

## **Title 10: Education Institutions and Agencies**

### **Part 675: Graduate and Professional Degree Forgivable Loan Program (STSC) Rules and Regulations**

#### **Part 675 Chapter 1: Graduate and Professional Degree Forgivable Loan Program (STSC) Rules and Regulations**

*Rule 1.1 Graduate and Professional Degree Forgivable Loan Program (STSC) Rules and Regulations.* These Rules and Regulations are subject to change by the Mississippi Postsecondary Education Financial Assistance Board (hereinafter referred to as the "Board"). The number of awards and recipients are dependent upon availability of funds and selection shall be based on a first-come, first-served basis of all eligible applicants; however, priority consideration shall be given to persons previously receiving awards under the Graduate and Professional Degree Forgivable Loan program (STSC).

#### **I. GENERAL ELIGIBILITY**

- A. The applicant must be a current legal resident of Mississippi. Resident status for purposes of receiving STSC shall be determined in the same manner as resident status for tuition purposes as set forth in Sections 37-103-1 through 37-103-29 of Ms. Code Ann., with the exception of Section 37-103-17.
- B. The applicant must be fully admitted and enrolled full-time in a professional or graduate degree program in a health-related profession of study which is not available in a regularly supported institution of higher learning in Mississippi. The approved professions include Chiropractic Medicine, Orthotics/Prosthetics, and Podiatric Medicine. The institution which the applicant desires to attend must be accredited by the regional accrediting agency of the region in which it is located, and it must grant an accredited degree in the field of study the applicant desires to pursue if such accreditation is available. Professional programs must be accredited by the recognized professional accrediting organization.
- C. The applicant must have expressed in writing a present intention to practice in the approved field in the State of Mississippi. The applicant must also diligently pursue the course of study and requirements for the required license to practice in the approved field in Mississippi.
- D. The recipient must remain in good standing with the attending institution and must maintain satisfactory academic progress in the approved program of study in accordance with the attending institution's policy.
- E. The applicant must not presently or previously have defaulted on an educational loan.

## II. APPLICATION REQUIREMENTS FOR FORGIVABLE LOAN APPLICANT

### A. First time applicants must:

1. Complete an application online at [www.mississippi.edu/financialaid](http://www.mississippi.edu/financialaid) by the deadline date of March 31.
2. If residency has not been established, submit two forms of documentation of current legal residency by the document deadline of April 30. Acceptable forms of residency documentation are listed in the General Administration Rules and Regulations and published online at [www.mississippi.edu/financialaid](http://www.mississippi.edu/financialaid).
3. Submit an official academic transcript or electronic grade verification from the school/college/university last attended by the document deadline of April 30. The transcript or grade verification must report grades from all postsecondary institutions attended.
4. Submit to the Board an official letter of acceptance from the institution of intended enrollment, showing date admitted and entering classification by June 30.
5. Signify understanding of the STSC Rules and Regulations, enter into a Contract and Note with the Board pursuant to the applicable Rules and Regulations and all applicable State laws, and complete, sign and return the Self Certification of a Private Loan form prior to the disbursement of funds. *Note: The Contract and Note will be issued once the applicant has been awarded. Funds will not be disbursed until the Contract and Note has been signed.*
6. Maintain good standing in the attending institution at all times, be enrolled full-time in the approved program, and be making satisfactory academic progress in accordance with the attending institution's policy. Evidence of academic eligibility will be automatically provided to the Board by the attending institution, unless specifically requested from the applicant.

### B. Renewal applicants must:

1. Complete an application online at [www.mississippi.edu/financialaid](http://www.mississippi.edu/financialaid) by the deadline date of March 31.
2. Maintain good standing in the attending institution at all times, be enrolled full-time in the approved program, and be making satisfactory academic progress in accordance with the attending institution's policy. Evidence of academic eligibility will be automatically provided to the Board by the attending institution, unless specifically requested from the applicant.

3. Complete, sign and return the Self Certification of a Private Loan form.

### **III. AMOUNT AND LENGTH OF FORGIVABLE LOAN**

- A. The maximum annual amount of the loan will be determined by the Board, but cannot exceed the amount of graduate or professional school tuition at a public institution in Mississippi.
- B. Students may receive a lifetime maximum award based upon the normal time required to complete the degree curriculum designated by the institution the recipient is attending.
- C. Awards shall be disbursed directly to the attending institution.
- D. Awards are not provided for summer school.

