

CHAPTER 9**GRANT AND SCHOLARSHIP PROGRAMS****Authority**

N.J.S.A. 18A:71A-8, 18A:71B-12, 18A:71B-19, 18A:71B-23, 18A:71B-25 and Title V, Part E of the Higher Education Act of 1965, as amended.

Source and Effective Date

R.2002 d.290, effective August 2, 2002.
See: 34 N.J.R. 1392(a), 34 N.J.R. 3079(c).

Chapter Expiration Date

Chapter 9, Grant and Scholarship Programs, expires on August 2, 2007.

Chapter Historical Note

Chapter 9, Student Assistance Board, was originally codified in Title 9 as Chapter 7, Student Assistance Programs. Chapter 7, originally the State Scholarship Commission Manual, was filed and became effective pursuant to N.J.S.A. 18A:62-1 et seq. prior to September 1, 1969. Pursuant to N.J.S.A. 18A:71-43 et seq., rules concerning the Student Assistance Board, the Tuition Aid Grant Program, and Garden State Scholars, were adopted as Emergency Rule R.1978 d.106, replacing the prior text, effective March 22, 1978. See: 10 N.J.R. 190(a). Subchapter 5, Public Tuition Benefits Program, was adopted as Emergency Rule R.1980 d.324, effective July 17, 1980. See: 12 N.J.R. 469(b). Subchapter 6, Garden State Graduate Fellowship Program, was adopted as R.1980 d.462, effective October 20, 1980. See: 12 N.J.R. 273(e), 12 N.J.R. 694(d).

Pursuant to Executive Order No. 66(1978), Chapter 7 was readopted as R.1983 d.126, effective April 13, 1983. See: 15 N.J.R. 129(a), 15 N.J.R. 692(a). Originally, Subchapter 7, Veterans Tuition Credit Program, was adopted pursuant to N.J.S.A. 18A:71-71 as Emergency Rule R.1977 d.376, effective October 4, 1977, and codified at N.J.A.C. 9:2-11. See: 9 N.J.R. 521(a). An amendment was adopted as R.1981 d.449, effective November 16, 1981. See: 13 N.J.R. 572(a), 13 N.J.R. 845(c). Pursuant to Executive Order No. 66(1978), N.J.A.C. 9:2-11 expired on November 21, 1984. Subsequently, the expired text of N.J.A.C. 9:2-11 was adopted as R.1986 d.103 and codified at Subchapter 7, effective April 7, 1986. See: 17 N.J.R. 2844(a), 18 N.J.R. 679(b). Subchapter 8, Vietnam Veterans Tuition Aid Program, was adopted as R.1985 d.569, effective November 4, 1985. See: 17 N.J.R. 1735(a), 17 N.J.R. 2645(a). Subchapter 9, originally Congressional Teacher Scholarship Program, was adopted as R.1987 d.168, effective April 6, 1987. See: 18 N.J.R. 2174(b), 19 N.J.R. 516(b).

Pursuant to Executive Order No. 66(1978), Chapter 7, Student Assistance Programs, was readopted as R.1988 d.128, effective February 29, 1988. See: 20 N.J.R. 33(a), 20 N.J.R. 656(a). Subchapter 9 was redesignated the Paul Douglas Teacher Scholarship Program by R.1988 d.131, effective March 21, 1988. See: 19 N.J.R. 2102(a), 20 N.J.R. 663(a). An amendment to Subchapter 8 was adopted as R.1989 d.183, effective April 3, 1989. See: 20 N.J.R. 2625(a), 21 N.J.R. 899(a).

Pursuant to Executive Order No. 66(1978), Chapter 7 was readopted as R.1992 d.486, effective November 6, 1992. In addition, R.1992 d.486 redesignated Subchapter 2 as General Provisions for Tuition Aid Grant and Garden State Scholarship Programs, and repealed Subchapters 7 and 8, effective December 7, 1992. See: 24 N.J.R. 2510(a), 24 N.J.R. 4373(a).

