Department of State
Division of Publications
312 Rosa L. Parks Avenue, 8th Floor Snodgrass/TN Tower
Nashville, TN 37243
Phone: 615-741-2650
Fax: 615-741-5133
Email: register.information@tn.gov

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Sequence Number: 03-01-13
Rule ID(s): 5384
File Date: 3/1/13
Effective Date: 8/29/13

Proposed Rule(s) Filing Form

Proposed rules are submitted pursuant to T.C.A. §§ 4-5-202, 4-5-207 in lieu of a rulemaking hearing. It is the intent of the Agency to promulgate these rules without a rulemaking hearing unless a petition requesting such hearing is filed within sixty (60) days of the first day of the month subsequent to the filing of the proposed rule with the Secretary of State. To be effective, the petition must be filed with the Agency and be signed by twenty-five (25) persons who will be affected by the amendments, or submitted by a municipality which will be affected by the amendments, or an association of twenty-five (25) or more members, or any standing committee of the General Assembly. The agency shall forward such petition to the Secretary of State.

Agency/Board/Commission:	Tennessee Student Assistance Corporation
Division:	Higher Education
Contact Person:	Peter Abernathy, Senior Associate Executive Director and Attorney
Address:	Suite 1510, Parkway Towers, 404 James Robertson Parkway, Nashville, TN
Zip:	37243
Phone:	615.532.6065
Email:	Peter.Abernathy@tn.gov

Revision Type (check all that apply):
X Amendment
___ New
___ Repeal

Rule(s) Revised (**ALL** chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please enter only **ONE** Rule Number/Rule Title per row)

Chapter Number	**Chapter Title**
1640-01-03	Graduate Nursing Loan Forgiveness Program
Rule Number	**Rule Title**
1640-01-03-.01	Introduction
1640-01-03-.02	Definitions
1640-01-03-.03	Eligibility
1640-01-03-.04	Award Amount
1640-01-03-.05	Application Process
1640-01-03-.06	Interest
1640-01-03-.07	Repayment
1640-01-03-.08	Deferment
1640-01-03-.09	Cancellation/Forgiveness
1640-01-03-.10	Collections
1640-01-03-.11	Leave of Absence
1640-01-03-.12	Appeals Procedure

Chapter 1640-01-03
Graduate Nursing Loan Forgiveness Program

Amendments

Rule 1640-01-03 is amended by inserting a "0" in the rule and/or chapter number throughout the rule where only a single digit is reflected to conform to Tenn. Comp. R. and Reg. 1360-01-01-.03(1)(a)1.(xi), which states there is to be no single digits on rule and chapter numbers.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204 and 49-4-702.

Rule 1640-01-03 is amended by deleting the term "Corporation" and replacing it with the acronym "TSAC" throughout the rule.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204 and 49-4-702.

Rule 1640-01-03 is amended by adding the new rule title "Collections" to the Table of Contents so that as amended the Table of Contents shall read:

1640-01-01-.10 Collections

Rule 1640-01-03 Table of Contents is amended by renumbering the rule title "Leave of Absence" to accommodate the addition of the new rule so that as amended the Table of Contents shall read:

1640-01-01-.11 Leave of Absence

Rule 1640-01-03 Table of Contents is amended by renumbering the rule title "Appeals Procedures" to accommodate the addition of the new rule so that as amended the Table of Contents shall read:

1640-01-01-.12 Appeals Procedures

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204 and 49-4-702.

Paragraph (2) of Rule 1640-01-03-.01 Introduction is amended by deleting the phrase "in order" within the text of the paragraph so that as amended the paragraph shall read:

(2) While the Act refers to the program as a "loan-scholarship," the Tennessee Student Assistance Corporation interprets the Act as establishing a loan forgiveness program because the Act requires the recipient to sign a promissory note that stipulates a repayment obligation. To avoid confusion, the working title of the program shall be the "Tennessee Graduate Nursing Loan Forgiveness Program."

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204 and 49-4-702.

Rule 1640-01-03-.02 Definitions is amended by deleting the current language in its entirety and substituting the following language so that as amended the rule shall read:

(1) As used in these rules (Chapter 1640-01-03):

(a) Cost of Attendance: The combined cost of tuition, mandatory fees, room and board, books, and other educational expenses as determined by the financial aid office of the eligible postsecondary institution.

(b) Default: The failure of a recipient in repayment status to make installment payments for a period of two hundred seventy (270) consecutive days.

(c) Deferment: A period of time in which the student's payments may be postponed, pursuant to Rule 1640-01-03-.08.

(d) Eligible Academic Program: A graduate program accredited by the National League for Nursing Accrediting Commission (NLNAC) and/or by the Commission on Collegiate Nursing Education (CCNE) and approved by the Tennessee Board of Nursing which leads to a master's or post-master's degree in a field of study which will qualify the graduate to become a teacher or administrator in a college or university nursing education program.

(e) Eligible Postsecondary Institution:

1. A Tennessee institution that is operated by the Tennessee Board of Regents of the state university and community college system;

2. An institution in the University of Tennessee system;

3. A Tennessee private postsecondary institution that is accredited by the Southern Association of Colleges and Schools (SACS); and

4. An out-of-state institution that is accredited by a regional accrediting association and which uses distance education to deliver instruction to a graduate nursing loan recipient residing in the state of Tennessee.

(f) Full-time enrollment: The minimum number of credit hours per term necessary to be considered a full-time student, as defined by the eligible postsecondary institution.

(g) Grace period: The three (3) month period of time that begins when the recipient either completes his or her eligible academic program or no longer meets the graduate nursing loan eligibility requirements, and during which period of time interest does not accrue and repayment is not required.

(h) Graduate Nursing Loan: The loan-scholarship referenced in T.C.A. § 49-4-702.

(i) Loan forgiveness: The partial or complete cancellation of a graduate nursing loan, as described in these rules.

(j) Part-time enrollment: Enrollment in fewer credit hours per term than the number necessary to be considered a full-time student, as defined by the eligible postsecondary institution.

(k) Priority Date: March 1 preceding the intended academic year of attendance, or such other date as TSAC may require.

(l) Program Administrator: The TSAC staff member assigned administrative responsibility for the graduate nursing loan forgiveness program by the Associate Executive Director for Grant and Scholarship Programs.

