

2009

ILLINOIS

REGISTER

RULES
OF GOVERNMENTAL
AGENCIES



Volume 33, Issue 6
February 6, 2009
Pages 1836-2873

Index Department
Administrative Code Division
111 East Monroe Street
Springfield, IL 62756
(217) 782-7017
<http://www.cyberdriveillinois.com>

Printed on recycled paper

PUBLISHED BY JESSE WHITE • SECRETARY OF STATE

TABLE OF CONTENTS

February 06, 2009 Volume 33, Issue 6

PROPOSED RULES

CARNIVAL-AMUSEMENT SAFETY BOARD
Carnival and Amusement Ride Safety Act
56 Ill. Adm. Code 60001836

EMERGENCY MANAGEMENT AGENCY, ILLINOIS
All Hazards Campus Emergency Plan and Campus Violence Prevention
Plan
29 Ill. Adm. Code 3051905

FINANCIAL AND PROFESSIONAL REGULATION, DEPARTMENT OF
Preferred Provider Programs
50 Ill. Adm. Code 20511927
Preferred Provider Program Administrators (Repealer)
50 Ill. Adm. Code 20512020

HEALTHCARE AND FAMILY SERVICES, DEPARTMENT OF
Medical Payment
89 Ill. Adm. Code 1402051

ILLINOIS STUDENT ASSISTANCE COMMISSION
General Provisions
23 Ill. Adm. Code 27002073
Federal Family Education Loan Program (FFELP)
23 Ill. Adm. Code 27202089
Nurse Educator Scholarship Program
23 Ill. Adm. Code 27592100
State Scholar Program
23 Ill. Adm. Code 27602107
Illinois Future Teacher Corps (IFTC) Program
23 Ill. Adm. Code 27642115

STATE UNIVERSITIES RETIREMENT SYSTEM
Universities Retirement
80 Ill. Adm. Code 16002125

ADOPTED RULES

CENTRAL MANAGEMENT SERVICES, DEPARTMENT OF
Pay Plan
80 Ill. Adm. Code 3102148

CHILDREN AND FAMILY SERVICES, DEPARTMENT OF
Foster Parent Code
89 Ill. Adm. Code 3402202

EMERGENCY MANAGEMENT AGENCY, ILLINOIS
Quality Standards and Certification Requirements for Facilities Performing
Mammography
32 Ill. Adm. Code 3702224

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: General Provisions
- 2) Code Citation: 23 Ill. Adm. Code 2700
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
2700.20	Amendment
2700.70	Amendment
- 4) Statutory Authority: Implementing the Higher Education Student Assistance Act [110 ILCS 947]; Title IV of the Higher Education Act of 1965, as amended (20 USC 1070 et seq., as amended by P.L. 105-244); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)]
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement state and federal statutory amendments, and to clarify issues that have arisen during the previous year. In addition, ISAC proposes the following substantive amendments:

In Section 2700.20, the definition of Golden Apple Scholars of Illinois has been added as a result of Public Act 95-939, which stipulates that, in each year, a minimum of 200 Illinois Future Teacher Corps (IFTC) Program awards shall be allocated to participants in the Golden Apple Scholars of Illinois program. In Section 2700.70, a correction was made to a subsection referenced in (c).
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this proposed rulemaking contain incorporations by reference? No
- 10) Are there any other amendments pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this Notice to:

Lynn Hynes
Agency Rules Coordinator
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield IL 60015

847/948-8500, ext. 2216
email: lhynes@isac.org

- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2009

The full text of the Proposed Amendments begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2700

GENERAL PROVISIONS

Section

2700.10	Summary and Purpose
2700.15	Incorporations by Reference
2700.20	Definitions
2700.30	General Institutional Eligibility Requirements
2700.40	General Applicant Eligibility Requirements
2700.50	Determining Applicant Eligibility
2700.55	Use, Security and Confidentiality of Data
2700.60	Audits and Investigations
2700.70	Appeal Procedures
2700.80	Contractual Agreement Requirements

