined by the Board of Regents based on financial need and proof of acceptance into a state-approved teacher education program at the University. [Eff OCT 12 2002] (Auth: HRS §304-20.6)

§20-25-8 Hawaii Educator Loan Program Special Fund. The Hawaii Educator Loan Program Special Fund is a revolving fund administered by the Board of Regents. The fund shall be allocated among the campuses using a formula based on the number of teacher education graduates in the previous fiscal year. The following may be deposited into the special fund: appropriations made by the legislature, private contributions, repayment of loans, including interest and payments received on account of principal, and moneys from other sources. All payments collected, exclusive of the collection agency's commissions, shall revert and be credited to the fund. The fund shall be disbursed to students in accordance with the guidelines established in this chapter. [Eff OCT 12 2002] (Auth: HRS §304-20.6)

UNIVERSITY OF HAWAII

Chapter 20-25, Hawaii Administrative Rules, on the Summary Page dated September 7, 2001, was adopted on May 17, 2002 following a public hearing held on May 7, 8, 9, and 13, 2002 after public notice was given in the Honolulu Star Bulletin on April 1, 2002.

The adoption of chapter 20-25 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

APPROVED:

Benjamin J. Cayetano

BENJAMIN J. CAYETANO
Governor
State of Hawaii

Dated: 10/1/02

APPROVED AS TO FORM:

Ramona A. Suzuki
Deputy Attorney General

OCT 02 2002

Filed

