

# ARKANSAS TECHNICAL CAREERS STUDENT LOAN FORGIVENESS PROGRAM RULES AND REGULATIONS

## ***Rule 1 – Organization and Structure***

- I. The Arkansas Department of Workforce Education (DWE) shall administer the Technical Careers Student Loan Forgiveness Program within the policies set by the State Board of Workforce Education and Career Opportunities (SBWECO). All formal communications shall be addressed to or signed by the Director of the DWE or his/her designee. An advisory panel that is representative of agencies and entities involved in the economic development of Arkansas, including business and industry, shall provide advice to DWE regarding the administration of the program.
- II. The final responsibility for selecting loan forgiveness recipients shall rest with the Director of the DWE.
- III. When functioning under Act 652 of 1999 and any subsequent legislation, DWE shall follow the provisions of the Administrative Procedures Act.

## ***Rule 2 – Program Eligibility Criteria***

- I. Eligibility Criteria
  - A. Applicants must be bona fide Arkansas residents as defined by the DWE.
  - B. Applicants must be citizens of the United States or permanent resident aliens.
  - C. Applicants must have received a diploma, certificate, or degree in a designated high-demand technical field from an approved Arkansas postsecondary institution.
  - D. Applicants must plan to work full-time in Arkansas in the high-demand technical field for which they received training.
  - E. Applicants must have received a federal student loan or other alternative loan approved by the DWE.
  - F. Beginning in the 2002-2003 academic year, students entering postsecondary education must submit an "Intent to Apply" form as soon as they declare a major. Based on availability of funds, applicants could be accepted based on the timely submission of this form.

### ***Rule 3 – Application Process for Loan Forgiveness Program***

#### **I. Applications**

##### **A. Solicitation of Applicants**

1. Program information, including the annual list of designated technical programs and applications are mailed to the following:
  - a) Department chairs of designated technical programs in approved postsecondary institutions
  - b) Financial aid directors/officers
  - c) Deans of continuing education
  - d) High school counselors
2. Applications are also available upon request from the DWE.
3. The DWE will disseminate program information through workshops, meetings, press releases, DWE's web site, and DWE's newsletter.

**B.** Students must apply for loan forgiveness within six months after program completion and must complete one year of full-time employment in the approved field within two years of program completion.

**C.** Upon receipt by DWE, applications are reviewed to ensure that all pertinent data is included. A letter is mailed to each applicant confirming the receipt and completeness of the application. For those whose application is either incomplete or ineligible, a notice will be sent identifying the reason for incompleteness or ineligibility. The applicant will then have the opportunity to provide the missing information or correct any inaccurate information. Before an applicant can be considered for an award, the corrected/missing information must be received by the DWE by the deadline indicated in the Incomplete/Ineligible Notice.

#### **II. Selection and Notification of Recipients**

**A.** Responsibility for selecting recipients shall rest with the Director of the DWE.

**B.** Selection criteria will include availability of funds and ranking of applicants according to a combination of components, including timely submission of the "Intent to Apply" form, cumulative grade point average, field of study, relevant work experience, and whether the applicant is a prior recipient.

C. Selected recipients will be mailed award letters stating their eligibility for the program and conditions for continued eligibility. They will also receive a loan forgiveness program packet with the following forms:

1. Loan Verification Certificate

This certificate shall be signed by the loan forgiveness applicant and shall give the DWE authority to verify loan information.

2. Program Completion Verification Form

The applicant must present this form to the registrar at the institution attended to certify program completion. This form shall include the following:

- a) Name of program completed
- b) Completion date
- c) Diploma/certificate/degree granted
- d) Cumulative grade point average

The registrar of the postsecondary institution must complete this form and return it to the DWE. A free copy of the applicant's transcript must be returned to the DWE along with the form.

3. Employment Verification Form

The applicant must provide the name and address of his or her employer to the DWE on the form provided. After one year of qualified employment, the DWE will mail the employment verification form to the employer. The employer must complete this form and return it to the DWE. This form must be submitted yearly for each year of loan forgiveness eligibility.