AUTHORITY: Implementing the Higher Education Student Assistance Act [110 ILCS 947]; Title IV of the Higher Education Act of 1965, as amended (20 USC 1070 et seq., as amended by P.L. 105-244); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

SOURCE: Adopted at 9 Ill. Reg. 20783, effective January 1, 1986; amended at 11 Ill. Reg. 3167, effective January 29, 1987; amended at 11 Ill. Reg. 14099, effective August 10, 1987; amended at 12 Ill. Reg. 11510, effective July 1, 1988; amended at 13 Ill. Reg. 8626, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1700 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2700 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17854; amended at 14 Ill. Reg. 10538, effective July 1, 1990; amended at 16 Ill. Reg. 11206, effective July 1, 1992; amended at 17 Ill. Reg. 10541, effective July 1, 1993; amended at 18 Ill. Reg. 10282, effective July 1, 1994; amended at 19 Ill. Reg. 8343, effective July 1, 1995; amended at 20 Ill. Reg. 9170, effective July 1, 1996; amended at 21 Ill. Reg. 11066, effective July 18, 1997; amended at 22 Ill. Reg. 11072, effective July 1, 1998; amended at 23 Ill. Reg. 7550, effective July 1, 1999; amended at 24 Ill. Reg. 9121, effective July 1, 2000; amended at 25 Ill. Reg. 8383, effective July 1, 2001; amended at 26 Ill. Reg. 9980, effective July 1, 2002; amended at 27 Ill. Reg. 10320, effective July 1, 2003; amended at 29 Ill. Reg. 9884, effective July 1, 2005; amended at 30 Ill. Reg. 11600, effective July 1, 2006; amended at 31 Ill. Reg. 9478, effective July 1, 2007; amended at 32 Ill. Reg. 10269, effective July 1, 2008; amended at 33 Ill. Reg. _____, effective _____.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

Section 2700.20 Definitions

"Academic Level" – The classification of a student as a freshman, sophomore, junior, senior, or graduate student.

"Academic Year" – In relation to scholarship and grant programs, a twelve month period of time, normally from August or September of any year through August or September of the ensuing year. In relation to the Federal Family Education Loan Program, academic year is defined at Section 481(d)(2) of the Higher Education Act of 1965, as amended (HEA), and at 34 CFR 668.3.

"Alternative Loan" – Any educational loan made or purchased by ISAC other than a loan made pursuant to Title IV of the Higher Education Act of 1965, as amended (20 USC 1071 et seq.), or any other federal statute providing for federal insurance of education loans to borrowers.

"Applicant" – Any individual who requests ISAC consideration for a scholarship, grant, tuition waiver, or guaranteed or alternative loan.

"Approved High School" – *Any public high school located in this State; and any high school, located in this State or elsewhere (whether designated as a high school, secondary school, academy, preparatory school, or otherwise) which in the judgment of the State Superintendent of Education provides a course of instruction at the secondary level and maintains standards of instruction substantially the equivalent of those public high schools located in this State.* (Section 10 of the Higher Education Student Assistance Act [110 ILCS 947/10])

"Armed Forces" – The United States Army, Air Force, Navy, Marines and Coast Guard.

"Blanket Certificate of Loan Guaranty" – A process that permits an eligible lender to make loans without receiving prior approval from ISAC for individual loans to eligible borrowers enrolled in eligible programs at eligible institutions, as authorized by Section 428(n) of the HEA.

"Chargeback" – Payment of tuition by the community college district of a student's residence to the community college district of a student's attendance. (See 110 ILCS 805/6-2.)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

"Citizen" – One who, under the Constitution and laws of the United States, is a native-born or naturalized citizen of the United States of America.

"College Savings Bond" – A State of Illinois general obligation, zero coupon bond, issued pursuant to the Baccalaureate Savings Act as a long-term education savings instrument.

"Co-maker" – One of the two individuals who are joint borrowers either on a Federal PLUS Loan that was certified prior to January 1, 1995 or on any Federal Consolidation loan and who are equally liable for repayment of the loan. (See 34 CFR 682.200.)

"Commission" – The ten member Illinois Student Assistance Commission created by Section 15 of the Higher Education Student Assistance Act [110 ILCS 947/15].

