

CHAPTER 8
HIGHER EDUCATION STUDENT ASSISTANCE
AUTHORITY POLICIES, PROCEDURES
AND PROGRAMS

Authority

N.J.S.A. 18A:71B-7 and 18A:72F-11.

Source and Effective Date

R.2005 d.412, effective October 27, 2005.
 See: 37 N.J.R. 2284(a), 37 N.J.R. 4443(a).

Chapter Expiration Date

Chapter 8, Higher Education Student Assistance Authority Policies, Procedures and Programs, expires on October 27, 2010.

Chapter Historical Note

Chapter 8, Office of Student Assistance Policies, Procedures and Programs, was adopted as new rules by R.1995 d.551, effective October 16, 1995 and R.1995 d.552, effective October 16, 1995. See: 27 N.J.R. 2664(a), 27 N.J.R. 3935(a); 27 N.J.R. 2662(b), 27 N.J.R. 3937(a).

Subchapter 5, Selective Service Compliance, was adopted as R.1997 d.525, effective December 15, 1997. See: 29 N.J.R. 4229(a), 29 N.J.R. 5293(a).

Subchapter 4, Minority Undergraduate Fellowship Program, was repealed by R.2000 d.162, effective April 17, 2000. See: 32 N.J.R. 429(a), 32 N.J.R. 1418(b).

Pursuant to Executive Order No. 66(1978), Chapter 8, Higher Education Student Assistance Authority Policies, Procedures and Programs, was readopted as R.2000 d.323, effective July 17, 2000. See: 32 N.J.R. 1276(a), 32 N.J.R. 2897(a).

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SUBCHAPTERS 1 THROUGH 2. (RESERVED)

SUBCHAPTER 3. MINORITY FACULTY ADVANCEMENT PROGRAM

9A:8-3.1 Authority and purpose

(a) N.J.S.A. 18A:72F-1 et seq. establishes the Minority Faculty Advancement Program to increase the numbers of minority faculty and administrators with doctorates in certain academic disciplines in which minorities are underrepresented.

1. N.J.S.A. 18A:72F-4 phases out the Minority Faculty Advancement Loan and Loan Redemption Program and provides for its administration by the Higher Education Student Assistance Authority until program participants exhaust their eligibility.

2. N.J.S.A. 18A:72F-11 assigns to the Higher Education Student Assistance Authority responsibility for rules pertaining to loans and loan redemption pursuant to N.J.S.A. 18A:72F-5 through 18A:72F-9, and assigns to the Commission on Higher Education rulemaking responsibility for the remaining provisions of the Minority Faculty Advancement Program. For example, the Commission on Higher Education has rulemaking responsibility for the administration of campus assistance grants, for which participants in the Minority Faculty Advancement Loan and Loan Redemption Program will continue to be eligible. See N.J.S.A. 18A:72F-4; N.J.A.C. 9A:12-2.

New Rule, R.2000 d.323, effective August 7, 2000.
 See: 32 N.J.R. 1276(a), 32 N.J.R. 2897(a).

Former N.J.A.C. 9A:8-3.1, Definitions, recodified to N.J.A.C. 9A:8-3.2.

9A:8-3.2 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

“Authority” or “HESAA” means the Higher Education Student Assistance Authority created pursuant to chapter 71A of Title 18A of the New Jersey Statutes.

“Eligible discipline” means an academic discipline in which minority faculty members are underrepresented in comparison to non-minority faculty members with doctorates, including, but not limited to, the physical and life sciences, engineering, mathematics, management, computer sciences, environmental science and statistics. “Eligible discipline”

shall not, however, include the disciplines of law, medicine or dentistry.

“Executive Director” means the Executive Director, HESAA.

“Faculty member” means any person employed full-time by a New Jersey institution of higher education to perform primarily teaching or research duties for a full academic year.

“Faculty service requirement” means that service which qualifies a program participant for loan redemption as set forth in N.J.A.C. 9A:8-3.14.

“Full-time student” means one who, in each semester, quarter or equivalent thereof, is engaged in coursework or research necessary to constitute full-time graduate student status as defined by the host institution attended.

“Host institution” means an institution of higher education having authority under the laws of New Jersey to award doctoral degrees which elects to participate in the program through the awarding of doctoral degrees to program participants.

“Institution of higher education” means any public or independent institution of higher education in the State licensed by the New Jersey Commission on Higher Education.

