

Tennessee Student Assistance Corporation

Tuesday, September 27, 2022

DECISION ITEM B

Minority Teaching Fellows Program Rules

Staff Recommendation

(1) Adopt Chapter 1640-01-13 as Rulemaking Hearing Rules;
(2) Authorize the Executive Director to make any necessary technical corrections to these rules including changes suggested by the Tennessee Attorney General.

Background

Rules submitted for review include the following modifications:

1. Added, revised, or deleted definitions to provide clarity and consistency between statute, Rule, and other TSAC programs
2. Removed duplicative or unnecessary language already sufficiently articulated in statute
3. Added or edited common administrative provisions, such as application deadlines, Leave of Absence, Refund Policy, Award Made in Error, and Appeal and Exception Process, to be consistent with other TSAC programs
4. Reworded and reorganized existing provisions to provide better clarity around existing concepts and practices, such as eligible program of study and exceptions to minimum required enrollment levels to be consistent with other TSAC programs

A public Rulemaking Hearing was held on September 16, 2022. No members of the public attended, and no comments were submitted during the meeting. No modifications have been made to the draft rules since the hearing.

These rules will be implemented following approval by the Tennessee Attorney General and subsequent filing with the Secretary of State.

Supporting Document

Rules of the Tennessee Student Assistance Corporation, Chapter 1640-01-13, Minority Teaching Fellows Program Rules.

**RULES OF
TENNESSEE STUDENT ASSISTANCE CORPORATION
(TSAC)**

**CHAPTER 1640-01-13
MINORITY TEACHING FELLOWS PROGRAM**

TABLE OF CONTENTS

1640-01-13-.01	Introduction	1640-01-13-.07	Reserved
1640-01-13-.02	General	1640-01-13-.08	Personal or Medical Leave of Absence
1640-01-13-.03	Eligibility	1640-01-13-.09	Award Made in Error
1640-01-13-.04	Method of Selection	1640-01-13-.10	Refund Process
1640-01-13-.05	Loan Amount and Terms	1640-01-13-.11	Appeal and Exception Process
1640-01-13-.06	Collections		

1640-01-13-.01 INTRODUCTION.

- (1) These rules implement the Minority Teaching Fellows Program (MTFP) authorized by T.C.A. § 49-4-706. MTFP provides for a fellowship award for minority Tennesseans who are preparing to become teachers.
- (2) Participation in the program is limited to college juniors, seniors, and post-baccalaureate candidates admitted to educator preparation programs in Tennessee. Persons receiving program awards who become public school teachers in Tennessee shall receive forgiveness of the program award balance based on one (1) year's teaching service for each year an award was received.
- (3) The Tennessee Student Assistance Corporation (TSAC) shall administer the program under regulations and criteria developed jointly with the Tennessee State Board of Education and the Tennessee Higher Education Commission (THEC).

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204 and 49-4-706.

1640-01-13-.02 GENERAL.

- (1) Definitions. As used in these regulations:
 - (a) Academic year: A period of three (3) consecutive semesters beginning with a fall semester and including the immediately following spring and summer semesters.
 - (b) Continuous enrollment: Enrollment in the fall and spring semesters of a single academic year. Enrollment in summer semester or inter-session terms is not required.
 - (c) Default: The failure of a recipient in repayment status to make installment payments for a period of two hundred seventy (270) consecutive days.
 - (d) Deferment: A period of time in which the student's payments may be postponed, pursuant to Rule 1640-01-13-.05, but during which interest continues to accrue.
 - (e) Eligible institution: A higher education institution within this state with an educator preparation program approved by the state board of education.
 - (f) Eligible program of study: A eligible program of study, as defined in T.C.A § 49-4-902, that is an educator preparation program approved by the state board of education.
 - (g) Eligible schools: Tennessee public schools approved by the Tennessee State Board of Education in which recipients may teach for cancellation credit towards their loans at a

prekindergarten, kindergarten, elementary, or secondary level in Tennessee.