"Compound Accreted Value" – An amount equal to the original amount plus an investment return accrued to the date of determination at a semiannual compounding rate that is necessary to produce the yield at maturity indicated on the Official Statement that was issued when the college savings bonds were sold. The "Compound Accreted Value at Maturity" will be equal to \$5000 or an integral multiple thereof.

"Concurrent Registration" – The simultaneous enrollment at two or more institutions.

"Consolidation" – A federal program under which a borrower may receive a single new loan that refinances one or more outstanding qualified education loans under new terms and conditions, as authorized by Section 428C of the HEA.

"Contractual Agreement" – The written agreement between an eligible institution and a school or organization that is not eligible for participation in ISAC-administered programs whereby the non-eligible institution provides part of the education program of students enrolled at the eligible institution, as codified in Section 2700.80. A contractual agreement differs from a consortium agreement, which is an agreement among two or more eligible institutions only.

"Correctional Officer" – An employee of the Illinois Department of Corrections (DOC) who is assigned to a security position with the Department, and who has responsibility for inmates of any correctional institution under the jurisdiction of

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

the Department.

"Correspondence Course" – A home study course provided by an institution under which the institution provides instructional materials, including examinations on the materials, to students who are not physically attending classes at the institution, as defined at 34 CFR 600.2.

"Co-signer" – A person who is secondarily liable for the repayment of an Alternative Loan.

"Cost of Attendance" – For the purposes of ISAC's rules, this term is defined at Section 472 of the Higher Education Act of 1965, as amended (20 USC 108711).

"Cumulative Grade Point Average" – The average grade earned throughout a student's applicable secondary or postsecondary educational program. The calculation shall be consistent with the institution's established policy or practice and shall be the same as that completed for admission, placement or other similar purposes.

"Default Status" – The failure of a borrower to make an installment payment when due or to meet other terms of the promissory note as defined at 34 CFR 682.200.

"Delinquency" – For the purposes of ISAC's rules, this term is defined at 34 CFR 682.411(b).

"Dependent Student" – A scholarship, loan, tuition waiver or grant applicant or recipient who is not classified as an independent student.

"Disbursement" – In relation to scholarship and grant programs, a disbursement occurs on the payment voucher date. In relation to the Federal Family Education Loan Program, disbursement is the process of transferring loan proceeds as defined at 34 CFR 682.200.

"Distance Education" – A learning and teaching mode characterized by the separation of place or time between instructor and student, which includes programs and courses offered by correspondence and telecommunications.

"ED" – The acronym for the United States Department of Education.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

"Educational Institution" – Unless otherwise qualified, any secondary or postsecondary educational organization that enrolls students who participate in ISAC programs.

"Educational Lender" – An institution that meets the lender eligibility criteria outlined in 23 Ill. Adm. Code 2720.25 for FFELP Loans and 2721.40 for alternative loans.

"EFT" – The acronym for electronic funds transfer.

"Eligible Noncitizen" – A noncitizen who is eligible for federal student assistance pursuant to Section 484 of the Higher Education Act of 1965, as amended. (See 20 USC 1091.)

"Endorser" – A person who is secondarily liable for the repayment of a Federal PLUS Loan obligation.

"Enrolled" – The status of a student who has completed the institution's registration requirements and is attending classes.

"Executive Director" – The chief executive officer of ISAC.

"Expected Family Contribution" – The amount the student and the student's family may be reasonably expected to contribute toward the student's postsecondary education. Expected Family Contribution is defined at Section 474 of the Higher Education Act (HEA) of 1965, as amended. (See 20 USC 1087mn.)

"FAFSA" – The acronym for the Free Application for Federal Student Aid.

"FAFSA Receipt Date" – The date reported by ED's processor as the date upon which it receives an applicant's initial FAFSA for an academic year. For paper FAFSA's sent through the U.S. Postal Service, this is the date of physical receipt at the processor, not the postmark date.

"Federal Regulations" – Refers to regulations promulgated by ED and codified at 34 CFR 600 et seq.