(m) Regional Accrediting Association: Approved accrediting agencies including the Middle States Association of Colleges and Schools, the New England Association of Schools and Colleges, the North Central Association of Colleges and Schools, the Northwestern Association of Schools and Colleges, the Southern Association of College and Schools, and the Western Association of Schools and Colleges.

(n) Satisfactory Academic Progress: A standard of progress toward completion of the

eligible academic program during which the student meets minimum academic requirements and progresses towards a degree as required by the nursing education program at the eligible postsecondary institution attended.

(o) TSAC: Tennessee Student Assistance Corporation.

(p) Year of continuous full-time employment: Nine (9) to twelve (12) months of continuous employment considered by the employer to be full-time.

(q) Year of continuous part-time employment: Nine (9) to twelve (12) months of continuous employment considered by the employer to be at least half-time but less than full-time.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-702.

Paragraph (1) of Rule 1640-01-03-.03 Eligibility is amended by deleting the current language in its entirety and substituting the following language so that as amended the paragraph shall read:

(1) To receive a graduate nursing loan a student must meet the following criteria:

(a) Be a citizen of the United States; and

(b) Be a resident of Tennessee, as defined by regulations promulgated by the Tennessee Board of Regents for the state university and community college system, under the authority of T.C.A. § 49-8-104 where applicable; and

(c) Hold an unencumbered Tennessee Registered Nurse License; and

(d) Be enrolled either part-time or full-time in an eligible academic program at an eligible postsecondary institution; and

(e) Provide written evidence of the student's intention to become employed full-time or part-time in a Tennessee nursing education program in a teaching or administrative capacity; and

(f) Maintain satisfactory academic progress; and

(g) Not owe a refund or repayment on any grant, and not be in default on any loan received at any postsecondary institution, under the provision of Title IV of the Higher Education Act of 1965, as amended, or a Tennessee student financial aid program; and

(h) Sign a promissory note before receiving any funds; and

(i) Agree to inform TSAC in writing when any change occurs in name, address, or school enrollment, and provide supporting documentation. After completing the program, the recipient shall continue to notify TSAC of any change in name or address, and when he or she has obtained a teaching or administrative position, changed teaching or administrative positions, or terminated teaching or administrative positions.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-702.

Paragraph (1) of Rule 1640-01-03.04 Award Amount is amended by deleting the current language in its entirety and substituting the following language so that as amended the paragraph shall read:

(1) The maximum amount of the graduate nursing loan shall be seven thousand dollars ($7,000)

per year during periods of full-time enrollment and three thousand five hundred dollars ($3,500) per year during periods of part-time enrollment, or such other amounts as may be established by TSAC, and shall in no instance exceed the student's cost of attendance. Awards are divided equally in disbursements of two (2) semesters or three (3) quarters payments.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-702.

Rule 1640-01-03-.05 Application Process is amended by deleting the current language in its entirety and substituting the following language so that as amended the rule shall read:

(1) The student must apply to TSAC for the graduate nursing loan by the established priority application date as required by TSAC.

(2) First priority shall be given to renewal applicants received by the priority application date.

(3) Second priority shall be given to applicants who provide satisfactory evidence to TSAC that they expect to enter a full-time teaching position in a Tennessee nursing education program immediately upon completion of their master's or post-master's degree program and who apply by the priority application date.

(4) Third priority shall be given to applicants who provide satisfactory evidence to TSAC that they expect to enter a part-time teaching position in a Tennessee nursing education program immediately upon completion of their master's or post-master's degree program and who apply by the priority application date.

(5) Fourth priority will be given to applicants who provide satisfactory evidence to TSAC that they expect to enter a full-time administrative position in a Tennessee nursing education program immediately upon completion of their master's or post-master's degree program and who apply by the priority application date.

(6) Fifth priority will be given to applicants who provide satisfactory evidence to TSAC that they expect to enter a part-time administrative position in a Tennessee nursing education program immediately upon completion of their master's or post-master's degree program and who apply by the priority application date.

(7) Sixth priority shall be given to applications received after the priority application date. Applications will be awarded based on the date of receipt.

(8) Applicants shall be grouped according to the priority assigned to their application. Should available funds be exhausted before all eligible applicants have received an award, applicants in the lowest priority grouping for which funds are available shall be distinguished by the date of receipt of their application by TSAC and awards shall be made to those applicants with the earliest dates of receipt until all available funds are expended.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-702.

Rule 1640-01-03-.07 Repayment is amended deleting the current language in its entirety and substituting the following language so that as amended the rule shall read:

(1) The graduate nursing loan must be repaid unless cancelled as described elsewhere in these rules. Repayment will include the full amount of the graduate nursing loan received plus accrued interest.

(2) Repayment shall begin at the end of the grace period, upon demand by TSAC, and shall be

in monthly installments over a period of no more than eight (8) years, provided that payments must be a minimum of one hundred dollars ($100) per month.

(3) The graduate nursing loan and accrued interest may be prepaid in whole or part at any time without penalty.

(4) If the borrower of a graduate nursing loan is determined to have received the award based on inaccurate application information, the full amount of the loan and accrued interest shall become due immediately.

(5) If the borrower fails to complete an enrollment period for any reason, the postsecondary institution must determine if any of the graduate nursing loans should be returned to TSAC. The postsecondary institution should use its own institutional refund policy to calculate the refund amount. If the student withdraws after the refund period is over, the postsecondary institution must follow the Return of Title IV guidelines, if applicable, to calculate any return of the graduate nursing loan.

(6) If a borrower issues a check, draft, warrant, or electronic funds transfer, which is subsequently returned to TSAC for reason of insufficient funds, a stop payment order by the issuer, or any other reason, the payment to which these funds was applied shall be reversed on the borrower's account and interest shall continue to accrue from the date of the last valid payment. Additionally, TSAC may charge a reasonable service fee for such a transaction.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-702.

Rule 1640-01-03.08 Deferment is amended by deleting the current language in its entirety and substituting the following language so that as amended the rule shall read:

(1) Repayment shall be deferred, but interest shall continue to accrue, while the recipient is employed in a Tennessee nursing education program in a teaching or administrative capacity.

(2) Repayment shall be deferred, but interest shall continue to accrue, while the student is seeking the post-master's degree after first receiving the loan to obtain their master's degree.

(3) Repayment shall be deferred if the recipient is unable to make payments due to financial, medical, or personal circumstances beyond the recipient's control, or other extenuating circumstances approved by the Associate Executive Director for Grant and Scholarship Programs. Such period of hardship shall not exceed two (2) years.