Chapter 7, Title 9, was recodified as Chapter 9, Title 9A, by R.1995 d.428, effective August 7, 1995. See: 27 N.J.R. 2043(a), 27 N.J.R. 2906(a).

Pursuant to Executive Order No. 66(1978), Chapter 9, Student Assistance Board, was readopted as R.1997 d.454, effective October 1, 1997. As part of R.1997 d.454, effective November 3, 1997, Subchapter 6, Garden State Graduate Fellowship Program, was repealed. See: 29 N.J.R. 2763(a), 29 N.J.R. 4679(b).

Subchapter 6, Miss New Jersey Educational Scholarship Program, was adopted as R.1998 d.416, effective August 17, 1998. See: 30 N.J.R. 2147(a), 30 N.J.R. 3033(b).

Chapter 9, Grant and Scholarship Programs, was readopted as R.2002 d.290, effective August 2, 2002. See: Source and Effective Date. See, also, section annotations.

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SUBCHAPTER 1. ADMINISTRATION FOR STATE GRANTS AND SCHOLARSHIPS

9A:9-1.1 Policy responsibility

The Higher Education Student Assistance Authority shall develop, coordinate, and administer policies for scholarship and tuition aid programs as provided by law. The Authority shall create and adopt such rules and regulations deemed necessary for the proper administration of these programs.

Amended by R.1997 d.454, effective November 3, 1997.

See: 29 N.J.R. 2763(a), 29 N.J.R. 4679(b).

Substituted "Governor" for "Board of Higher Education".

Amended by R.2002 d.290, effective September 3, 2002.

See: 34 N.J.R. 1392(a), 34 N.J.R. 3079(c).

9A:9-1.2 Creation of Student Advisory Committee

The Higher Education Student Assistance Authority shall create a Student Advisory Committee whose purpose shall be to advise the Authority on the effect of Authority policy and regulations; suggest alternative policy and regulations to the Authority; and provide a means of communication between the Authority and students. The Authority shall initially appoint a nine member Student Advisory Committee from nominations provided by the students and student associations of each college in New Jersey. The nine members, all of whom shall be full-time students, shall consist of two students from independent colleges, two students from Rutgers, The State University, two students from the State colleges, one student from the New Jersey Institute of Technology, and two students from the county colleges. Students representing each sector shall be chosen such that in any given year one of the representatives shall complete his or her degree requirements within one academic year from the time of his or her selection and one shall be of lower class rank. Members of the Student Advisory Committee shall serve one year terms and their appointments may be renewed according to the initial appointment process. The Student Advisory Committee shall elect a Chairperson and Vice Chairperson from among its members each of whom shall be from different collegiate institutional sectors. The Chairperson and Vice Chairperson shall serve as voting members on the Higher Education Student Assistance Authority board. In the event of a vacancy on the Student Advisory Committee, the Authority may fill the vacancy in the same manner as the original appointment.

Amended by R.1988 d.128, effective March 21, 1988.

See: 20 N.J.R. 33(a), 20 N.J.R. 656(a).

Changed "for" to "from".

Amended by R.1992 d.486, effective December 7, 1992.

See: 24 N.J.R. 2510(a), 24 N.J.R. 4373(a).

Stylistic revisions.

Administrative Correction.

See: 25 N.J.R. 1513(a).

Amended by R.1997 d.454, effective November 3, 1997.

See: 29 N.J.R. 2763(a), 29 N.J.R. 4679(b).

Amended by R.2002 d.290, effective September 3, 2002.

See: 34 N.J.R. 1392(a), 34 N.J.R. 3079(c).

(c) The interest charge shall be adjusted annually, from the time interest begins to accrue to the time the repayment period begins as described in (d) below, and shall be set by the U.S. Secretary of Education. The interest rate applicable during the repayment period is the interest rate prescribed by the Secretary which is in effect as of the beginning date of the repayment period.