"FFELP" – The acronym for the Federal Family Education Loan Program, as authorized by Section 421 of the Higher Education Act, as amended, including subsidized and unsubsidized Federal Stafford Loans, Federal PLUS Loans,

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

Federal SLS Loans and Federal Consolidation Loans.

"Fire Officer" – For the purposes of ISAC's rules, this term means a firefighter who is employed by, or in the voluntary service of, this State or any public entity in this State.

"Foreign Missionary" – An individual who is assigned duty outside of the United States by an organization that engages in educational, philanthropic, humanitarian or altruistic works. The missionary organization must be exempt from the payment of federal taxes and must have been engaged in placing foreign missionaries for at least five years. Examples of such missionary organizations include, but are not limited to, the following: Peace Corps, Evangelical Alliance Mission, etc.

"Full-time Student" – In relation to scholarship and grant programs, an individual enrolled for twelve or more credit hours, for either a semester or quarter term. In relation to the Federal Family Educational Loan Program, full-time student is defined at 34 CFR 668.2.

"Gift Assistance" – Student assistance funds in the form of a scholarship, grant or tuition waiver, including, but not limited to, federal, State, institutional and private aid.

"Golden Apple Scholars of Illinois" – A private, not-for-profit program under the auspices of the Golden Apple Foundation that recruits, prepares and provides financial assistance to high school graduates to pursue postsecondary education for careers as teachers for particular Illinois schools.

"Good Moral Character" – An applicant is of good moral character if the applicant will benefit from postsecondary instruction and is allowed to enroll at an approved postsecondary institution.

"Graduating Class" – The students who will complete the high school's program of instruction and graduate within an academic year.

"Guaranteed Loan" – Loan assistance through the Federal Family Education Loan Program (FFELP) that includes the subsidized and unsubsidized Federal Stafford Loan, the Federal PLUS Loan, the Federal Supplemental Loans for Students (SLS), and the Federal Consolidation Loan programs.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

"HEA" – The acronym for the Higher Education Act of 1965, as amended, and codified at 20 USC 1070 et seq.

"Half-time Student" – In relation to scholarship and grant programs, an individual enrolled for six or more credit hours (but fewer than twelve credit hours) for either a semester or quarter term. In relation to the Federal Family Education Loan Program, half-time student is defined at 34 CFR 668.2.

"Holder" – An organization authorized by ED and ISAC to purchase or retain possession of guaranteed loans. These organizations operate as commercial and educational lenders or secondary markets and may purchase ISAC-guaranteed loans from approved lenders.

"IBHE" – The acronym for the Illinois Board of Higher Education, the administrative agency created by the Board of Higher Education Act [110 ILCS 947/205].

"IDAPP" – The acronym for ISAC's Illinois Designated Account Purchase Program as authorized by the Education Loan Purchase Program Law [110 ILCS 947/125 through 170].

"Independent Student" – For the purposes of ISAC's rules, an independent student is defined by Section 480 of the Higher Education Act of 1965, as amended by P.L. 110-84. (See 20 USC 1087vv.)

"Institution" – Unless otherwise qualified, any secondary or postsecondary educational organization that enrolls students who participate in ISAC programs.

"Institution of Higher Learning" – An educational organization whose main campus is physically located in Illinois that:

provides at least a two-year program of collegiate study in liberal arts or sciences, or associate degree or both, directly applicable toward the attainment of a baccalaureate degree, or, a program in health education directly applicable toward the attainment of a certificate, diploma, or an associate degree; and

is operated:

by the State, or

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

publicly or privately, not for profit, or

for profit, provided it:

offers degree programs that have been approved by the IBHE for a minimum of three years under the Academic Degree Act, and

enrolls a majority of its students in these degree programs, and

maintains accredited status with the Higher Learning Commission of the North Central Association of Colleges and Schools.

For otherwise eligible educational organizations that provide academic programs for incarcerated students, the term "institution of higher learning" shall specifically exclude academic programs for incarcerated students (Section 10 of the Higher Education Student Assistance Act). For eligible institutions with campuses in multiple states, the term "institution of higher learning" shall include only those campuses located in Illinois.