- (h) Full-time teaching: A minimum of fifty percent (50%) of the recipient's weekly workload is devoted to teaching, exclusive of administrative, teaching assistance, after-school programs, counseling, or other assigned duties.
 - (i) Full year of teaching service: Two (2) semesters of full-time teaching. Recipients must teach at least ninety (90) days each semester, or one hundred eighty (180) days for the academic year.
 - (j) Grace period: A period of one (1) year that shall begin on the date the student completes the student's eligible program of study.
 - (k) Minority: A person who is Black or African American, a person having origins in any of the black racial groups of Africa; Hispanic or Latino, a person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race; Asian American, a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent; Native Hawaiian or Other Pacific Islander, a person having origins in the Pacific Islands; or American Indian or Alaska Native, a person having origins in any of the original peoples of North America.
 - (l) Promissory note: A signed statement certifying a candidate's intent to become a teacher in a public school system of Tennessee at the prekindergarten, kindergarten, elementary, or secondary level and their obligation to repay the loan should they fail to fulfill the teaching requirements.
 - (m) Repayment period: A period of not more than ten (10) years in which the loan will be repaid and shall begin at the end of the grace period, or when TSAC determines that the recipient has not complied with the requirements of the MTFP program.
 - (n) Satisfactory progress: A standard of progress toward completion of the eligible program of study during which the student maintains at least a 2.5 cumulative grade point average (GPA) or, if required by the eligible institution attended, a higher GPA.
 - (o) TSAC: Tennessee Student Assistance Corporation.
- (2) All recipients must attend and maintain continuous enrollment at an eligible institution on a full-time basis as determined by the institution's written policies to be eligible for an MTFP award, excluding periods of internship and/or student teaching. During such periods of internship and/or student teaching, recipients must be enrolled at least half-time, but may be enrolled less than full-time as mandated by the written policies of the eligible institution. Post-baccalaureate recipients must attend an eligible institution on at least a half-time basis as determined by the institution's written policies.
- (3) The amount of an MTFP award shall be based on the number of credit hours attempted in a semester that are applicable to the student's eligible program of study. A student who is not enrolled at the minimum level specified in paragraph (2) may still receive an MTFP award based on the number of credit hours attempted in the semester that are applicable to the student's eligible program of study as provided in Rule 1640-01-13-.05(3), but only in the following circumstances:
- (a) In the semester of graduation, if a lower level of enrollment is required to complete the student's eligible program of study;
 - (b) When the student receives an approved leave of absence from the minimum level of enrollment;
 - (c) In any semester in which the eligible institution does not offer the minimum level of enrollment in coursework applicable to the student's eligible program of study; or

- (d) The student's eligible program of study requires enrollment in less than the minimum level of enrollment for the semester.
- (4) Funds received from this program are considered financial assistance for purposes of determining student assistance eligibility under programs authorized by Title IV of the Higher Education Act of 1965, as amended.
- (5) All such loans shall be evidenced by notes payable to TSAC.
- (6) Any applications received or approved shall be subject to the availability of funds.
- (7) Applications must be submitted by April 15, which immediately precedes the academic year for which the student is applying. The April 15 cut-off date may be extended by the TSAC Executive Director should it be determined necessary for the purpose of utilizing all available funds.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-706.

1640-01-13-.03 ELIGIBILITY.

- (1) The successful applicant must meet all the following criteria:
 - (a) Be a citizen of the United States.
 - (b) Be a resident of Tennessee as defined by T.C.A. § 49-8-104.
 - (c) Be a minority.
 - (d) Be admitted to or enrolled in an educator preparation program at an eligible institution.
 - (e) Not be a licensed teacher, and not be employed, or previously employed in a teaching position.
 - (f) Submit to TSAC a signed Promissory Note to teach full-time in a Tennessee public prekindergarten, kindergarten, elementary or secondary school one (1) year for each year an award is received or repay the loan should the recipient fail to fulfill the teaching requirements.
 - (g) Not accept any financial aid that carries with it a conflicting service obligation. For the purposes of this program, participation in the Tennessee Teaching Scholars Program shall be considered as accepting aid that carries a conflicting service obligation.
 - (h) Submit a completed TSAC-approved application to TSAC by the established deadline.
 - (i) Submit to TSAC copies of all official transcripts and the most recent test scores.
 - (j) Submit to TSAC one (1) letter of recommendation attesting to the student's commitment to teaching from a school official.
 - (k) Agree to inform TSAC in writing when any change occurs in name, address, or school enrollment, and provide supporting documentation. After obtaining teacher licensure, the recipient shall continue to notify TSAC of any change in name or address, and when he or she has obtained a teaching position, changed teaching assignments, or terminated teaching service.
 - (l) Not owe a refund or repayment on any grant, and is not in default on any loan, received at any postsecondary institution, under the provisions of Title IV of the Higher Education Act of 1965, as amended.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-706.

1640-01-13-.04 METHOD OF SELECTION.

- (1) Each year that funds are available, the Executive Director of THEC/TSAC with representatives of the State Board of Education, the TDOE, and THEC shall form a selection committee that shall determine the ranking of applicants in accordance with the ranking system adopted by the four agencies.
- (2) Priority will be given to renewal applicants.
- (3) The ranking of applicants must consider grade point average, standardized test scores, evidence of commitment (experiences that would indicate an interest in teaching), and other such factors that shall be identified as relevant to meeting the goals and interests of the MTFP.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-706.

1640-01-13-.05 LOAN AMOUNT AND TERMS.