“Minority” means any United States citizen or permanent resident who is a member of a racial-ethnic group that has been historically disadvantaged in obtaining access to equal educational opportunities as designated by the United States Department of Education, Office of Civil Rights, including Blacks, Hispanics, Native Americans, Asians and Pacific Islanders.

“Program” means the Minority Faculty Advancement Program.

“Program participant” means an individual who was recommended by the Minority Faculty Advancement Program Advisory Committee and accepted by the Executive Director to participate in the program prior to July 1, 1999.

“Sponsoring institution” means an institution of higher education which nominates and sponsors either a minority faculty member, a member of the non-teaching professional staff or any other recipient of a baccalaureate or master’s degree from its or another institution to participate in the program or other eligible minority as defined herein.

Recodified from N.J.A.C. 9A:8-3.1 and amended by R.2000 d.323, effective August 7, 2000.
See: 32 N.J.R. 1276(a), 32 N.J.R. 2897(a).

Rewrote “Authority” as “Authority” or “HESAA”; in “Executive Director”, substituted a reference to HESAA for a reference to the Office of Student Assistance; rewrote “Institution of higher education”; in “Program”, deleted “Loan and Loan Redemption” following “Advancement”; and in “Program participant”, added “prior to July 1, 1999” at the end. Former N.J.A.C. 9A:8-3.2, Degree requirements, recodified to N.J.A.C. 9A:8-3.3.

9A:8-3.3 Degree requirements

(a) Each program participant must pursue doctoral studies as a full-time student at an approved host institution.

(b) Eligible disciplines shall be determined by the Executive Director for participants admitted to the program prior to July 1, 1999.

Recodified from N.J.A.C. 9A:8-3.2 and amended by R.2000 d.323, effective August 7, 2000.
See: 32 N.J.R. 1276(a), 32 N.J.R. 2897(a).

In (b), added “for participants admitted to the program prior to July 1, 1999” at the end. Former N.J.A.C. 9A:8-3.3, Program participation eligibility, recodified to N.J.A.C. 9A:8-3.4.

9A:8-3.4 Program participation eligibility

(a) To qualify for eligibility under the program an applicant must:

1. Be a member of a minority group;
2. Be admitted on a full-time basis as a graduate student pursuing a doctoral degree in an eligible discipline at a host institution;
3. Have demonstrated a potential for academic excellence based upon superior performance in previous academic work and graduate admission testing;
4. Have a high interest and potential for success in college teaching and academic research and agree to fulfill a faculty service requirement in New Jersey for at least four years; and
5. Have been admitted to the program prior to July 1, 1999.

Recodified from N.J.A.C. 9A:8-3.3 and amended by R.2000 d.323, effective August 7, 2000.

See: 32 N.J.R. 1276(a), 32 N.J.R. 2897(a).

Added (a)5. Former N.J.A.C. 9A:8-3.4, Admission to host institution, recodified to N.J.A.C. 9A:8-3.5.

9A:8-3.5 Admission to host institution

Admission to the graduate program will be determined by each individual host institution.

Recodified from N.J.A.C. 9A:8-3.4 by R.2000 d.323, effective August 7, 2000.

See: 32 N.J.R. 1276(a), 32 N.J.R. 2897(a).

Former N.J.A.C. 9A:8-3.5, Participation in program, recodified to N.J.A.C. 9A:8-3.6.

9A:8-3.6 Participation in program

Eligibility for continuing participation in the program shall be determined by the Executive Director only for those participants admitted to the program prior to July 1, 1999.

Recodified from N.J.A.C. 9A:8-3.5 and amended by R.2000 d.323, effective August 7, 2000.

See: 32 N.J.R. 1276(a), 32 N.J.R. 2897(a).

Rewrote the section. Former N.J.A.C. 9A:8-3.6, Sponsoring institution responsibilities, repealed.

9A:8-3.7 Host institution responsibilities

(a) A host institution shall:

1. Offer a doctoral degree in at least one of the eligible disciplines designated in the program;
2. Provide to each program participant an annual grant of at least \$5,000 or 50 percent of total full-time tuition and fees, whichever is greater and which may include tuition remission, each year for up to four years; and
3. Make available appropriate support services.

Amended by R.2000 d.323, effective August 7, 2000.

See: 32 N.J.R. 1276(a), 32 N.J.R. 2897(a).