(4) For repayment to be deferred, recipients shall provide employment verification as required by TSAC.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-702.

Paragraph (3) of Rule 1640-01-03-.09 Cancellation Forgiveness is amended by deleting the phrase "in order" within the text of the paragraph so that as amended the paragraph shall read:

(3) To receive cancellation credit, the borrower shall provide employment verification as required by TSAC.

Rule 1640-01-03-.10 Collections is added as a new rule so that as amended the rule shall read:

(1) Due diligence requirements shall consist of the following:

(a) Provide the recipient with a signed copy of the promissory note.

(b) Notify the recipient of the repayment requirements during the grace period.

(c) Notify the recipient of repayment requirements during an approved period of deferment.

(d) Attempt to contact the recipient on no less than three separate occasions during the two hundred and seventy (270) day period in which no payments are received, beginning with the thirtieth (30th) day of delinquency and subsequent contacts no less than ninety (90) days apart.

(2) TSAC's collection activity will begin when the recipient is no longer honoring the repayment obligation. TSAC will exercise due diligence to contact the student to resolve the delinquency.

(3) TSAC will consider a recipient to be delinquent if the recipient fails to make an installment payment within thirty (30) days of the due date. Upon delinquency, TSAC will attempt to contact the recipient to give notice of the delinquency, inform the recipient of the consequences of default, and encourage the recipient to make payments as provided under the promissory note.

(4) TSAC will consider a recipient to be in default if the recipient fails make a payment for a period of two hundred seventy (270) consecutive days.

(5) Once the recipient is in default, TSAC may take one or more of the following actions:

(a) Assign the defaulted loan(s) to a collection agency.

1. Collection costs may be added to the defaulted loan at a rate not to exceed twenty percent (20%) of the original principal balance. Payments on the combined principal, interest, and collection costs shall not exceed an amount determined to be reasonable and affordable.

(b) Report to credit bureaus the default status of each loan.

(c) Make the student ineligible for state student aid programs.

(d) Submit an order of suspension, denial, or revocation to the appropriate licensing board for any Tennessee-issued professional license held by the recipient.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-702.

Rule 1640-01-03-.11 Leave of Absence replaces rule 1640-01-03-.11 Appeals Procedure to accommodate the addition of the new rule (-.10) so that as amended the rule shall read:

(1) Unless a leave of absence is granted, terms of enrollment must be continuous (other than the summer term), and a period of non-attendance (other than the summer term) will cause a recipient to enter repayment with no opportunity to regain eligibility.

(2) A student may be granted medical or personal leave of absence from attendance at an eligible postsecondary institution and resume receiving the nursing loan upon resumption of the student's attendance at an eligible postsecondary institution so long as all other applicable eligibility criteria are met. An eligible postsecondary institution may grant leaves of absence only for medical or personal reasons. Allowable medical or personal reasons shall include, but not be limited to, illness of the student, illness or death of an immediate family member, extreme financial hardship of the student or student's immediate family, a military obligation of the student or family member, an obligation to fulfill a religious commitment

expected of all individuals of that faith, or other extraordinary circumstances beyond the student's control where continued attendance by the student creates a substantial hardship. In the event an institution denies a student's request for a medical or personal leave of absence, the student may seek relief from the decision in accordance with Rule 1640-01-03-.12.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-702.

Rule 1640-01-03-.12 Appeals Procedure is added as a new rule to accommodate the addition of the new rule (.-10) and is amended by deleting the current language in its entirety and substituting the following language so that as amended the rule shall read:

(1) TSAC shall provide written notice to a student of an adverse decision relative to a student's application for an award or request for a leave of absence. A student who disagrees with such decision and wants the decision reviewed must request a review of the decision in writing. The student's request for review must be received by TSAC within ten (10) business days of the date of the written notice provided by TSAC. Such request shall include a statement of the reason or reasons for the request for review and all information supporting the student's position regarding the decision.

(2) Review of the TSAC decision shall be made by the TSAC Associate Executive Director for Grant and Scholarship Program, who shall issue a written decision to the student. A student who disagrees with such decision and wants the decision reviewed must request a further review of that decision in writing. The student's request for review must be received by TSAC within ten (10) business days of the date of the decision. Such request shall include a statement of the reason or reasons for request for review and all relevant supporting information.

(3) Review of the decision of the TSAC Associate Executive Director for Grant and Scholarship Programs shall be made by the TSAC Executive Director, who shall issue a written decision to the student. A student who disagrees with such decision and wants the decision reviewed must request a further review of that decision in writing. The student's request for review must be received by TSAC within ten (10) business days of the date of the decision. Such request shall include a statement of the reason or reasons for request for review and all relevant supporting information.

(4) Review of the decision of the TSAC Executive Director shall be made by the TSAC Appeals Committee, who shall issue a written decision to the student. The decision of the TSAC Appeals Committee is the final administrative remedy. There shall be no right to judicial review of a decision of the TSAC Appeals Committee.

Authority: T.C.A. §§ 49-4-20l, 49-4-203, 49-4-204, and 49-4-702.

The vote by the Agency on these rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)
Governor Haslam, by Mr. Mark Cate	X				
Dr. Richard Rhoda by Russ Deaton	X				
Dr. Claude Pressnell	X				
Mr. David H. Lillard, Jr., by Joy Harris	X				
Comptroller Justin P. Wilson, by Ms. Faye Weaver	X				
Commissioner Mark Emkes, by Greg Turner	X				
Commissioner Kevin Huffman, by Mr. Morgan Branch	X				
Chancellor John Morgan	X				
Dr. Joe Dipietro, by Dr. Keith Carver	X				
Betty Sue McGarvey	X				
Dr. J. Gary Adcox	X				
Mr. Lester McKenzie	X				
Mr. William Samuel Stuard, Jr.				X	
Mr. Will Pinkston	X				
Mr. Jeff Wilson	X				
LaSimba Gray	X				
Mr. John Alexander Peek	X				

I certify that this is an accurate and complete copy of proposed rules, lawfully promulgated and adopted by the TSAC Board of Directors on 03/15/2012, and is in compliance with the provisions of T.C.A. § 4-5-222. The Secretary of State is hereby instructed that, in the absence of a petition for proposed rules being filed under the conditions set out herein and in the locations described, he is to treat the proposed rules as being placed on file in his office as rules at the expiration of sixty (60) days of the first day of the month subsequent to the filing of the proposed rule with the Secretary of State.