- (1) All loans shall be evidenced by promissory notes payable to TSAC.
- (2) Funds will be sent by Automated Clearing House (ACH) to the eligible institution's financial aid office or business office in the recipient's name and shall be disbursed on a semester pro rata basis. The institution will be directed to deliver the funds to the recipient. The maximum award for a recipient and opportunities for renewal shall be as described in T.C.A. § 49-4-706. If the recipient receives other educational assistance for the same period(s), the total assistance including this award is limited to the recipient's cost of attendance, as determined by the institution's financial aid office.
- (3) Pro-rated award amounts:
 - (a) For undergraduate students, award amounts for enrollment of less than twelve (12) semester credit hours in any semester shall be determined based on the following rates:
 1. 1-5 credit hours - 25% of the full-time amount.
 2. 6-8 credit hours - 50% of the full-time amount.
 3. 9-11 credit hours - 75% of the full-time amount.
 - (b) For graduate students, award amounts for enrollment of less than full-time, as determined by the eligible institution, shall be determined based on the following rates:
 1. Less than half-time - 25% of the full-time amount.
 2. Half-time - 50% of the full-time amount.
 3. Greater than half-time, but less than full-time - 75% of the full-time amount.
- (4) The awards may be transferred from one eligible institution to another by the student completing the transfer process in the TSAC Student Portal.
- (5) Cancellation
 - (a) For each year of full-time teaching service at an eligible school, as defined in these regulations, the recipient shall receive cancellation credit of one (1) academic year's award (the equivalent of two (2) semesters) toward repayment of the loan. If a recipient teaches in an eligible school that is marginal or in need of improvement as determined by the

commissioner of education according to the school district framework adopted by the State Board of Education, the recipient's obligation will be canceled at a rate of one and one-third (1 1/3) of the total annual award.

- (b) Fractions of a year may be credited in one (1) semester or one-half (1/2) year increments toward cancellation for recipients who begin or end full time teaching in the middle of an academic year in a Tennessee public school. At the end of such period, cancellation will be applied upon receipt of verification of the completion of such service.
 - (c) A grace period of one (1) year will be granted to allow the recipient opportunity to secure employment to begin cancellation credit. When a recipient has obtained a full-time teaching position at an eligible school, some or all of the grace period may be waived at the recipient's written request.
 - (d) Recipients in teaching positions, which qualify them for cancellation credit, must notify TSAC of that teaching status. Individuals whom TSAC has determined to be in a full-time teaching position at an eligible school shall be granted a postponement on repayment to allow them the opportunity to complete a full year of teaching. At the end of such period, cancellation credit will be applied upon receipt of the verification of such service.
 - (e) The debt shall be canceled due to the death of the recipient upon documentation deemed acceptable by TSAC.
 - (f) If a recipient is determined to be totally and permanently disabled under the standards established by T.C.A., Title 8, Chapter 36, Part 5, for determining disability for members of the Tennessee Consolidated Retirement System, the outstanding debt shall be canceled. A recipient is not considered totally and permanently disabled on the basis of a condition that existed prior to his or her application unless the recipient's condition has substantially deteriorated since he or she submitted the application. If at any time subsequent to an initial determination of disability the recipient's condition improves to the point where a total and permanent disability no longer exists, TSAC may reinstate any outstanding debt previously canceled.
- (6) Repayment
- (a) Repayment for recipients who complete the eligible program of study shall begin in the first month following the end of the grace period or upon demand by TSAC should TSAC determine that the recipient will not fulfill the service requirement. Interest shall begin to accrue September 1 after completion of the eligible program of study.
 - (b) The interest shall accrue at a rate of nine percent (9%) per annum. Repayment may be in whole or in monthly installments of at least one hundred dollars (\$100) over a period of not more than ten (10) years from the end of the grace period. Payments of less than the amount required to amortize the loan within ten (10) years may be made only if the recipient documents to TSAC's satisfaction his or her inability to make payments of that amount. All interest shall be based upon the unpaid balance of the loan. The accrued interest may be capitalized
 - (c) Repayment for recipients who fail to complete the funded eligible program of study shall begin upon demand by TSAC, or in the first month after TSAC has determined that the student is no longer enrolled in an eligible program of study or other failure to comply with the terms of the agreement.
 - (d) Repayment will include the full amount of the loan funds received plus interest accrued from the date TSAC has determined that the student is no longer enrolled in an eligible program of study or other failure to comply with the terms of the agreement and shall be based upon an interest rate of nine percent (9%) per annum. Repayment may be made in whole or monthly installments over a period of not more than ten (10) years from the date

of failure to complete the eligible program of study. All interest shall be based upon the unpaid balance of the loan. The accrued interest may be capitalized. If a borrower issues a check, draft, or warrant, which is subsequently returned to TSAC for reason of insufficient funds, a stop payment order by the issuer, or 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.

- (e) Repayment of principal and interest will be prorated for partial service cancellation to reflect each full academic year taught. Such repayment shall begin upon demand by TSAC, or in the first month following termination of the creditable teaching service. Repayment of the non-canceled portion of the loan may be made in whole or in monthly installments over the remaining months of the ten (10) year repayment period. All interest shall be based upon the unpaid balance of the loan. The accrued interest may be capitalized. Minimum monthly payments of one hundred dollars (\$100) will be required unless an exception as described in (6)(a) of this rule is granted.
 - (f) If a recipient should re-enter teaching at an eligible school after commencing monetary repayment, the repayments already made cannot be returned to the recipient. However, additional repayment balances that were not in arrears at the time of the reentry into teaching may be "forgiven" by subsequent teaching service.
- (7) Repayment of principal may be deferred, but interest shall accrue, during any period while the recipient is enrolled as a full-time student in an accredited institution of higher learning, or other extenuating circumstances as determined by the Executive Director of TSAC, or the Executive Director's designee. To be eligible for deferment the recipient must request a deferment in writing and complete a TSAC-approved deferment form on a semi-annual basis.
- (8) Deferments must be verified on a semi-annual basis and supporting documentation shall be provided to TSAC if requested. A student may be granted a deferment based on one or more of the following reasons:
- (a) Enrollment not seeking a teaching certificate: The student is still enrolled in an accredited institution, but is no longer seeking a teaching licensure, and shall not exceed three (3) years.
 - (b) Enrollment seeking a teaching certificate: The student has not yet completed the requirements for a teaching licensure, is still enrolled at least half-time at an accredited postsecondary institution, is making satisfactory progress toward a teacher licensure, and shall not exceed four (4) years.
 - (c) Hardship: A period of time in which 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 TSAC Executive Director, or the Executive Director's designee. Such period of hardship shall not exceed two (2) years.
 - (d) Military duty: The student has been called into active duty and shall not exceed the time of deployment.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-706.