"Institution of Record" – The postsecondary institution at which a student is enrolled and seeking a degree or certificate. This institution assumes primary responsibility for certification of eligibility for ISAC-administered programs and for requesting payment from ISAC.

"ISAC" – The acronym for the Illinois Student Assistance Commission, the administrative agency created by Section 15 of the Higher Education Student Assistance Act [110 ILCS 947/15] to administer student assistance programs.

"ISBE" – The acronym for the Illinois State Board of Education, the administrative agency created by the School Code [105 ILCS 5].

"Lender" – An organization authorized by ISAC to make educational loans to students.

"Mandatory Fees" – The charges assessed by an institution to each and every full-time student for each term. Application, graduation, laboratory, breakage,

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

add/drop fees, and program administrative fees for out-of-state or foreign study are specifically excluded. For the purposes of ISAC's rules, tuition is not a mandatory fee.

"MAP" – The acronym for the Monetary Award Program administered by ISAC, as authorized by 110 ILCS 947/35 and codified at 23 Ill. Adm. Code 2735.

"Master Check" – A single check representing the loan proceeds for more than one borrower.

"Minority Student" – *A student who is either Black (a person having origins in any of the black racial groups in Africa); Hispanic (a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race); Asian American (a person with origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, including Pakistan, and the Pacific Islands, including, among others, Hawaii, Melanesia, Micronesia and Polynesia); or Native American (a person who is a member of a federally or state recognized Indian tribe, or whose parents or grandparents have such membership) and to include the native people of Alaska (Section 50(a) of the Higher Education Student Assistance Act).*

"Parent" – For the purposes of ISAC's rules, this term is defined at 34 CFR 668.2.

"Pell Grant" – A federal gift assistance program administered by ED in accordance with Section 411 of the Higher Education Act of 1965, as amended. (See 20 USC 1070a et seq.)

"PLUS" – The federal program that provides loans to graduate students or parents of certain undergraduate students, as authorized by Section 428B of the Higher Education Act of 1965, as amended (20 USC 1078-2) and Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/80 through 175].

"Police Officer" – For the purposes of ISAC's rules, this term means a law enforcement officer who is employed by, or in the voluntary service of, this State or any public entity in this State.

"Qualified Applicant" – An individual who meets the eligibility requirements of the gift assistance program for which she/he is applying.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

"Regular School Year" – An eight to nine month period of time that includes two semester terms or three quarter terms. The regular school year excludes summer terms. Terms that begin after April 15 and end before September 16 are considered summer terms.

"Remedial Courses" – The course work that prepares a student for study at the postsecondary level and is necessary for the student to pursue the eligible postsecondary program.

"Resident of Illinois" –

A dependent student is a resident of Illinois if the parent of the dependent-applicant, who is required by the instructions to complete the Free Application for Federal Student Aid (FAFSA), physically resides within the State of Illinois and Illinois is his or her true, fixed and permanent home.

An independent student is a resident of Illinois if the applicant physically resides within the State of Illinois (at the time of application), and has so resided for a period of 12 continuous, full months immediately prior to the start of the academic year for which assistance is requested and Illinois is his or her true, fixed and permanent home.

When an applicant does not qualify as a resident of Illinois under the preceding two paragraphs and the applicant is a member of the U.S. Armed Forces or a foreign missionary, or is the dependent or the spouse of an individual who is a member of the U.S. Armed Forces or a foreign missionary, then the applicant's residency shall be determined in accordance with the following four paragraphs.

An applicant who is a member of the U.S. Armed Forces will be a resident of Illinois if the applicant physically resided in Illinois immediately prior to entering the U.S. Armed Forces, returned (or plans to return) to Illinois within six months after and including the date of separation and can demonstrate (pursuant to Section 2700.50(f) and (g)) that his/her domicile was the State of Illinois throughout such enlistment.

An applicant who is a foreign missionary will be a resident of Illinois if the applicant physically resided in Illinois for six continuous months immediately prior to entering missionary service, returned (or plans to

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

return) to Illinois within six months after the conclusion of missionary service, and can demonstrate (pursuant to Section 2700.50(f) and (g)) that his/her domicile was the State of Illinois throughout such missionary service.