Date: 10.11.12

Signature: [signature]

Name of Officer: Richard G. Rhoda

Title of Officer: Executive Director

Subscribed and sworn to before me on: 10/11/12

Notary Public Signature: Constance A. [signature]

My commission expires on: 1/7/2013

All proposed rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

[signature]
Robert E. Cooper, Jr.
Attorney General and Reporter

1-31-13
Date

Department of State Use Only

Filed with the Department of State on: 3/1/13

Effective on: 8/29/13

[signature]
Tre Hargett
Secretary of State

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Regulatory Flexibility Addendum

Pursuant to T.C.A. §§ 4-5-401 through 4-5-404, prior to initiating the rule making process as described in T.C.A. § 4-5-202(a)(3) and T.C.A. § 4-5-202(a), all agencies shall conduct a review of whether a proposed rule or rule affects small businesses.

The agency shall consider without limitation, certain methods of reducing the impact of the proposed rule on small businesses while remaining consistent with health, safety and well-being and those methods are as follows: the extent to which the proposed rule or rules may overlap, duplicate, or conflict with other federal, state, and local governmental rules; clarity, conciseness, and lack of ambiguity in the proposed rule or rules; the establishment of flexible compliance and/or reporting requirements for small businesses; the establishment of friendly schedules or deadlines for compliance and/or reporting requirements for small businesses; the consolidation or simplification of compliance or reporting requirements for small businesses; the establishment of performance standards for small businesses as opposed to design or operational standards required in the proposed rule; and the unnecessary creation of entry barriers or other effects that stifle entrepreneurial activity, curb innovation, or increase costs.

Description of Proposed Amendments

The Tennessee Student Assistance Corporation (TSAC) intends to file the proposed rules pursuant to T.C.A. § 4-5-202 in lieu of a rulemaking hearing to amend the current rules of Chapter 1640-01-03 Graduate Nursing Loans Forgiveness Program. It is the intent of TSAC to promulgate these rules without a public rulemaking hearing unless a petition requesting such hearing is filed within sixty (60) days after the first day of the month subsequent to the filing of the proposed rule with the Secretary of State.

The proposed changes to the rule include adding a section that will provide TSAC with a greater opportunity to collect payments from recipients who do not fulfill the required service obligation; defining the term "default" as used by the TSAC Loan Administration Division; providing a hardship deferment for recipients who are unable to make payments; and to address various technical corrections and housekeeping matters.

Regulatory Flexibility Analysis - Methods of Reducing the Impact of Rules on Small Businesses

1. Overlap, duplicate, or conflict with other federal, state, and local governmental rules:

   The proposed rules will not overlap, duplicate, or conflict with other federal, state, and local governmental rules.

2. Clarity, conciseness, and lack of ambiguity in the rule or rules:

   The proposed rules were patterned to ensure clarity and conciseness of the language of the rules and to eliminate possible ambiguity in the interpretation of the rules.

3. Flexible compliance and/or reporting requirements for small businesses:

   The proposed rules were drafted to facilitate administration of the program for all postsecondary education institutions.

4. Friendly schedules or deadlines for compliance and/or reporting requirements:

   TSAC worked diligently with key postsecondary education institution personnel to ensure that proposed compliance and/or reporting requirements can be practically applied by institutions administering the program.

5. Consolidation or simplification of compliance or reporting requirements:

   The proposed rules were drafted to ensure solid, easily interpreted, compliance and reporting

requirements.

6. Performance standards for small businesses:

   TSAC expects all education institutions engaged in the administration of the Graduate Nursing Loan Forgiveness Program to comply with all applicable rules.

7. Barriers or other effects that stifle entrepreneurial activity, curb innovation, or increase costs:

   The proposed rules do not contain any foreseeable inhibitors to small business entrepreneurial activities.

Furthermore, the statute requires that the agency, as part of the rulemaking process for any proposed rule that may have an impact on small businesses, shall prepare an economic impact statement as an addendum for each rule. The statement shall include the following: the type or types of small businesses and an identification and estimate of the number of small businesses subject to the proposed rule that would bear the cost of, and/or directly benefit from the proposed rules; the projected reporting, recordkeeping and other administrative costs required for compliance with the proposed rule, including the type of professional skills necessary for preparation of the report or record; a statement of the probable effect on impacted small businesses and consumers; a description of any less burdensome, less intrusive or less costly alternative methods of achieving the purpose and/or objectives of the proposed rule that may exist, and to what extent, such alternative means might be less burdensome to small businesses; a comparison of the proposed rule with any federal or state counterparts; and analysis of the effect of the possible exemption of small businesses from all or any part of the requirements contained in the proposed rule.

Economic Impact Statement

1. Types of small businesses directly affected:

   Independent postsecondary education institutions that employ fifty (50) or fewer full-time employees that have students in attendance receiving this grant program.

2. Projected reporting, recordkeeping, and other administrative costs:

   There are no significant changes in reporting, recordkeeping, or other administrative costs that will result from the promulgation of these proposed rules.

3. Probable effect on small businesses:

   The proposed rules were drafted to facilitate administration of the program for all postsecondary institutions and should have a positive effect on the independent postsecondary institutions employing fifty (50) or fewer full-time employees.

4. Less burdensome, intrusive, or costly alternative methods:

   As these proposed rules present no foreseeable cost to small businesses, there is no alternative method to propose.

5. Comparison with federal and state counterparts:

   There are no federal or state counterparts to the issues addressed by these proposed rules.

6. Effect of possible exemption of small businesses:

   There will be no exemptions created by these proposed rules.

Impact on Local Governments

Pursuant to T.C.A. §§ 4-5-220 and 4-5-228 "any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments."

The rules for the Graduate Nursing Loan Forgiveness Program Chapter 1640-01-03, as amended, shall have no projected impact on local governments.

Additional Information Required by Joint Government Operations Committee

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. § 4-5-226(i)(1).

(A) A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

The proposed rule acts to adopt changes to the Graduate Nursing Loan Forgiveness Program Chapter 1640-01-03 as proposed rules. These rules regulate a loan forgiveness program pursuant to T.C.A § 49-4-702, providing loans and loan forgiveness to eligible candidates for master's and postmaster's degrees in nursing education, who agree to employment upon completion of the degree as a teacher or administrator in a Tennessee nursing education program at an eligible postsecondary institution.