In (a), deleted a former 3 and recodified former 4 as 3.

9A:8-3.8 Program participant responsibilities

(a) Each program participant shall:

1. Abide by all rules and regulations of the host institution applicable to full-time graduate students;
2. Pay all tuition, fees and other educational expenses, except for any charges or costs waived by the host institution pursuant to the provisions of N.J.A.C. 9A:8-3.7(a); and
3. Maintain satisfactory academic progress as defined by the host institution attended by the program participant.

9A:8-3.9 Source of loan funds

(a) The eligible student attending a host institution shall be considered for two Federal Family Education Loan Program (FFELP) loan sources: a subsidized Stafford Loan and an unsubsidized Stafford Loan. The type and amount of loan(s) will depend on the student's eligibility, in accordance with the policies and procedures set forth by the FFELP. Regardless of the loan(s) for which the recipient qualifies, these loans will be eligible for loan redemption upon qualifying service as set forth in N.J.A.C. 9A:8-3.14.

(b) The maximum loan amount received shall not exceed need to a maximum of \$10,000 annually and \$40,000 aggregate for any combination of Stafford Loan.

(c) Sequence of funding where applicable will be:

1. Subsidized Stafford Loan;
2. Unsubsidized Stafford Loan.

Amended by R.2000 d.323, effective August 7, 2000.

See: 32 N.J.R. 1276(a), 32 N.J.R. 2897(a).

Rewrote the section.

9A:8-3.10 Loan application process

(a) All eligible participants being considered for participation in Minority Faculty Advancement Loan Program will apply through the Authority's Special Loan Unit. The

Authority will serve as lender, guarantor, and servicer of this loan program.

(b) Each academic year, the borrower will obtain a Stafford Loan application through the Special Loan Unit which will be used to process the participant's request for loan(s) under the program.

(c) As required by Federal rules governing the FFELP, an origination fee will be levied on the subsidized and/or unsubsidized Stafford Loan and will be deducted from the proceeds of the loan disbursement.

Amended by R.2000 d.323, effective August 7, 2000.

See: 32 N.J.R. 1276(a), 32 N.J.R. 2987(a).

In (b), deleted "attending a host institution that participates in the FFELP" following "borrower"; deleted a former (c); and recodified former (d) as (c).

9A:8-3.11 Redemption

(a) Borrowers with earned doctoral degrees will be eligible for redemption of their Stafford Loan(s) and Minority Faculty Advancement Loan(s) over a four-year period of qualifying service as defined by N.J.A.C. 9A:8-3.14. Minority Faculty Advancement Loans were last available as a source of program funds in 1997.

(b) The principal balance of each loan account will be cancelled at an annual rate of 25 percent, in return for each full academic year of service as set forth in N.J.A.C. 9A:8-3.14.

(c) Total cancellation of loan indebtedness will not exceed the maximum of \$40,000 per student. Any previous loans obtained by the borrower will not be eligible for loan redemption under this program.

(d) Prior to the annual redemption of loan indebtedness, participants shall submit institutional certification of qualifying service to HESAA.

(e) If the borrower is deemed ineligible for loan redemption or chooses not to have the loans redeemed, the unpaid principal balance plus accruing interest at the prevailing rate for Stafford Loans and Minority Faculty Advancement Loans at the time the loans were made on the portion of loans not already redeemed will be converted to an installment contract and serviced by the Special Loan Unit of the Authority.

Amended by R.2000 d.323, effective August 7, 2000.

See: 32 N.J.R. 1276(a), 32 N.J.R. 2897(a).

In (a), added a second sentence; and in (d) substituted a reference to HESAA for a reference to the Office of Student Assistance.

9A:8-3.12 Terms of repayment

(a) Repayment of loans under the program shall be governed under the following conditions:

1. For subsidized Stafford Loan:

i. Repayment of the loan shall be governed by the appropriate policies and procedures for Stafford Loans.

ii. Interest shall be at the prevailing rate established for Stafford Loans at the time the loan is made, and will be paid by the Federal Government during at least half-time enrollment and grace periods and authorized periods of deferment and may be waived during periods of authorized forbearance.

iii. Interest will begin accruing at the time of repayment, which will commence six months following less than half-time enrollment, withdrawal, graduation, or thereafter, in the absence of qualifying service as defined in N.J.A.C. 9A:8-3.14.