1640-01-13-.06 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 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) 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 (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.
 - (e) Forward the borrower's account to the Office of the Attorney General for additional collection efforts.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-706.

1640-01-13-.07 RESERVED.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-706.

1640-01-13-.08 PERSONAL OR MEDICAL LEAVE OF ABSENCE.

- (1) A student may be granted a medical or personal leave of absence from the applicable level of attendance required or continuous enrollment at an eligible institution if all other applicable eligibility criteria are met. Each eligible institution shall adopt procedures for considering student requests for leaves of absence. Allowable medical or personal reasons include, but are not limited to, illness of the student, illness or death of an immediate family member, pregnancy, extreme financial hardship of the student or student's immediate family, fulfillment of a religious commitment encouraged of members of that faith, fulfillment of required military service, a student's participation in an internship or co-op program that is required or encouraged as part of the academic program in which the student is enrolled, or other extraordinary circumstances beyond the student's control where 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 appeal the decision in accordance with these rules.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-706.

1640-01-13-.09 AWARD MADE IN ERROR.

- (1) If a student receives a MTFP award and it is later determined that the award or some portion of

the award was made in error, the student or the eligible institution may be required to repay the amount awarded in error.

- (2) If TSAC determines that the error was through no fault of the student, the student will not be required to repay the amount of the payment made in error.
- (3) Repayment from the student will be required if TSAC determines that fraud was committed by, or the error was the fault of, the student. When repayment is required, the student may not receive additional student aid from TSAC until repayment is made.
- (4) Repayment from the eligible institution will be required if TSAC determines that the error was the fault of the institution.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-706.

1640-01-13-10 REFUND POLICY.

- (1) If a recipient of a MTFP Award fails to complete a semester for any reason, the eligible institution shall apply its refund policy to determine whether a refund may be required and whether funds must be returned to TSAC. The institution shall provide the student with a notice indicating the amount to be returned to the student and the amount to be refunded to TSAC. Additionally, the eligible institution shall notify TSAC of the refund, which shall be noted on the student's record. The eligible institution shall also be responsible for obtaining repayment from the student if necessary. The student shall be ineligible for student aid from TSAC until the refund is paid.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-706.

1640-01-13-11 APPEAL AND EXCEPTION PROCESS.

- (1) Each eligible institution shall use its existing Institutional Review Panel (IRP) for purposes of reviewing and rendering decisions regarding appeals for the MTFP. The IRP shall use the same procedures and timelines as those that currently exist for the review of Tennessee Education Lottery Scholarship (TELS) appeals as outlined in Tenn. Comp. R. & Regs. 1640-01-19.
- (2) TSAC shall use the existing TSAC Appeals Panel to consider appeals and render decisions for those students who appeal a decision made by the IRP and for appeals made directly to TSAC. The same guidelines shall exist for appeals of the Graduate Nursing Loan as those that are currently in place for TELS as outlined in Tenn. Comp. R & Regs. 1640-01-19. A decision of the TSAC Appeals Panel made on the merits of the appeal is the final administrative remedy available to the student.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-706.

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1640-01-13-.02	General	1640-01-13-.08	Personal or Medical Leave of Absence Appeals Procedures
1640-01-13-.03	Eligibility	1640-01-13-.09	Award Made in Error Repealed
1640-01-13-.04	Method of Selection	1640-01-13-.10 Refund Process	
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1640-01-13-.06	Collections		

1640-01-13-.01 INTRODUCTION.

~~(1) — These rules implement the Minority Teaching Fellows Program (MTFP) authorized by T.C.A. § 49-4-706 in Public Chapter 202 of the 1989 Public Acts (hereinafter referred to as the “Act”). The Act provides for a fellowship award for minority Tennesseans who are preparing to become teachers. Recipients who become public school teachers in Tennessee shall receive forgiveness of the fellowship balance based on one (1) year’s teaching service for each year the fellowship was awarded. The Tennessee Student Assistance Corporation (TSAC) shall administer the program under regulations and criteria developed jointly with the Tennessee State Board of Education and the Tennessee Higher Education Commission (THEC).~~

(1) These rules implement the Minority Teaching Fellows Program (MTFP) authorized by T.C.A. § 49-4-706. MTFP provides for a fellowship award for minority Tennesseans who are preparing to become teachers.