The proposed changes to the rules include adding a section that will provide TSAC with a greater opportunity to collect payments from recipients who do not fulfill the required service obligation; defining the term "default" as used by the TSAC Loan Administration Division; providing a hardship deferment for recipients who are unable to make payments; and to address various technical corrections and housekeeping matters.

(B) A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

Tenn. Code Ann. § 49-4-702 authorizes TSAC to administer the Graduate Nursing Loan Forgiveness Program and Tenn. Code Ann. §§ 49-4-203, 49-4-204 and 49-4-702 authorizes TSAC to promulgate rules and regulations relative to such program.

(C) Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

TSAC, the Tennessee Higher Education Commission (THEC), the Tennessee Independent Colleges and Universities Association, the Tennessee Association of Student Financial Aid Administrators, Tennessee postsecondary institutions, and those students with a financial need attending or planning to attend eligible postsecondary institutions in Tennessee are most directly affected by these proposed rules.

The aforementioned organizations, corporations, institutions, governmental entities, and individuals directly affected by this rule urge adoption of the proposed rules.

(D) Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule;

There are no opinions of the Attorney General and reporter or any judicial ruling that directly relates to the rule.

(E) An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars ($500,000), whichever is less;

There is no financial impact resulting from the proposed rule changes.

(F) Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Peter Abernathy, TSAC Senior Associate Executive Director and Staff Attorney, and
Tim Phelps, TSAC Associate Executive Director for Grants and Scholarships.

(G) Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

Peter Abernathy, TSAC Senior Associate Executive Director and Staff Attorney, and
Tim Phelps, TSAC Associate Executive Director for Grants and Scholarships.

(H) Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

Peter Abernathy
Senior Associate Executive Director and Staff Attorney
Tennessee Student Assistance Corporation
Suite 1510, Parkway Towers
404 James Robertson Parkway
Nashville, TN 37243
615.532.6065
Peter.Abernathy@tn.gov

Tim Phelps
Associate Executive Director for Grants and Scholarships
Tennessee Student Assistance Corporation
Suite 1510, Parkway Towers
404 James Robertson Parkway
Nashville, TN 37243
615.253.7441
Tim.Phelps@tn.gov

(I) Any additional information relevant to the rule proposed for continuation that the committee requests.

There is none received to date.

RULES OF
TENNESSEE STUDENT ASSISTANCE CORPORATION

CHAPTER 1640-01-03
GRADUATE NURSING LOAN-FORGIVENESS PROGRAM

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1640-01-03-.01 INTRODUCTION.

(1) These rules implement the Tennessee Graduate Nursing Loan Forgiveness Program authorized in T.C.A. § 49-4-702 in 2006 Public Acts, Chapter 882 (hereinafter called the Act). The Act makes provision for loans and loan forgiveness to certain candidates for master's and post-master's degrees in nursing education. Loan forgiveness requires employment as a teacher or administrator in a Tennessee nursing education program at an eligible postsecondary institution upon completion of the program of study.

(2) While the Act refers to the program as a "loan-scholarship," the Tennessee Student Assistance Corporation ~~Corporation~~ interprets the Act as establishing a loan forgiveness program because the Act requires the recipient to sign a promissory note that stipulates a repayment obligation. ~~In order~~ T~~t~~o avoid confusion, the working title of the program shall be the "Tennessee Graduate Nursing Loan Forgiveness Program."

***Authority**: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204 and 49-4-702~~2006 Tenn. Pub. Acts Ch. 882~~.* ***Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed March 18, 1977; effective April 18, 1977. Repeal and new rule filed as a Public necessity rule filed December 11, 2006; expires May 25, 2007. Original rule filed December 11, 2006; effective April 30, 2007.*

1640-01-03-.02 DEFINITIONS.

(1) As used in these rules (Chapter 1640-01-03):

~~(a) "Corporation" means the Tennessee Student Assistance Corporation.~~

(~~b~~a) ~~"~~Cost of Attendance~~":~~ ~~means~~ T~~t~~he combined cost of tuition, mandatory fees, room and board, books, and other educational expenses as determined by the financial aid office of the eligible postsecondary institution.

(b) Default: The failure of a recipient in repayment status to make installment payments for a period of two hundred seventy (270) consecutive days.

(c) Deferment: A period of time in which the student's payments may be postponed, pursuant to Rule 1640-01-03-.08.

~~(cd) "Eligible Postsecondary Institution" means~~
~~(1) a Tennessee institution that is operated by the Tennessee Board of Regents of the state university and community college system, or(2) an institution in the~~

~~University of Tennessee system, or (3) a Tennessee private postsecondary institution that is accredited by the SouthernAssociation of Colleges and Schools (SACS), or (4) an out-of-state institution that is accredited by a regional accrediting association and which uses distance education to deliver instruction to a graduate nursing loan recipient residing in the state of Tennessee.~~

(d) ~~"~~Eligible Academic Program~~"~~: ~~means~~ ~~A~~a graduate program accredited by the National League for Nursing Accrediting Commission (NLNAC) and/or by the Commission on Collegiate Nursing Education (CCNE) and approved by the Tennessee Board of Nursing which leads to a master's or post-master's degree in a field of study which will qualify the graduate to become a teacher or administrator in a college or university nursing education program.

(e) Eligible Postsecondary Institution:

1. A Tennessee institution that is operated by the Tennessee Board of Regents of the state university and community college system;

2. An institution in the University of Tennessee system;

3. A Tennessee private postsecondary institution that is accredited by the Southern Association of Colleges and Schools (SACS); and

4. An out-of-state institution that is accredited by a regional accrediting association and which uses distance education to deliver instruction to a graduate nursing loan recipient residing in the state of Tennessee.

(~~e~~f) ~~"~~Full-time enrollment~~"~~: ~~means a student enrolling in at least~~ ~~T~~the minimum number of credit hours per term necessary to be considered a full-time student, as defined by the eligible postsecondary institution.

(g) Grace period: The three (3) month period of time that begins when the recipient either completes his or her eligible academic program or no longer meets the graduate nursing loan eligibility requirements, and during which period of time interest does not accrue and repayment is not required.

(~~f~~h) ~~"~~Graduate Nursing Loan~~"~~: ~~means~~ ~~T~~the loan-scholarship referenced in T.C.A. § 49-4-702 ~~in 2006 Tennessee Public Acts, Chapter 882~~.