The dependent-applicant shall be a resident of Illinois notwithstanding the parents' temporary physical absence from Illinois provided the parents would be a resident of Illinois under the preceding two paragraphs.

The spouse-applicant shall be a resident of Illinois immediately upon physically occupying a dwelling within the State of Illinois provided the applicant can demonstrate that his/her absence from the State was the result of residing with the spouse during enlistment or missionary service outside of Illinois and that the spouse-applicant's domicile continues to be the State of Illinois.

"Rules" – The rules of ISAC codified at 23 Ill. Adm. Code: Subtitle A, Chapter XIX.

"Satisfactory Academic Progress" – An institutional policy that establishes minimum standards of academic performance. For purposes of ISAC-administered programs, the standards must be at least as stringent as those required by ED pursuant to Section 484 of the Higher Education Act of 1965, as amended. (See 20 USC 1091.)

"Service Academy" – *The U.S. Air Force Academy, the U.S. Coast Guard Academy, the U.S. Military Academy or the U.S. Naval Academy* (Section 30(a) of the Higher Education Student Assistance Act).

"SLS" – The acronym for the federal Supplemental Loans for Students Program, as authorized by Section 428A of the Higher Education Act, as amended (20 USC 1078-1). No SLS loans have been made for periods of enrollment beginning on or after July 1, 1994.

"Special Education" – A postsecondary educational program designed to teach persons how to meet the needs of all children designated as physically disabled, with specific learning disabilities, or requiring extraordinary special education services and facilities. (See 105 ILCS 5/14-1.02 and 7.20a.) These programs prepare persons for meeting the needs of children who exhibit disabilities or exceptional characteristics ranging from very mild to very severe. (See 23 Ill.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

Adm. Code 226, Special Education.) Such a program prepares a student to teach physically disabled children or children with learning disabilities. (See 105 ILCS 5/14-1.02 and 1.03a.)

"Stafford" – The federal subsidized and unsubsidized loan programs as authorized by Sections 427, 428 and 428H of the Higher Education Act, as amended (20 USC 1078).

"Student Beneficiary" – An individual designated as the recipient of a College Savings Bond Bonus Incentive Grant.

"Teacher Education Program" – An undergraduate postsecondary course of study that, upon completion, qualifies a student to be certified as a pre-school, elementary or secondary teacher by a state board of education or its equivalent (including the Illinois State Board of Education). For a student who has completed less than four semesters/six quarters of postsecondary study, this includes a postsecondary course of study that leads to a teacher education program.

"Teacher Shortage Discipline" – An academic discipline in which a shortage of teachers exists in Illinois, as designated by the Illinois State Board of Education.

"Telecommunications Course" – A course offered principally through the use of television, audio, or computer transmission, including open broadcast, closed circuit, cable microwave, satellite, audio conferencing, computer conferencing, and video cassettes or disks, as defined at 34 CFR 600.2.

"Term" – A unit of time for student attendance, including, but not limited to, a quarter or semester.

"Tuition" – The charge for instruction assessed by an institution.

"Verification" – Procedures implemented by postsecondary institutions to verify the eligibility of applicants. The procedures are established by 34 CFR 668 et seq. and by ISAC's rules.

(Source: Amended at 33 Ill. Reg. _____, effective _____)