### **IV. RECIPIENT RESPONSIBILITIES**

- A. An STSC recipient must maintain good standing at the attending institution at all times.
- B. An STSC recipient who fails, temporarily withdraws, or is required to repeat any year, will be suspended from participation in the program and his/her awards will be stopped until such time as the proper official at the attending institution informs the Board that he/she is ready to advance.
- C. An STSC recipient must remain in school full-time, complete the approved program of study, and obtain the appropriate license. An STSC recipient who withdraws from school, fails to complete the approved program of study, or fails to obtain the appropriate license, shall immediately become liable to the Board for the sum of all outstanding STSC awards, plus a penalty of 5% of the outstanding principal, and interest on the combined outstanding principal and penalty.
- D. While receiving funds, the STSC recipient must at all times keep the Board informed of the recipient's current, correct, and complete contact information. This information may be updated via the STSC recipient's student account online at [www.mississippi.edu/financialaid](http://www.mississippi.edu/financialaid). Once in repayment, the STSC recipient must at all times keep the Board or its loan servicer informed of the recipient's current, correct, and complete contact information until the debt is completely satisfied.
- E. An STSC recipient should address in writing to the Board or its loan servicer any special circumstances regarding enrollment status, withdrawal from school, or failure to complete the approved program of study.

## V. REPAYMENT

- A. An STSC forgivable loan recipient enters repayment when the recipient completes the approved program of study, withdraws from school, or fails to complete the approved program of study. The recipient may satisfy his/her forgivable loan debt either by cancellation through service or by loan repayment.
- B. Cancellation through Service
1. An STSC forgivable loan recipient must meet all of the following criteria to qualify for debt cancellation through service:
    - a) Obtain the appropriate license to practice in the approved field in Mississippi.
    - b) Practice in the approved field full-time. "Full-time" is understood to mean that the recipient shall maintain the normal full-time work schedule where the recipient is employed.
    - c) Practice in the approved field in the State of Mississippi. *NOTE: It is fully understood that it is the responsibility of the forgivable loan recipient to seek and secure appropriate employment. The Board assumes no obligation to perform that function.*
  2. An STSC forgivable loan debt shall be cancelled on the basis of one year's service for one year of forgivable loan received. The period of service to be performed shall never be less than twelve (12) consecutive months, regardless of the length of study provided under the forgivable loan.
  3. At the time of separation from the approved program of study, unless granted a grace period or other type of deferment, the STSC forgivable loan recipient must request in writing a deferment of the accrual of interest and repayment of principal and penalty for purposes of completing the service option. The service deferment request must be accompanied by evidence of appropriate employment as defined in Section V.B.1.
  4. At the end of each service deferment period, the STSC forgivable loan recipient must request in writing a cancellation of the equivalent of one annual award.
  5. The service deferment and cancellation must be requested in writing and approved each year until the debt is fully satisfied.

C. Loan Repayment

1. Unless granted a grace period or other deferment, an STSC forgivable loan recipient shall become liable to the Board for the sum of all STSC forgivable loan awards made to that person less the corresponding amount of debt previously cancelled through service, plus a penalty of 5% of the outstanding principal, and interest on the combined outstanding principal and penalty, immediately at the time of occurrence of one of the following events:
  - a) The recipient withdraws from school;
  - b) The recipient fails to complete the approved program of study;
  - c) The recipient fails to obtain the appropriate license; or
  - d) The recipient fails to complete the service option defined in Section V.B.
2. At the time of the occurrence of one of the events outlined in Section V.C.I. or upon termination of a grace period or other deferment, a 5% penalty will be applied to the sum of all forgivable loan awards made to the recipient less any amount previously cancelled through service.
3. The rate of interest charged an STSC forgivable loan recipient on the unsatisfied balance shall be the current unsubsidized Federal Stafford Loan rate at the time of occurrence of one of the events outlined in Section V.C.1. or upon termination of a grace period or other deferment.
4. Interest begins accruing at the time of occurrence of one of the events outlined in Section V.C.1. or upon termination of a grace period or other deferment, and repayment commences one (1) month after the occurrence of the event.
5. Forgivable loan recipients must repay the loan (principal, penalty, and interest thereon) in 60 or less equal consecutive monthly installments. If the recipient fails to repay his/her loan (principal, penalty, and interest thereon) in 60 or less equal consecutive monthly installments, all principal, penalty, and interest outstanding, together with costs of collection, shall become immediately due and payable and, demand shall be made by mailing the same to the obligor at the last address furnished by said obligor. Should payment of the sum due not be made in full within thirty (30) days, from the date demand was made, the Contract and Note executed by the obligor shall be placed with a collection agency or an attorney for collection, at which point the obligor shall become liable for reasonable collection or attorneys' fees, which may be based on a