2. For unsubsidized Stafford Loan:

i. Repayment of the loan shall be governed by the appropriate policies and procedures for Stafford Loans.

ii. Interest shall be at the prevailing rate established for Stafford Loans at the time the loan is made and will be waived during at least half-time enrollment periods, grace period, and authorized periods of deferment and may be waived during periods of authorized forbearance.

iii. Interest will begin accruing at the time of repayment, which will commence six months following less than half-time enrollment, withdrawal, graduation, or thereafter, in the absence of qualifying service as defined in N.J.A.C. 9A:8-3.14.

3. For Minority Faculty Advancement Loan:

i. Repayment of the loan shall be governed by the appropriate policies and procedures for Stafford Loans.

ii. Interest shall be at the prevailing rate established for Stafford Loans at the time the loan is made and will be waived during at least half-time enrollment periods, grace period, and authorized periods of deferment.

iii. Interest will begin accruing at the time of repayment which will commence six months following less than half-time enrollment, withdrawal, graduation, or thereafter, in the absence of qualifying service as defined in N.J.A.C. 9A:8-3.14.

(b) The Stafford Loan and Minority Faculty Advancement Loan will be converted to repayment simultaneously.

Amended by R.2000 d.323, effective August 7, 2000.
See: 32 N.J.R. 1276(a), 32 N.J.R. 2897(a).

9A:8-3.13 Loan forgiveness

(a) In the case of a program participant's death or total and permanent disability, the loan will be forgiven pursuant to the guidelines set forth for Stafford Loans.

(b) Request for deferment, forbearance or forgiveness of loans must be made by the borrower to the Authority's Special Loan Unit.

9A:8-3.14 Faculty service requirements

(a) Faculty service requirements for loan redemption purposes shall be satisfied:

1. For those program participants nominated by a sponsoring institution, by faculty service at the sponsoring institution unless otherwise mutually agreed upon by the president of the institution and the program. A sponsoring institution must reemploy a program participant who successfully completes the program and was nominated by that institution. Exceptions to this requirement may be made only under extreme circumstances and with the approval of the Executive Director; or

2. By faculty service in an appropriate position, as determined by the Executive Director, at an institution of higher education within New Jersey; or

3. If no faculty position is available at a New Jersey college or university, by service in an appropriate position, as determined by the Executive Director, in an agency of State government.

(b) Host institutions shall provide assistance to program participants not nominated by a sponsoring institution who successfully complete the program in obtaining an appropriate position to fulfill faculty service requirements.

9A:8-3.15 Exceptions to rules

An exception to these rules, on a case by case basis, may be granted by the Executive Director in cases where application of these rules, inasmuch as they might conflict with host institution policies, would not be in the best interests of, or would result in financial hardship to, program participants.

Recodified from N.J.A.C. 9A:8-3.16 by R.2000 d.323, effective August 7, 2000.

See: 32 N.J.R. 1276(a), 32 N.J.R. 2897(a).

Former N.J.A.C. 9A:8-3.15, Minority faculty advancement program advisory committee, repealed.

9A:8-3.16 (Reserved)

Recodified to N.J.A.C. 9A:8-3.15 by R.2000 d.323, effective August 7, 2000.

See: 32 N.J.R. 1276(a), 32 N.J.R. 2897(a).

SUBCHAPTER 4. (RESERVED)

SUBCHAPTER 5. SELECTIVE SERVICE COMPLIANCE

9A:8-5.1 Purpose

The rules established in this subchapter are intended to provide guidance for certain students in demonstrating compliance with the Military Selective Service Act, 50 App. U.S.C. §§ 451 et seq., prior to the disbursement of a State-funded loan, grant, or scholarship for attendance at any postsecondary institution.

9A:8-5.2 Scope

The requirements set forth under this subchapter address verification of compliance with the Military Selective Service Act for recipients of State-funded loans, grants, or scholarships for attendance at any postsecondary institution, but only for those students who do not file a Free Application for Federal Student Aid (FAFSA). For students who file a Free Application for Federal Student Aid, whether or not there is a successful data match with the Selective Service System as a result of filing the FAFSA, verification of selective service compliance provided under the Federal Higher Education Act of 1965, Pub. L. 89-329 (20 U.S.C. §§ 1001 et seq.) shall be satisfactory. A "postsecondary institution" shall mean an institution of higher education or a proprietary institution of higher education, as defined by the implementing regulations of the Federal Higher Education Act of 1965, Pub. L. 89-329 (20 U.S.C. §§ 1001 et seq.), 34 C.F.R. Part 600. A "State-funded loan, grant, or scholarship" shall include State financial assistance administered by the Higher Education Student Assistance Authority, as well as State-funded loans, grants or scholarships administered by other agencies and by postsecondary institutions.