(2) Participation in the program is limited to college juniors, seniors, and post-baccalaureate candidates admitted to educator preparation programs in Tennessee. Persons receiving program awards who become public school teachers in Tennessee shall receive forgiveness of the program award balance based on one (1) year’s teaching service for each year an award was received.

(3) The Tennessee Student Assistance Corporation (TSAC) shall administer the program under regulations and criteria developed jointly with the Tennessee State Board of Education and the Tennessee Higher Education Commission (THEC).

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204 and 49-4-706.

1640-01-13-.02 GENERAL.

(1) Definitions. As used in these regulations ~~(Chapter 1640-01-13):~~

(a) Academic year: ~~A period of time, typically nine (9) months, and is composed of two (2) semesters. A period of three (3) consecutive semesters beginning with a fall semester and including the immediately following spring and summer semesters.~~

(b) ~~Act: T.C.A. § 49-4-706 as found in Public Chapter 202 of the Public Acts of 1989.~~ Continuous enrollment: Enrollment in the fall and spring semesters of a single academic year. Enrollment in summer semester or inter-session terms is not required.

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

- (d) Deferment: A period of time in which the student's payments may be postponed, pursuant to Rule 1640-01-13-.05, but during which interest continues to accrue.
- (e) Eligible institution: A higher education institution within this state with an educator preparation program approved by the state board of education.
- (f) Eligible program of study: A eligible program of study, as defined in T.C.A § 49-4-902, that is an educator preparation program approved by the state board of education.
- (ge) Eligible schools: Tennessee public schools approved by the Tennessee State Board of Education in which recipients may teach for cancellation credit towards their loans at a prekindergarten, kindergarten, elementary, or secondary level in Tennessee.
- (hf) Full-time teaching: A minimum of fifty percent (50%) of the recipient's weekly workload is devoted to teaching, exclusive of administrative, teaching assistance, after-school programs, counseling, or other assigned duties.
- (ig) Full year of teaching service: Two (2) semesters of full-time teaching. Recipients must teach at least ninety (90) days each semester, or one hundred eighty (180) days for the academic year.
- (jh) Grace period: A period of one (1) year that shall begin on the date the student completes ~~his or her plan~~ the student's eligible program of study.
- (ki) Minority: A person who is Black or African American, a person having origins in any of the black racial groups of Africa; Hispanic or Latino, a person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race; Asian American, a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent; Native Hawaiian or Other Pacific Islander, a person having origins in the Pacific Islands; or American Indian or Alaska Native, a person having origins in any of the original peoples of North America.
- ~~(j) Plan of study: A plan of enrollment within which the applicant may complete requirements for licensure in an eligible field of study. The plan is transferable among Tennessee higher education institutions provided such transfer is approved by the receiving institution.~~
- (lk) Promissory ~~n~~Note: A signed statement certifying a candidate's intent to become a teacher in a public school system of Tennessee at the prekindergarten, kindergarten, elementary, or secondary level and their obligation to repay the loan should they fail to fulfill the teaching requirements.
- (ml) Repayment period: A period of not more than ten (10) years in which the loan will be repaid and shall begin at the end of the grace period, or when TSAC determines that the recipient has not complied with the requirements of the ~~Act~~ MTFP program.
- ~~(nm) Satisfactory progress: A standard of progress toward completion of the pursued plan~~ eligible program of study during which the student maintains at least a 2.5 cumulative grade point average (GPA) or, if required by the eligible institution attended, a higher GPA. ~~After two (2) or more semesters of attendance, if a student's cumulative GPA is no more than 0.1 below the required GPA, the student may continue on probation for one (1) semester. After the probation semester, the cumulative GPA must be at least 2.5, or higher if required by the institution attended. The student may have only one (1) semester of probation during eight (8) semesters of eligibility in the program.~~
- ~~(on)~~ TSAC: Tennessee Student Assistance Corporation.
- (2) All recipients must attend and maintain continuous enrollment at an eligible institution ~~Tennessee college or university~~ on a full-time basis as determined by the institution's written policies to be

eligible for an MTFP award, excluding periods of internship and/or student teaching. During such periods of internship and/or student teaching, recipients must be enrolled at least half-time, but may be enrolled less than full-time as mandated by the written policies of the eligible educational institution. Post-baccalaureate recipients must attend an eligible institution on at least a half-time basis as determined by the institution's written policies.

(3) The amount of an MTFP award shall be based on the number of credit hours attempted in a semester that are applicable to the student's eligible program of study. A student who is not enrolled at the minimum level specified in paragraph (2) may still receive an MTFP award based on the number of credit hours attempted in the semester that are applicable to the student's eligible program of study as provided in Rule 1640-01-13-.05(3), but only in the following circumstances:

(a) In the semester of graduation, if a lower level of enrollment is required to complete the student's eligible program of study;

(b) When the student receives an approved leave of absence from the minimum level of enrollment;

(c) In any semester in which the eligible institution does not offer the minimum level of enrollment in coursework applicable to the student's eligible program of study; or

(d) The student's eligible program of study requires enrollment in less than the minimum level of enrollment for the semester.