percentage of the amount of the debt, and court costs, in addition to the other sums due and owing.

- D. The obligations made by the recipient of this forgivable loan shall not be voidable by reason of the age of the student at the time of receiving the forgivable loan.
- E. Special circumstances regarding a recipient's failure to complete the service option and/or fulfill the loan obligation should be addressed in writing to the Board or its loan servicer.

## **VI. GRACE PERIOD AND OTHER DEFERMENTS**

### **A. Grace Period**

- 1. Upon completion of the approved program of study, the STSC forgivable loan recipient will be granted a 12-month grace period, during which the recipient should obtain the appropriate license and/or secure appropriate employment as defined in Section V.B.1.
- 2. An STSC forgivable loan recipient who does not complete the approved program of study will not be granted a 12-month grace period and will enter repayment immediately upon separation from the approved program of study. Such a recipient may be eligible for an in-school deferment as defined in Section VI.B.

### **B. In-School Deferment**

- 1. An STSC forgivable loan recipient who does not complete the approved program of study, but remains enrolled at least part-time in a degree program of the same level (i.e. master's degree or doctoral degree) may request deferment of the accrual of interest and the repayment of principal and penalty for purposes of remaining in school.
- 2. The in-school deferment must be requested in writing to the Board or its loan servicer and must be accompanied by verification of at least part-time enrollment from the attending institution.
- 3. The in-school deferment must be requested by the recipient and approved every term (except Summer) throughout the duration of the deferment.

### **C. Post-Graduate Training/Residency Deferment**

- 1. An STSC forgivable loan recipient who is expected to complete a residency may request deferment of the accrual of interest and the repayment of principal and penalty for the purpose of pursuing post-graduate training or residency at an accredited hospital in chiropractic

medicine for a period not to exceed one (1) year or in podiatric medicine for a period not to exceed three (3) years.

2. The residency deferment must be requested in writing to the Board or its loan servicer, stating the location and starting and ending dates of the post-graduate training/residency, and must be accompanied by verification from the institution providing the post-graduate training/residency.
3. The residency deferment must be requested by the recipient and approved at the beginning of each year of post-graduate training/residency.

D. Temporary Disability Deferment

1. An STSC forgivable loan recipient in repayment who is unable to secure or continue employment because of temporary total disability may request deferment of the accrual of interest and the repayment of principal and penalty. To qualify, a recipient must be unable to work and earn money due to the disability for at least sixty (60) days, or be providing continuous care for a dependent or spouse during a period of at least (90) consecutive days.
2. The temporary disability deferment must be requested in writing to the Board or its loan servicer and must be accompanied by certification from a doctor of medicine or osteopathy who is legally authorized to practice medicine.
3. The temporary disability deferment must be requested by the recipient and approved every six (6) months throughout the duration of the deferment and condition for a total period of time not to exceed three (3) years.

E. Military Service Deferment

1. In terms of military service the following definitions shall apply:
  - a) **REQUIRED** military service is that service which is required of an individual in the service of the Armed Forces of the United States; it does not include a military service obligation incurred to repay a grant, stipend or scholarship granted the individual prior to, during, or after the award under the Graduate and Professional Degree Forgivable Loan program.
  - b) **OBLIGATED** or **VOLUNTARY** military service is that service which is performed by the individual in repayment of a debt owed the United States government as a result of military scholarships, ROTC scholarships, etc. received by the individual. Service is

VOLUNTARY if the individual is not obligated to incur a period of military service, but chooses to incur the service obligation.