III. Loan Repayment

- A. Loan repayments will be disbursed directly to the lending authority after receipt of the employment verification form.
- B. If the loan forgiveness recipient presents to the Department of Workforce Education a "Paid in Full" Promissory Note from the lending authority, the loan repayment will be disbursed directly to the loan forgiveness recipient.

#### ***Rule 4 – Limitations of Loan Awards***

- I. Applicants may apply for forgiveness of loan amounts of up to \$2,500 per academic year or the amount borrowed, whichever is less. The maximum forgivable amount is \$10,000.
- II. Awards will be made pursuant to the limitations above and ranking status based on the availability of program funds. Each participant must maintain eligible status to receive funds.

#### ***Rule 5--Forgiveness of Loan***

- I. Criteria for Loan Forgiveness
  - A. Loan recipients who graduate from a designated technical program and work full-time in Arkansas in the high-demand technical field for which they trained shall have one year of their loan amount up to \$2,500 forgiven for each full year of qualified employment completed after graduation from the designated technical program. Duration of eligibility is based on the recipient's qualifying program. Loan forgiveness shall be granted to a student for only one training program.
  - B. Program recipients who discontinue qualified employment shall repay the loan according to terms of their loan agreement with the lending authority.
  - C. Leaves of absence from qualified employment shall be reviewed on a case-by-case basis.

#### ***Rule 6 – Institutional Responsibilities***

- II. Postsecondary Institution Responsibilities
  - A. Administrative agreement

Each participating institution shall submit to the DWE a signed administrative agreement of intent to comply with the responsibilities set out in the rule. This agreement shall be signed by the chief executive officer of the institution. The institution will be responsible for receipt of all communications, completion of forms, maintenance of records, and verification of data.
  - B. Institutional verification

The institution shall provide information relative to the loan forgiveness program upon request to the DWE. Information shall be returned to DWE within 15 days of receipt of the request.

## ***Rule 7 – Responsibility of Recipients***

- I. Recipient's Responsibility
  - A. It is the recipient's responsibility to notify the DWE of any change in status within 15 days. This will include change in name, change in residence, or change in employment. Failure to notify the DWE of a change in status will affect forgiveness status.
  - B. It is the recipient's responsibility to complete and return within 15 days all required forms sent by DWE. Failure to complete these forms will prohibit loan repayment.

## ***Rule 8 – Program Definitions***

The following definitions are used in the Technical Careers Student Loan Forgiveness Program:

Academic Year	A measure of the academic work to be accomplished by the participant. The academic year is defined as at least two semesters, two trimesters, or three quarters.
Approved Institution	An Arkansas postsecondary public or private vocational technical school, technical institute, comprehensive lifelong learning center, two-year college, or four-year college or university that is approved by the State Board of Workforce Education and Career Opportunities or the Higher Education Coordinating Board to offer training in the designated technical field. The institution must not discriminate against applicants or employees on the basis of race, color, religion, sex, age, handicap, or national origin, consistent with the provisions of applicable state and federal laws. The institution must have a signed administrative agreement with DWE.
Designated Technical Program	A technical education program offered by an approved institution that prepares students for high-demand technical career fields. Only those programs that are designated by the State Board of Workforce Education and Career Opportunities are eligible for loan forgiveness. The list of programs shall be published annually.

Permanent Resident Alien

An individual who can provide documentation from the Immigration and Naturalization (INS) that he or she is in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident. Valid documentation is an I-551, I-151, I-181, I-94, or passport stamped with the notation "Processed for I-551, Temporary Evidence of Lawful Admission for Permanent Residence."

Qualified Employment

Full-time (at least 30 hours per week and defined by the employer as full-time) employment in the high-demand technical career field for which the applicant received training. The State Board Of Workforce Education and Career Opportunities must have approved the field as a high-demand technical field. One year of qualified employment is required for each year of loan forgiveness.

U.S. Citizen or National

The term "U.S. citizen" includes persons born or who have become naturalized citizens of the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and Trust Territory – Palau. The term "national" includes citizens of American Samoa or Swain's Island.