(43) Funds received from this program are considered financial assistance for purposes of determining student assistance eligibility under programs authorized by Title IV of the Higher Education Act of 1965, as amended.

(54) All such loans shall be evidenced by notes payable to TSAC.

(65) Any applications received or approved shall be subject to the availability of funds.

(76) Applications must be submitted ~~on TSAC-approved forms~~ by April 15, which immediately precedes the academic year for which the student is applying. The April 15 cut-off date may be extended by the TSAC ~~Associate~~-Executive Director ~~for Grant and Scholarship Programs~~ should it be determined necessary for the purpose of utilizing all available funds.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-706.

1640-01-13-.03 ELIGIBILITY.

(1) The successful applicant must meet all ~~of~~ the following criteria:

(a) Be a citizen of the United States.

(b) Be a resident of Tennessee as defined by ~~regulations promulgated by the Tennessee Board of Regents~~. T.C.A. § 49-8-104.

(c) Be a minority.

(d) Be admitted to or enrolled in an educator preparation program at an eligible accredited institution. ~~of higher education in Tennessee from which credits earned are recognized by the State to be applicable to a teacher certification program. Awards may also be granted to students admitted to or enrolled in an accredited two-year institution of higher education, provided that a plan of study is pursued which is transferable to a college or university in Tennessee and will lead to licensure, which will then be used to teach in a public school at a prekindergarten, kindergarten, elementary, or secondary level in the State, provided that the plan of study can be completed within a four-year period calculated~~

~~from the date of the first disbursement.~~

- ~~(e)~~ (e) Not be a licensed teacher, and not be employed, or previously employed in a teaching position.
- ~~(e)(f)~~ (f) Submit to TSAC a signed Promissory Note to teach full-time in a Tennessee public prekindergarten, kindergarten, elementary or secondary school one (1) year for each year an award is received, or repay the loan should ~~they~~ the recipient fail to fulfill the teaching requirements.
- ~~(f)(g)~~ (g) Not accept any financial aid that carries with it a conflicting service obligation. For the purposes of this program, participation in the Tennessee Teaching Scholars Program shall be considered as accepting aid that carries a conflicting service obligation.
- ~~(g)(h)~~ (h) Submit a completed TSAC-approved application to TSAC by the established deadline.
- ~~(h)(i)~~ (i) Submit to TSAC copies of all official transcripts and the most recent test scores.
- ~~(i)~~ ~~Submit an essay on "Why I Chose Teaching as a Profession" as outlined in the MTFP application guidelines.~~
- ~~(j)~~ (j) Submit to TSAC ~~two~~ one (1) letters of recommendation attesting to the student's commitment to teaching: ~~one personal recommendation and one~~ from a school official.
- ~~(k)~~ (k) Agree to inform TSAC in writing when any change occurs in name, address, or school enrollment, and provide supporting documentation. After obtaining teacher licensure, the recipient shall continue to notify TSAC of any change in name or address, and when he or she has obtained a teaching position, changed teaching assignments, or terminated teaching service.
- ~~(l)~~ (l) Not owe a refund or repayment on any grant, and is not in default on any loan, received at any postsecondary institution, under the provisions of Title IV of the Higher Education Act of 1965, as amended.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-706.

1640-01-13-.04 METHOD OF SELECTION.

- (1) Each year that funds are available, the Executive Director of THEC/TSAC with representatives of the State Board of Education, the TDOE, and THEC shall form a selection committee that shall determine the ranking of applicants in accordance with the ranking system adopted by the four agencies.
- ~~(2)~~ ~~The following priority groups have been established for this program: Priority will be given to renewal applicants.~~
 - ~~(a)~~ ~~First priority shall be given to eligible renewal applicants.~~
 - ~~(b)~~ ~~Second priority shall be given to eligible college students who have a 2.5 college GPA, are enrolled full-time, and are taking courses creditable to teacher education.~~
 - ~~(c)~~ ~~Third priority shall be given to eligible entering freshmen who have a 2.75 high school GPA and an ACT composite score of at least 18 (or the equivalent SAT total score).~~
- (2) Priority will be given to renewal applicants.
- ~~(3)~~ ~~Until all qualified applicants from the higher priority group(s) who have submitted their applications by the deadline have been offered the award, no applicants from a lower group may be considered for selection.~~

~~(3)~~(4) The ranking of applicants must consider grade point average, standardized test scores, evidence of commitment (experiences that would indicate an interest in teaching), and other such factors that shall be identified as relevant to meeting the goals and interests of the ~~Act~~MTFP.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-706.

1640-01-13-.05 LOAN AMOUNT AND TERMS.

- (1) All loans shall be evidenced by promissory notes payable to TSAC.
- (2) Funds will be sent by Automated Clearing House (ACH) to the eligible institution's financial aid office or business office in the recipient's name and shall be disbursed on a semester pro rata basis. The institution will be directed to deliver the funds to the recipient. The maximum award for a recipient and opportunities for renewal shall be as described in T.C.A. § 49-4-706. If the recipient receives other educational assistance for the same period(s), the total assistance including this award is limited to the recipient's cost of attendance, as determined by the institution's financial aid office.