Section 2700.70 Appeal Procedures

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- a) Complainants (including applicants, institutions and lenders) may appeal an ISAC administrative decision in accordance with this Section. Complainants must submit their appeal within 60 days after and including the date of an administrative decision by ISAC. If a complainant fails to pursue an appeal within 60 days after and including the date of an administrative decision, including administrative decisions rendered under subsections (d) and (e) of this Section, the complainant forfeits all appeal rights.
- b) All appeals shall be submitted in writing, must specifically invoke the use of ISAC's appeal process and must indicate the specific issues to be reviewed. Each complainant shall be sent a written response within 15 working days after and including the date of receipt of their appeal.
 - 1) A complainant may submit any evidence which the complainant believes relevant to the issue appealed. If ISAC is not able to make a determination based on the information provided, the complainant may be requested to supply additional written materials related to the issue (e.g., income tax returns, ISAC correspondence).
 - 2) The standard of review is whether, based on the manifest weight of the evidence, the administrative decision being appealed is consistent with statutes, rules and regulations relevant to the issue appealed.
- c) At the complainant's discretion, a complainant may be represented by legal counsel. Except for appeals pursuant to Section 2700.50(g)(4) (Illinois residence) and 23 Ill. Adm. Code ~~2760.302760.40(a)~~ (State Scholar designations), applicant appeals shall not be written or submitted by a lender or an institution. A lender or an institution may advise an applicant on appeal issues and opportunities.
- d) The complainant shall submit an appeal directly to the appropriate ISAC manager. An appeal may be pursued through the appropriate sequence of ISAC's administrative levels culminating with an appeal to the Executive Director. (See 2 Ill. Adm. Code 5375.Appendix A, Organization Chart.)
- e) Adjudicatory hearings are available for complainants who have first used the procedures of subsection (d) of this Section. A hearing shall be requested, in writing, within 60 days after the date of the Executive Director's appeal decision.
 - 1) Within 30 days after the receipt of a hearing request, the Executive Director shall schedule a hearing. The hearing shall be conducted in

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

accordance with 23 Ill. Adm. Code 2790.140, Hearings.

- 2) The independent hearing officer shall issue a decision based upon what transpired at the hearing, in accordance with and subject to 23 Ill. Adm. Code 2790.70, Decisions.
- f) The hearing officer's disposition, as provided for by 23 Ill. Adm. Code 2790.70(c), is considered the final administrative decision as defined by the Administrative Review Law [735 ILCS 5/Art. III]. The complainant shall be sent written notice of the final administrative decision within ten working days after the disposition of the appeal.

(Source: Amended at 33 Ill. Reg. _____, effective _____)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Federal Family Education Loan Program (FFELP)
- 2) Code Citation: 23 Ill. Adm. Code 2720
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
2720.20	Amendment
2720.40	Amendment
2720.50	Amendment
- 4) Statutory Authority: Implementing Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/80 through 175]; Title IV, Part B, of the Higher Education Act of 1965, as amended (20 USC 1071 et seq.); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)]
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement federal statutory amendments, and to clarify issues that have arisen during the previous year. In addition to making minor technical changes throughout this Part, ISAC proposes the following substantive amendment:

Section 2720.40(c) has been amended to reflect changes in the requirements for participation in the Lender of Last Resort Program. In Section 2720.50(g), the number of days a lender or holder can send a repayment schedule to a FFELP borrower has been changed to no more than 150 days to reflect a change arising from the Higher Education Opportunity Act.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other amendments pending on this Part? No
- 11) Statement of Statewide Policy Objective: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)]

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this notice to:

Lynn Hynes
Agency Rules Coordinator
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield IL 60015

847/948-8500, ext. 2216
email: lhynes@isac.org

- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2009

The full text of the Proposed Amendments begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSIONPART 2720
FEDERAL FAMILY EDUCATION LOAN PROGRAM (FFELP)

SUBPART A: FEDERAL LOAN PROGRAMS: THE FEDERAL STAFFORD LOAN PROGRAM, FEDERAL PLUS PROGRAM, FEDERAL SUPPLEMENTAL LOANS FOR STUDENTS (SLS) PROGRAM, AND FEDERAL CONSOLIDATION LOAN PROGRAM

Section

2720.5	Summary and Purpose
2720.6	Definitions (Repealed)
2720.10	Eligibility for ISAC Loan Guarantees
2720.20	Lender Eligibility
2720.25	Educational Lender Eligibility
2720.30	Institutional Eligibility
2720.35	Holder Eligibility
2720.40	Procedures for Obtaining a Guaranteed Loan
2720.41	One-Lender Requirement
2720.42	One-Holder Requirement
2720.50	Procedures for Disbursement, Delivery and Repayment
2720.55	Federal Consolidation Loan Program
2720.60	Default Aversion Assistance
2720.70	Reimbursement Procedures
2720.80	Federal Default Fee
2720.90	Guarantee Transfers