~~(g) "Grace period" means the three (3) month period of time which begins when the borrower either completes his/her eligible academic program or no longer meets graduate nursing loan eligibility requirements, and during which period of time interest does not accrue and repayment is not required.~~

(~~h~~i) ~~"~~Loan forgiveness~~"~~: ~~means~~ ~~T~~the partial or complete cancellation of a graduate nursing loan, as described ~~elsewhere~~ in these rules.

(~~i~~j) ~~"~~Part-time enrollment~~"~~: ~~means a student enrolling~~Enrollment in fewer credit hours per term than the number necessary to be considered a full-time student, as defined by the eligible postsecondary institution.

(k) Priority Date: March 1 preceding the intended academic year of attendance, or such other date as TSAC may require.

(Rule 1640-01-03-.02, Continued)

(~~j~~l) ~~"~~Program Administrator~~"~~: ~~means~~ T~~t~~he TSAC staff member ~~of the Corporation who has been~~ assigned administrative responsibility for the graduate nursing loan forgiveness program by the ~~Corporation's~~ Associate Executive Director for Grant and Scholarship Programs.

(~~k~~m) ~~"~~Regional Accrediting Association~~"~~: ~~means~~ A~~a~~pproved accrediting agencies ~~as follows:~~including the Middle States Association of Colleges and Schools, the New England Association of Schools and Colleges~~;~~, the North Central Association of Colleges and Schools, the Northwestern Association of Schools and Colleges, the Southern Association of College and Schools, and the Western Association of Schools and Colleges.

(~~l~~n) ~~"~~Satisfactory Academic Progress~~"~~: ~~means~~ A~~a~~ standard of progress toward completion of the eligible academic program during which the student meets minimum academic requirements and progresses towards a degree as required by the nursing education program at the eligible postsecondary institution attended.

(o) TSAC: Tennessee Student Assistance Corporation.

(~~m~~p) ~~"~~Year of continuous full-time employment~~"~~: ~~means~~ Nine (9) to twelve (12) months of continuous employment considered by the employer to be full-time.

(~~n~~q) ~~"~~Year of continuous part-time employment~~"~~: ~~means~~ Nine (9) to twelve (12) months of continuous employment considered by the employer to be at least half-time but less than full-time.

~~(o) "Priority Date" means March 1 prior preceding to the intended academic year of attendance, or such other date as the CorporationTSAC may require.~~

Authority: *T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-702~~2006 Tenn. Pub. Acts Ch. 882~~.* ***Administrative History:*** *Original rule filed January 23, 1976; effective April 15, 1976. Repeal and new rule filed as a Public necessity rule on December 11, 2006; effective through May 25, 2007. Original rule filed December 11, 2006; effective April 30, 2007.*

1640-01-03-.03 ELIGIBILITY.

(1) ~~In order~~ T~~t~~o receive a graduate nursing loan a student must meet the following criteria:

(a) B~~b~~e a citizen of the United States; and

(b) B~~b~~e a resident of Tennessee, as defined by regulations promulgated by the Tennessee Board of Regents for the state university and community college system, under the authority of T.C.A. § 49-8-104 where applicable; and

(c) H~~h~~old an unencumbered Tennessee Registered Nurse License; and

(d) B~~b~~e enrolled either part-time or full-time in an eligible academic program at an eligible postsecondary institution; and

(e) P~~p~~rovide written evidence of the student's intention to become employed full-time or part-time in a Tennessee nursing education program in a teaching or administrative capacity; and

(f) M~~m~~aintain satisfactory academic progress; and

(~~h~~g) N~~n~~ot owe a refund or repayment on any grant, and not be in default on any loan received at any postsecondary institution, under the provision of ~~on a federal~~ Title IV of the Higher Education Act of 1965, as amended, ~~student financial aid program~~ or a Tennessee student financial aid program; and

(~~i~~h) S~~s~~ign a promissory note before receiving any funds~~.~~; and

(i) Agree to inform TSAC in writing when any change occurs in name, address, or school enrollment, and provide supporting documentation. After completing the program, the recipient shall continue to notify TSAC of any change in name or address, and when he or she has obtained a teaching or administrative position, changed teaching or administrative positions, or terminated teaching or administrative positions.

(2) Eligibility is limited to four (4) years of full-time enrollment, or the equivalent part-time enrollment, with one (1) year of full-time enrollment equaling two (2) years of part-time enrollment.

(3) In certain circumstances, a student may receive more than one graduate nursing loan. A borrower who received a (first) graduate nursing loan while earning a master's degree may apply for a (second) graduate nursing loan in a post-master's program. If the application for the second loan is successful, repayment of the first loan is deferred until the recipient enters repayment on the second loan, at which time repayment of both loans is expected. A borrower who is employed while receiving a second graduate nursing loan may apply that employment towards cancellation of the first graduate nursing loan provided that the cancellation requirements described elsewhere in these rules are met.

(4) Eligibility is subject to the availability of funds.

Authority: *T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-702~~2006 Tenn. Pub. Acts Ch. 882~~.* ***Administrative History:*** *Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed March 18, 1977; effective April 18, 1977. Amendment filed July 17, 1991; effective October 29, 1991. Repeal and new rule filed as a Public necessity rule on December 11, 2006; effective through May 25, 2007. Original rule filed December 11, 2006; effective April 30, 2007.*

1640-01-03-.04 AWARD AMOUNT.

(1) The maximum amount of the graduate nursing loan shall be seven thousand dollars ($7,000) per year during periods of full-time enrollment and three thousand five hundred dollars ($3,500) per year during periods of part-time enrollment, or such other amounts as may be established by ~~the Corporation~~TSAC, and shall in no ~~case~~ instance exceed the student's cost of attendance. Awards are divided equally in disbursements of two (2) semesters or three (3) quarters payments.

(2) ~~The Corporation~~TSAC shall disburse the graduate nursing loan funds directly to eligible postsecondary institutions, which shall in turn credit the borrower's account or disburse funds to the eligible borrower with one (1) credit or payment at the beginning of each academic term attended.

Authority: *T.C.A. §§ 49-4-201, 49-4-204, and 49-4-702~~2006 Tenn. Pub. Acts Ch. 882~~.* ***Administrative History:*** *Original rule filed January 23, 1976; effective April 15, 1976. Repeal and new rule filed as a Public necessity rule on December 11, 2006; effective through May 25, 2007. Original rule filed December 11, 2006; effective April 30, 2007.*

1640-01-03-.05 APPLICATION PROCESS.

(Rule 1640-01-03-.05, Continued)

(1) The student must apply to ~~the Corporation~~TSAC for the graduate nursing loan by the established priority application date as required by ~~the Corporation~~TSAC.