(d) The scholar shall enter repayment status on the first day of the first calendar month after:

1. The scholar has ceased to pursue the postsecondary education program leading to teacher certification, but not before six months has elapsed after the cessation of the scholar's full-time enrollment in such a program; or

2. The date the scholar informs the Authority he or she does not plan to fulfill the teaching obligation; or

3. The latest date on which the scholar must have begun teaching in order to have completed the teaching obligation within 10 years after completing the postsecondary education for which the scholarship was awarded, as determined by the Authority.

(e) A scholar who has entered repayment status pursuant to (d)3 above may apply for a deferment of further payments upon obtaining a full-time teaching position eligible for redemption.

(f) The scholar shall make payments to the Authority which cover principal, interest, and collection costs according to a schedule established by the Authority which calls for complete repayment within 10 years after the scholar enters repayment status and which amount annually is not less than \$1,200 or the unpaid balance, whichever is less, unless the scholar's inability to pay this amount because of his or her financial condition has been established to the satisfaction of the Authority.

(g) The Authority shall extend the ten-year scholarship repayment period by a period equal to the length of time a scholar meets any of the conditions set forth in N.J.A.C. 9A:9-9.12.

(h) The Authority shall not require scholarship repayments amounting to more than \$1,200 annually unless higher payments are needed to complete the entire repayment within the 10-year period.

(i) The scholar will notify the Authority by certified mail within a 15-day period of withdrawal from the program. The Authority will then issue a statement of total loan indebtedness.

(j) The particular terms and conditions of loan indebtedness will then follow in a separate document known as the repayment schedule that will be provided to the scholar prior to the repayment period by the Authority. The repayment schedule will consolidate all loan amounts borrowed through the program and will include all accrued interest

capitalized to the principal balance at the time of repayment. The scholar will be required to repay the entire capitalized principal balance, plus accruing interest at the assigned rate determined by the Authority, in equal monthly installments over a repayment period that generally lasts no more than 10 years.

New Rule, R.1987 d.441, effective November 2, 1987.

See: 19 N.J.R. 1154(a), 19 N.J.R. 2055(a).

Amended by R.1988 d.131, effective March 21, 1988.

See: 19 N.J.R. 2102(a), 20 N.J.R. 663(a).

Deleted text in (c) "at a rate which . . ." and added new text "by the U.S. . . .".

Amended by R.1994 d.13, effective January 3, 1994.

See: 25 N.J.R. 3594(a), 26 N.J.R. 219(a).

Amended by R.1995 d.428, effective August 7, 1995.

See: 27 N.J.R. 2043(a), 27 N.J.R. 2906(a).

Amended by R.1997 d.454, effective November 3, 1997.

See: 29 N.J.R. 2763(a), 29 N.J.R. 4679(b).

Amended by R.2002 d.290, effective September 3, 2002.

See: 34 N.J.R. 1392(a), 34 N.J.R. 3079(c).

9A:9-9.12 Postponement of repayment schedule

(a) A scholar is not considered in violation of the repayment schedule and need not make scholarship repayments nor will interest accrue during the time he or she is:

1. Engaging in a full-time course of study at an institution of higher education as verified by the submission of official certification of full-time enrollment by the institution; or

2. Serving, not in excess of three years, on active duty as a member of the armed services of the United States as verified by the submission of appropriate documentation; or

3. Temporarily totally disabled, for a period not to exceed three years, as established by a sworn affidavit of a qualified physician; or

4. Unable to secure employment for a period not to exceed 12 months by reason of the care required by a spouse, child or parent who is disabled as evidenced by a qualified physician's sworn affidavit; or

5. Seeking and unable to find full-time employment for a single period not to exceed 12 months; or

6. Unable to satisfy the terms of the repayment schedule established by the Higher Education Student Assistance Authority, and is also seeking and unable to find full-time employment as a teacher in a public or private nonprofit preschool, elementary or secondary school, or education program for a single period not to exceed 27 months as evidenced by notarized copies of letters of application for teaching positions and any other documents as required by the Authority; or

7. Satisfying any additional provisions of repayment exceptions that may be prescribed by the U.S. Secretary of Education.