2. An STSC forgivable loan recipient shall be eligible for deferment of the accrual of interest and the repayment of principal and penalty during the time of required military service.
3. The military deferment must be requested in writing to the Board or its loan servicer, stating beginning and ending dates of such required military service, and must be accompanied by a copy of the military orders.
4. The military deferment must be requested by the recipient and approved on a year-to-year basis (annually).
5. If a recipient continues military service for any reason beyond the REQUIRED time, then that person shall be declared ineligible for military deferment and the remaining unsatisfied principal, penalty, and interest shall become due and payable to the Board according to the terms outlined in Section V.C.
6. If a recipient obligates himself/herself to VOLUNTARY military service prior to, during, or after the STSC award, then that person shall be declared ineligible for military deferment and the remaining unsatisfied principal, penalty, and interest shall become due and payable to the Board according to the terms outlined in Section V.C.

## **VII. CANCELLATION OF DEBT**

### **A. Death**

1. If an individual recipient dies, then the recipient's obligation to repay the loan or render service is canceled.
2. The Board shall require a copy of the death certificate or other proof of death that is acceptable under applicable State Law. If a death certificate or other acceptable proof of death is not available, the recipient's obligation for service or repayment on the loan is canceled only upon a determination by the Board on the basis of other evidence that the Board finds conclusive.
3. The Board may not attempt to collect on the loan from the deceased recipient's estate.

B. Total and Permanent Disability

1. If the Board determines that an individual recipient is totally and permanently disabled, the recipient's obligation to make any further payments of principal, penalty, and interest on the loan is canceled. A recipient is not considered totally and permanently disabled on the basis of a condition that existed before he/she applied for the forgivable loan, unless the recipient's condition has substantially deteriorated since he/she submitted the forgivable loan application, so as to render the recipient totally and permanently disabled.
2. After being notified by the recipient or the recipient's representative that the recipient claims to be totally and permanently disabled, the Board shall promptly request that the recipient or the recipient's representative obtain a certification from a physician, who is a doctor of medicine or osteopathy and legally authorized to practice, on a form provided or approved by the Board and other necessary documents as requested, that the recipient is totally and permanently disabled. The Board shall continue collection until it receives the certification or receives a letter from a physician stating that the certification has been requested and that additional time is needed to determine if the recipient is totally and permanently disabled. After receiving the physician's certification or letter and other necessary documents as requested and the student is found to be totally and permanently disabled, the Board may not attempt to collect from the recipient.
3. If the Board determines that a loan owed by a recipient, who claims to be totally and permanently disabled, is not eligible for cancellation for that reason, or if the Board has not received the physician's certification and other requested documents, as described in Section VII.B.2., within 60 days of the receipt of the documents as described in Section VII.B.2., the Board shall resume collection and shall be deemed to have exercised forbearance of payment of principal, penalty, and interest from the date the Board received the documents described in Section VII.B.2. until such a determination of ineligibility is made by the Board.

C. Bankruptcy

STSC forgivable loans are nondischargeable in bankruptcy.

**VIII. WARRANTY**

The acceptance of the STSC forgivable loan shall serve to appoint the Secretary of State of the State of Mississippi by each recipient as his/her designated agent for service of process, upon whom may be served all lawful processes and summons in any action or proceeding against him/her in the event he/she removes himself/herself from this State

and the processes of its courts, growing out of any breach of Contract and Note by the recipient for failure to fulfill his/her Contract and Note with the Board or, to repay the STSC forgivable loan, including penalty and interest pursuant to the law and Contract and Note, and, said acceptance of the loan rights and privileges shall be a signification of the applicant's agreement that any such process or summons against him/her, which is so served upon the Secretary of State, shall be of the same legal force and validity as if served on him/her personally. The venue of all causes of action against such nonresidents shall be Hinds County, Mississippi.

## **IX. AUTHORIZATION**

The acceptance of the STSC forgivable loan shall serve to authorize the Mississippi Office of Student Financial Aid, the Board, and their respective agents and contractors to contact the recipient regarding the recipient's loan request or loan(s), including repayment of loan(s), at the current or any future number the recipient provides for the recipient's cellular phone or other wireless device using automated telephone dialing equipment or artificial or pre-recorded voice or text messages.

Source: *Miss. Code Ann.* § 37-106-65.