(2) First priority shall be given to renewal ~~applications~~ applicants received by the priority application date.

(3) Second priority shall be given to applicants who provide satisfactory evidence ~~satisfactory~~ to ~~the Corporation~~TSAC that they expect to enter a full-time teaching position in a Tennessee nursing education program immediately upon completion of their master's or post-master's degree program and who apply by the priority application date.

(4) Third priority shall be given to applicants who provide satisfactory evidence ~~satisfactory~~ to ~~the Corporation~~TSAC that they expect to enter a part-time teaching position in a Tennessee nursing education program immediately upon completion of their master's or post-master's degree program and who apply by the priority application date.

(5) Fourth priority will be given to applicants who provide satisfactory evidence ~~satisfactory~~ to ~~the Corporation~~TSAC that they expect to enter a full-time administrative position in a Tennessee nursing education program immediately upon completion of their master's or post-master's degree program and who apply by the priority application date.

(6) Fifth priority will be given to applicants who provide satisfactory evidence ~~satisfactory~~ to ~~the Corporation~~TSAC that they expect to enter a part-time administrative position in a Tennessee nursing education program immediately upon completion of their master's or post-master's degree program and who apply by the priority application date.

(7) Sixth priority shall be given to applications received after the priority application date. Applications will be awarded based on the date of receipt.

(8) Applicants shall be grouped according to the priority assigned to their application. Should available funds be exhausted before all eligible applicants have received an award, applicants in the lowest priority grouping for which funds are available shall be distinguished by the date of receipt of their application by ~~the Corporation~~TSAC and awards shall be made to those applicants with the earliest dates of receipt until all available funds are expended.

Authority: *T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-702~~2006 Tenn. Pub. Acts Ch. 882~~.* ***Administrative History:*** *Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed March 18, 1977; effective April 18, 1977. Repeal and new rule filed as a Public necessity rule on December 11, 2006; effective through May 25, 2007. Original rule filed December 11, 2006; effective April 30, 2007.*

1640-01-03-.06 INTEREST.

(1) Interest shall accrue at the rate of nine percent (9%) per year or such other rate as shall be established by ~~the Corporation~~TSAC, starting at the end of the grace period. All interest shall be based upon the unpaid balance of the loan. The accrued interest may be capitalized.

Authority: *T.C.A. §§ 49-4-201, 49-4-204, and 49-4-702~~2006 Tenn. Pub. Acts Ch. 882~~.* ***Administrative History:*** *Original rule filed January 23, 1976; effective April 15, 1976. Repeal and new rule filed as a Public necessity rule on December 11, 2006; effective through May 25, 2007. Original rule filed December 11, 2006; effective April 30, 2007.*

1640-01-03-.07 REPAYMENT.

(1) The graduate nursing loan must be repaid unless cancelled as described elsewhere in

these rules. Repayment will include the full amount of the graduate nursing loan received plus accrued interest.

(2) Repayment shall begin at the end of the grace period, upon demand by TSAC, and shall be in monthly installments over a period of no more than eight (8) years, provided that payments must be a minimum of one hundred dollars ($100) per month.

(3) The graduate nursing loan and accrued interest may be prepaid in whole or part at any time without penalty.

(4) If the borrower of a graduate nursing loan is determined to have received the award based on inaccurate application information, the full amount of the loan and accrued interest shall become due immediately.

(5) If the borrower fails to complete an enrollment period for any reason, the postsecondary institution must determine if any of the graduate nursing loans should be returned to ~~the Corporation~~TSAC. The postsecondary institution should use its own institutional refund policy to calculate the refund amount. If the student withdraws after the refund period is over, the postsecondary institution must follow the Return of Title IV guidelines, if applicable, to calculate any return of the graduate nursing loan.

(6) If a borrower issues a check, draft, warrant, or electronic funds transfer, which is subsequently returned to ~~the Corporation~~TSAC ~~due to~~for reason of insufficient funds, a stop payment order by the issuer, or any other reason, the payment to which these funds was applied shall be reversed on the borrower's account and interest shall continue to accrue from the date of the last valid payment. Additionally, ~~the Corporation~~TSAC may charge a reasonable service fee for such a transaction.

Authority: *T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-702~~2006 Tenn. Pub. Acts Ch. 882~~.* ***Administrative History:*** *Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed March 18, 1977; effective April 18, 1977. Repeal and new rule filed as a Public necessity rule on December 11, 2006; effective through May 25, 2007. Original rule filed December 11, 2006; effective April 30, 2007.*

1640-01-03-.08 DEFERMENT.

(1) Repayment shall be deferred, but interest shall continue to accrue, while the ~~borrower~~ recipient is employed in a Tennessee nursing education program in a teaching or administrative capacity.

(2) Repayment shall be deferred, but interest shall continue to accrue, while the student is seeking the post-master's degree after first receiving the loan to obtain their master's degree.

(3) Repayment shall be deferred if the recipient is unable to make payments due to financial, medical, or personal circumstances beyond the recipient's control, or other extenuating circumstances approved by the Associate Executive Director for Grant and Scholarship Programs. Such period of hardship shall not exceed two (2) years.

(~~3~~4) ~~In order~~ F~~f~~or repayment to be deferred, ~~borrowers~~ recipients shall provide employment verification as required by ~~the Corporation~~TSAC.

Authority: *T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-702~~2006 Tenn. Pub. Acts Ch. 882~~.* ***Administrative History:*** *Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed March 18, 1977; effective April 18, 1977. Repeal and new rule filed as a Public necessity rule on*

(Rule 1640-01-03-.08, Continued)

December 11, 2006; effective through May 25, 2007. Original rule filed December 11, 2006; effective April 30, 2007.

1640-01-03-.09 CANCELLATION/FORGIVENESS.

(1) For each year of continuous full-time employment in a Tennessee nursing education program in a teaching or administrative capacity, the borrower shall receive a credit of twenty-five percent (25%) of the amount borrowed, plus accrued interest on that portion of the debt cancelled. Cancellation credit will be applied at the end of each year and upon receipt of verification of such service.

(2) For each year of continuous part-time employment in a Tennessee nursing education program in a teaching or administrative capacity, the borrower shall receive a credit of twelve and one-half percent (12.5%) of the amount borrowed, plus accrued interest on that portion of the debt cancelled.