(3) Pro-rated award amounts:

(a) For undergraduate students, award amounts for enrollment of less than twelve (12) semester credit hours in any semester shall be determined based on the following rates:

1. 1-5 credit hours - 25% of the full-time amount.
2. 6-8 credit hours - 50% of the full-time amount.
3. 9-11 credit hours - 75% of the full-time amount.

(b) For graduate students, award amounts for enrollment of less than full-time, as determined by the eligible institution, shall be determined based on the following rates:

1. Less than half-time - 25% of the full-time amount.
2. Half-time - 50% of the full-time amount.
3. Greater than half-time, but less than full-time - 75% of the full-time amount.

~~(3)~~(4) The awards may be transferred from one eligible institution ~~of higher education~~ to another ~~provided that a TSAC-approved transfer form is submitted to TSAC~~ by the student completing the transfer process in the TSAC Student Portal.

~~(4)~~(5) Cancellation

- (a) For each year of full-time teaching service at an eligible school, as defined in these regulations, the recipient shall receive cancellation credit of one (1) academic year's award (the equivalent of two (2) semesters) toward repayment of the loan. If a recipient teaches in an eligible school that is ~~high priority or on warning status~~ marginal or in need of improvement as determined by the commissioner of education according to the school district framework adopted by ~~as designated by the Tennessee Department of Education~~ or the State Board of Education, the recipient's obligation will be canceled at a rate of one and one-third (1 1/3) of the total annual award.
- (b) Fractions of a year may be credited in one (1) semester or one-half (1/2) year increments toward cancellation for recipients who begin or end full time teaching in the middle of an academic year in a Tennessee public school. At the end of such period, cancellation will be applied upon receipt of verification of the completion of such service.

- (c) A grace period of one (1) year will be granted to allow the recipient opportunity to secure employment to begin cancellation credit. When a recipient has obtained a full-time teaching position at an eligible school, some or all of the grace period may be waived at the recipient's written request.
- (d) Recipients in teaching positions, which qualify them for cancellation credit, must notify TSAC of that teaching status. Individuals whom TSAC has determined to be in a full-time teaching position at an eligible school shall be granted a postponement on repayment to allow them the opportunity to complete a full year of teaching. At the end of such period, cancellation credit will be applied upon receipt of the verification of such service.
- (e) The debt shall be canceled due to the death of the recipient upon documentation deemed acceptable by TSAC.
- (f) If a recipient is determined to be totally and permanently disabled under the standards established by T.C.A., Title 8, Chapter 36, Part 5, for determining disability for members of the Tennessee Consolidated Retirement System, the outstanding debt shall be canceled. A recipient is not considered totally and permanently disabled on the basis of a condition that existed prior to his or her application unless the recipient's condition has substantially deteriorated since he or she submitted the application. If at any time subsequent to an initial determination of disability the recipient's condition improves to the point where a total and permanent disability no longer exists, TSAC may reinstate any outstanding debt previously canceled.

(5)(6) Repayment

- (a) Repayment for recipients who complete the ~~plan~~eligible program of study shall begin in the first month following the end of the grace period or upon demand by TSAC should TSAC determine that the recipient will not fulfill the service requirement. Interest shall begin to accrue September 1 after completion of the eligible program of study.
- (b) The interest shall accrue at a rate of nine percent (9%) per annum. Repayment may be in whole or in monthly installments of at least one hundred dollars (\$100) over a period of not more than ten (10) years from the end of the grace period. Payments of less than the amount required to amortize the loan within ten (10) years may be made only if the recipient documents to TSAC's satisfaction his or her inability to make payments of that amount. All interest shall be based upon the unpaid balance of the loan. The accrued interest may be capitalized
- (c) Repayment for recipients who fail to complete the funded ~~plan~~eligible program of study shall begin upon demand by TSAC, or in the first month after TSAC has determined that the student is no longer enrolled in an eligible ~~teacher education~~ program of study or other failure to comply with the terms of the agreement.
- (d) Repayment will include the full amount of the loan funds received plus interest accrued from the date TSAC has determined that the student is no longer enrolled in an eligible ~~teacher education~~ program of study or other failure to comply with the terms of the agreement and shall be based upon an interest rate of nine percent (9%) per annum. Repayment may be made in whole or monthly installments over a period of not more than ten (10) years from the date of failure to complete the ~~plan~~eligible program of study. All interest shall be based upon the unpaid balance of the loan. The accrued interest may be capitalized. If a borrower issues a check, draft, or warrant, which is subsequently returned to TSAC for reason of insufficient funds, a stop payment order by the issuer, or 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.
- (e) Repayment of principal and interest will be prorated for partial service cancellation to

reflect each full academic year taught. Such repayment shall begin upon demand by TSAC, or in the first month following termination of the creditable teaching service. Repayment of the non-canceled portion of the loan may be made in whole or in monthly installments over the remaining months of the ten (10) year repayment period. All interest shall be based upon the unpaid balance of the loan. The accrued interest may be capitalized. Minimum monthly payments of one hundred dollars (\$100) will be required unless an exception as described in (56)(a) of this rule is granted.