New Rule, R.1987 d.441, effective November 2, 1987.

See: 19 N.J.R. 1154(a), 19 N.J.R. 2055(a).

Amended by R.1988 d.131, effective March 21, 1988.

See: 19 N.J.R. 2102(a), 20 N.J.R. 663(a).

Added "private nonprofit" and "a single period not to exceed 27 months".

Amended by R.1994 d.13, effective January 3, 1994.

See: 25 N.J.R. 3594(a), 26 N.J.R. 219(a).

Amended by R.1997 d.454, effective November 3, 1997.

See: 29 N.J.R. 2763(a), 29 N.J.R. 4679(b).

Amended by R.2002 d.290, effective September 3, 2002.

See: 34 N.J.R. 1392(a), 34 N.J.R. 3079(c).

9A:9-9.13 Cancellation of repayment schedule

(a) The Higher Education Student Assistance Authority shall cancel a scholar's repayment obligations if it determines:

1. On the basis of a sworn affidavit of a qualified physician that the scholar is unable to teach on a full-time basis because he or she is permanently totally disabled; or
2. On the basis of a death certificate or other evidence of death that is conclusive under State law that the scholar has died.

Amended by R.1994 d.13, effective January 3, 1994.

See: 25 N.J.R. 3594(a), 26 N.J.R. 219(a).

Amended by R.2002 d.290, effective September 3, 2002.

See: 34 N.J.R. 1392(a), 34 N.J.R. 3079(c).

9A:9-9.14 Determination of postponement or cancellation of repayment schedule

Documentation submitted in support of a request by a scholar for postponement or cancellation of the loan obligation attesting to any of the above conditions shall be reviewed individually by the Higher Education Student Assistance Authority and final determination will be made by the director of the applicable program within the Authority. The final decision will be forwarded to the scholar within 60 days of the written request for postponement or cancellation of the loan obligation.

Amended by R.1994 d.13, effective January 3, 1994.

See: 25 N.J.R. 3594(a), 26 N.J.R. 219(a).

Amended by R.1997 d.454, effective November 3, 1997.

See: 29 N.J.R. 2763(a), 29 N.J.R. 4679(b).

Amended by R.2002 d.290, effective September 3, 2002.

See: 34 N.J.R. 1392(a), 34 N.J.R. 3079(c).

9A:9-9.15 Default

(a) The loan will be considered in default and become immediately due and payable if the scholar fails to:

1. Notify the Higher Education Student Assistance Authority of withdrawal from the program within the 15-day time period; or
2. Execute and deliver an installment note prior to entering repayment status pursuant to N.J.A.C. 9A:9-9.11; or
3. Make any installment payment that is past due for a period of 120 days.

(b) The Authority will then take the necessary steps to ensure the return of monies as permitted by Federal law and regulations. Default on this loan may be reported to credit bureau organizations.

(c) The scholar will also be required to pay all charges and other costs, including attorney's fees, for the collection of the defaulted amounts. If this loan is referred for collection to an agency that is subject to the Fair Debt Collection Practices Act (15 U.S.C. 1692 as of September 20, 1977 including all subsequent amendments and supplements), the scholar will pay all reasonable collection costs.

New Rule, R.1987 d.441, effective November 2, 1987.

See: 19 N.J.R. 1154(a), 19 N.J.R. 2055(a).

Amended by R.1994 d.13, effective January 3, 1994.

See: 25 N.J.R. 3594(a), 26 N.J.R. 219(a).

Amended by R.1995 d.428, effective August 7, 1995.

See: 27 N.J.R. 2043(a), 27 N.J.R. 2906(a).

Amended by R.1997 d.454, effective November 3, 1997.

See: 29 N.J.R. 2763(a), 29 N.J.R. 4679(b).

Amended by R.2002 d.290, effective September 3, 2002.

See: 34 N.J.R. 1392(a), 34 N.J.R. 3079(c).