Amended by R.2000 d.323, effective August 7, 2000. See: 32 N.J.R. 1276(a), 32 N.J.R. 2897(a).

Substituted "Higher Education Student" for "Office of Student Assistance or either of its public oversight boards, the Student Assistance Board and the Higher Education" preceding "Assistance" in the last sentence.

9A:8-5.3 Proof of compliance

(a) An institution or agency shall not disburse a State-funded loan, grant, or scholarship to a student who has not filed the FAFSA or its equivalent unless that institution or agency has received a satisfactorily completed New Jersey Statement of Selective Service Registration Status demonstrating that the student has complied with the Military Selective Service Act.

(b) The institution or agency awarding any State-funded loan, grant, or scholarship shall send the New Jersey Statement of Selective Service Registration Status, as provided in N.J.A.C. 9A:8-5.4, to the potential recipient of such aid prior to disbursement of funds to the recipient. The New Jersey Statement of Selective Service Registration Status shall be returned to the funding institution or agency in the student's initial award year. If the student has not yet demonstrated compliance with the Military Selective Service Act, or if he is not yet subject to the Military Selective Service Act (for example, he is under the age of 18), the New Jersey Statement of Selective Service Registration Status is to be provided for each subsequent award year until the institution or agency receives such proof of compliance.

(c) The student shall return a completed New Jersey Statement of Selective Service Registration Status to the funding institution or agency no later than the date set by the institution or agency. If the funding agency is the Higher

Education Student Assistance Authority, the student shall return a completed New Jersey Statement of Selective Service Registration Status no later than the deadline set annually by the Higher Education Student Assistance Authority for other documentation required prior to the disbursement of the State-funded loan, grant, or scholarship in question. For example, in the case of a grant or scholarship administered by the Higher Education Student Assistance Authority, the student shall return a completed New Jersey Statement of Selective Service Registration Status to the Higher Education Student Assistance Authority no later than the deadline date set annually by the Authority for requests for additional applicant information.

(d) If the New Jersey Statement of Selective Service Registration Status is received after the deadline referenced in (c) above, is incomplete, or otherwise unsatisfactory, the funding institution or agency shall not disburse any State funds to the student.

(e) If State financial aid funds are not disbursed pursuant to (d) above, the institution or agency may permit an appeal by the student.

Amended by R.2000 d.323, effective August 7, 2000. See: 32 N.J.R. 1276(a), 32 N.J.R. 2897(a). Rewrote (c).

9A:8-5.4 New Jersey Statement of Selective Service Registration Status

The following form shall be completed by those students who do not file a Free Application for Federal Student Aid or its equivalent in order to verify their compliance with the Military Selective Service Act before any State-funded loans, grants, or scholarships for attendance at any postsecondary institution are disbursed to the student. To expedite disbursement, a funding agency or institution may accept a facsimile in lieu of an original.

NEW JERSEY STATEMENT OF SELECTIVE SERVICE REGISTRATION STATUS (for receiving State of New Jersey funded loans, grants, or scholarships to attend a postsecondary institution)

(Date)

(Student name) (Student Social Security Number) (Please print clearly)

- I certify that I am registered with Selective Service.
I certify that I am not required to be registered with Selective Service because:
I am female.
I am in the armed services on active duty. (Does not apply to members of the Reserves and National Guard who are not on active duty.)
I have not reached my 18th birthday.

_____ I was born before 1960.

_____ I am exempt from registration for another reason consistent with the Federal Higher Education Act of 1965, as amended. (Specify the reason.) _____

_____ I did not register for another reason consistent with the Federal Higher Education Act of 1965, as amended. (Specify the reason.) _____

_____ I declare under penalty of perjury that the information contained in the New Jersey Statement of Selective Service Registration Status is true, complete, and correct to the best of my knowledge and belief and made in good faith. I understand that I may be asked to provide additional information or documentation to demonstrate compliance with the Military Selective Service Act.

_____ (Student signature)

_____ (Date signed)