- (f) If a recipient should re-enter teaching at an eligible school after commencing monetary repayment, the repayments already made cannot be returned to the recipient. However, additional repayment balances that were not in arrears at the time of the reentry into teaching may be “forgiven” by subsequent teaching service.

(6)(7) Repayment of principal may be deferred, but interest shall accrue, during any period while the recipient is enrolled as a full-time student in an accredited institution of higher learning, or other extenuating circumstances as determined by the ~~Associate~~ Executive Director ~~for Grant and Scholarship Programs~~ of TSAC, ~~or a proxy~~ the Executive Director's designee. To be eligible for deferment the recipient must request a deferment in writing and complete a TSAC-approved deferment form on a semi-annual basis.

(7)(8) Deferments must be verified on a semi-annual basis and supporting documentation shall be provided to TSAC if requested. A student may be granted a deferment based on one or more of the following reasons:

- (a) Enrollment not seeking a teaching certificate: The student is still enrolled in an accredited institution, but is no longer seeking a teaching licensure, and shall not exceed three (3) years.
- (b) Enrollment seeking a teaching certificate: The student has not yet completed the requirements for a teaching licensure, is still enrolled at least half-time at an accredited postsecondary institution, is making satisfactory progress toward a teacher licensure, and shall not exceed four (4) years.
- (c) Hardship: A period of time in which 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~~ TSAC Executive Director ~~for Grant and Scholarship Programs~~, ~~or a proxy~~ the Executive Director's designee. Such period of hardship shall not exceed two (2) years.
- (d) Military duty: The student has been called into active duty and shall not exceed the time of deployment.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, and 49-4-706.

1640-01-13-.06 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 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 (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.
 - (e) [Forward the borrower's account to the Office of the Attorney General for additional collection efforts.](#)

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-706.

1640-01-13-07 RESERVED.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-706.

~~1640-01-13-.08 APPEALS PROCEDURES.~~

- ~~(1) TSAC shall provide written notice to a student of an adverse decision relative to a student's application for scholarship or scholarship award. 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. §§ 49-4-201, 49-4-204, and 49-4-706.~~

1640-01-13-.08 PERSONAL OR MEDICAL LEAVE OF ABSENCE.

- (1) A student may be granted a medical or personal leave of absence from the applicable level of attendance required or continuous enrollment at an eligible institution if all other applicable eligibility criteria are met. Each eligible institution shall adopt procedures for considering student requests for leaves of absence. Allowable medical or personal reasons include, but are not limited to, illness of the student, illness or death of an immediate family member, pregnancy, extreme financial hardship of the student or student's immediate family, fulfillment of a religious commitment encouraged of members of that faith, fulfillment of required military service, a student's participation in an internship or co-op program that is required or encouraged as part of the academic program in which the student is enrolled, or other extraordinary circumstances beyond the student's control where 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 appeal the decision in accordance with these rules.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-706.

~~1640-01-13-.09 REPEALED.~~

~~**Authority:** T.C.A. §49-4-204.~~

1640-01-13-.09 AWARD MADE IN ERROR.

- (1) If a student receives a MTFP award and it is later determined that the award or some portion of the award was made in error, the student or the eligible institution may be required to repay the amount awarded in error.
- (2) If TSAC determines that the error was through no fault of the student, the student will not be required to repay the amount of the payment made in error.
- (3) Repayment from the student will be required if TSAC determines that fraud was committed by, or the error was the fault of, the student. When repayment is required, the student may not receive additional student aid from TSAC until repayment is made.
- (4) Repayment from the eligible institution will be required if TSAC determines that the error was the fault of the institution.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-706.

1640-01-13-.10 REFUND POLICY.

- (1) If a recipient of a MTFP Award fails to complete a semester for any reason, the eligible institution shall apply its refund policy to determine whether a refund may be required and whether funds must be returned to TSAC. The institution shall provide the student with a notice indicating the amount to be returned to the student and the amount to be refunded to TSAC. Additionally, the eligible institution shall notify TSAC of the refund, which shall be noted on the student's record. The eligible institution shall also be responsible for obtaining repayment from the student if necessary. The student shall be ineligible for student aid from TSAC until the refund is paid.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-706.

1640-01-13-.11 APPEAL AND EXCEPTION PROCESS.

- (1) Each eligible institution shall use its existing Institutional Review Panel (IRP) for purposes of reviewing and rendering decisions regarding appeals for the MTFP. The IRP shall use the same procedures and timelines as those that currently exist for the review of Tennessee Education Lottery Scholarship (TELS) appeals as outlined in Tenn. Comp. R. & Regs. 1640-01-19.
- (2) TSAC shall use the existing TSAC Appeals Panel to consider appeals and render decisions for those students who appeal a decision made by the IRP and for appeals made directly to TSAC. The same guidelines shall exist for appeals of the Graduate Nursing Loan as those that are currently in place for TELS as outlined in Tenn. Comp. R & Regs.1640-01-19. A decision of the TSAC Appeals Panel made on the merits of the appeal is the final administrative remedy available to the student.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-706.