(3) ~~In order~~ ~~T~~to receive cancellation credit, the borrower shall provide employment verification as required by ~~the Corporation~~TSAC.

(4) Cancellation credit shall not begin until the borrower completes the program of study for which the graduate nursing loan was provided.

(5) The debt shall be cancelled on the basis of conclusive evidence that the borrower has died or has been totally and permanently disabled and cannot perform the teaching obligation outlined in the regulations. The borrower is not considered totally and permanently disabled on the basis of a condition that existed prior to the loan application. If, at any time subsequent to an initial determination of disability, the borrower's condition improves to the point where a total and permanent disability no longer exists, ~~the Corporation~~TSAC may reinstate any outstanding debt previously cancelled.

Authority: *T.C.A. §§* ***49-4-201****, 49-4-203, 49-4-204,* ***and*** *49-4-702~~2006 Tenn. Pub. Acts Ch. 882~~.* ***Administrative History:*** *Original rule filed as a Public necessity rule on December 11, 2006; effective through May 25, 2007. Original rule filed December 11, 2006; effective April 30, 2007.*

1640-01-03-.10 COLLECTIONS.

(1) Due diligence requirements shall consist of the following:

(a) Provide the recipient with a signed copy of the promissory note.

(b) Notify the recipient of the repayment requirements during the grace period.

(c) Notify the recipient of repayment requirements during an approved period of deferment.

(d) Attempt to contact the recipient on no less than three separate occasions during the two hundred and seventy (270) day period in which no payments are received, beginning with the thirtieth (30th) day of delinquency and subsequent contacts no less than ninety (90) days apart.

(2) TSAC's collection activity will begin when the recipient is no longer honoring the repayment obligation. TSAC will exercise due diligence to contact the student to resolve the delinquency.

(3) TSAC will consider a recipient to be delinquent if the recipient fails to make an installment payment within thirty (30) days of the due date. Upon delinquency, TSAC will attempt to contact the recipient to give notice of the delinquency, inform the recipient of the

consequences of default, and encourage the recipient to make payments as provided under the promissory note.

(4) TSAC will consider a recipient to be in default if the recipient fails make a payment for a period of two hundred seventy (270) consecutive days.

(5) Once the recipient is in default, TSAC may take one or more of the following actions:

(a) Assign the defaulted loan(s) to a collection agency.

1. Collection costs may be added to the defaulted loan at a rate not to exceed twenty percent (20%) of the original principal balance. Payments on the combined principal, interest, and collection costs shall not exceed an amount determined to be reasonable and affordable.

(b) Report to credit bureaus the default status of each loan.

(c) Make the student ineligible for state student aid programs.

(d) Submit an order of suspension, denial, or revocation to the appropriate licensing board for any Tennessee-issued professional license held by the recipient.

Authority: *T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-702.* ***Administrative History:***

1640-01-03-.1~~0~~1 LEAVE OF ABSENCE.

(1) Unless a leave of absence is granted, terms of enrollment must be continuous (other than the summer term), and a period of non-attendance (other than the summer term) will cause a recipient to enter repayment with no opportunity to regain eligibility.

(2) A student may be granted medical or personal leave of absence from attendance at an eligible postsecondary institution and resume receiving the nursing loan upon resumption of the student's attendance at an eligible postsecondary institution so long as all other applicable eligibility criteria are met. An eligible postsecondary institution may grant leaves of absence only for medical or personal reasons. Allowable medical or personal reasons shall include, but not be limited to~~:~~, illness of the student, illness or death of an immediate family member, extreme financial hardship of the student or student's immediate family, a military obligation of the student or family member, an obligation to fulfill a religious commitment expected of all individuals of that faith, or other extraordinary circumstances beyond the student's control where continued attendance by the student creates a substantial hardship. In the event an institution denies a student's request for a medical or personal leave of absence, the student may seek relief from the decision in accordance with Rule 1640-01-03-.1~~4~~2.

Authority: *T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-702~~2006 Tenn. Pub. Acts Ch. 882~~.* ***Administrative History:*** *Original rule filed as a Public necessity rule on December 11, 2006; effective through May 25, 2007. Original rule filed December 11, 2006; effective April 30, 2007.*

1640-01-03-.1~~4~~2 APPEALS PROCEDURE.

(1) ~~Generally, the ruling of the Corporation's program administrator shall apply.~~ TSAC shall provide written notice to a student of an adverse decision relative to a student's application for an award or request for a leave of absence. A student who disagrees with such decision and wants the decision reviewed must request a review of the decision in writing. The student's request for review must be received by TSAC within ten (10) business days of the

date of the written notice provided by TSAC. Such request shall include a statement of the reason or reasons for the request for review and all information supporting the student's position regarding the decision.

(2) ~~An individual who believes that the ruling of the program administrator was not in accordance with the published regulations and the Act may appeal to the authority of the Corporation's Appeals Panel for relief.~~ Review of the TSAC decision shall be made by the TSAC Associate Executive Director for Grant and Scholarship Program, who shall issue a written decision to the student. A student who disagrees with such decision and wants the decision reviewed must request a further review of that decision in writing. The student's request for review must be received by TSAC within ten (10) business days of the date of the decision. Such request shall include a statement of the reason or reasons for request for review and all relevant supporting information.

(3) ~~An individual who believes that the ruling of the Corporation's Appeal Panel was not in accordance with the published regulations and the Act may appeal to the authority of the Corporation's Board of Directors Appeal Committee. This is the final administrative appeal.~~ Review of the decision of the TSAC Associate Executive Director for Grant and Scholarship Programs shall be made by the TSAC Executive Director, who shall issue a written decision to the student. A student who disagrees with such decision and wants the decision reviewed must request a further review of that decision in writing. The student's request for review must be received by TSAC within ten (10) business days of the date of the decision. Such request shall include a statement of the reason or reasons for request for review and all relevant supporting information.

(4) Review of the decision of the TSAC Executive Director shall be made by the TSAC Appeals Committee, who shall issue a written decision to the student. The decision of the TSAC Appeals Committee is the final administrative remedy. There shall be no right to judicial review of a decision of the TSAC Appeals Committee.

Authority: *T.C.A. §§ 49-4-20l, 49-4-203, ~~and~~ 49-4-204, and 49-4-702~~2006 Tenn. Pub. Acts Ch. 882~~.*
Administrative History: *Original rule filed as a Public necessity rule on December 11, 2006: effective through May 25, 2007. Original rule filed December 11, 2006: effective April 30, 2007.*