SUBPART B: ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM (IDAPP)

Section

2720.105	Summary and Purpose
2720.120	IDAPP Eligible Loans
2720.130	IDAPP Eligible Lenders

SUBPART C: ISAC ORIGINATED LOANS

Section

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 2720.200 ISAC Originated Consolidation Loans
2720.210 Illinois Opportunity Loan Program (IOP)
2720.220 Federal Family Education Loan Program (FFELP) Loans

2720.APPENDIX A Required Activities of Educational Lenders (Repealed)

AUTHORITY: Implementing Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/80 through 175]; Title IV, Part B, of the Higher Education Act of 1965, as amended (20 USC 1071 et seq.); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

SOURCE: Adopted at 3 Ill. Reg. 4, p. 38, effective January 26, 1979; amended at 5 Ill. Reg. 8698, effective August 17, 1981; emergency rule and emergency repealer at 6 Ill. Reg. 7558, 7573, effective June 9, 1982, for a maximum of 150 days; new rules adopted at 6 Ill. Reg. 13799, effective October 25, 1982; old rules repealed at 6 Ill. Reg. 15254, effective December 3, 1982; emergency amendment at 7 Ill. Reg. 9942, effective August 8, 1983, for a maximum of 150 days; codified at 7 Ill. Reg. 13309; amended at 8 Ill. Reg. 876, effective January 9, 1984; amended at 8 Ill. Reg. 7286, effective May 18, 1984; amended at 8 Ill. Reg. 17006, effective September 5, 1984; amended at 9 Ill. Reg. 20796, effective January 1, 1986; amended at 11 Ill. Reg. 3181, effective January 29, 1987; emergency amendment at 11 Ill. Reg. 13669, effective August 5, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 14103, effective August 10, 1987; emergency amendment at 11 Ill. Reg. 18370, effective October 23, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 20989, effective January 1, 1988; amended at 12 Ill. Reg. 6971, effective April 1, 1988; amended at 12 Ill. Reg. 11520, effective July 1, 1988; emergency amendment at 12 Ill. Reg. 15221, effective September 15, 1988, for a maximum of 150 days; emergency expired February 12, 1989; amended at 13 Ill. Reg. 2872, effective February 16, 1989; amended at 13 Ill. Reg. 8630, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1720 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2720 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17855; emergency amendment at 14 Ill. Reg. 4266, effective March 1, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 10553, effective July 1, 1990; amended at 14 Ill. Reg. 10941, effective July 1, 1990; emergency amendments at 15 Ill. Reg. 18769, effective January 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 4060, effective February 28, 1992; amended at 16 Ill. Reg. 11224, effective July 1, 1992; emergency amendment at 17 Ill. Reg. 2055, effective February 1, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 10506, effective July 1, 1993; amended at 18 Ill. Reg. 10254, effective July 1, 1994; emergency amendment at 18 Ill. Reg. 15636, effective October 15, 1994, for a maximum of 150 days; emergency expired March 13, 1995; amended at 19 Ill. Reg. 6215, effective April 15, 1995; amended at 19 Ill. Reg. 8320, effective July 1, 1995; amended at 20 Ill. Reg. 9147, effective July

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

1, 1996; amended at 21 Ill. Reg. 11038, effective July 18, 1997; amended at 22 Ill. Reg. 11051, effective July 1, 1998; amended at 23 Ill. Reg. 7537, effective July 1, 1999; amended at 24 Ill. Reg. 9101, effective July 1, 2000; amended at 25 Ill. Reg. 8369, effective July 1, 2001; amended at 26 Ill. Reg. 9998, effective July 1, 2002; amended at 27 Ill. Reg. 10326, effective July 1, 2003; amended at 28 Ill. Reg. 9135, effective July 1, 2004; amended at 29 Ill. Reg. 9897, effective July 1, 2005; amended at 31 Ill. Reg. 9496, effective July 1, 2007; amended at 32 Ill. Reg. 10290, effective July 1, 2008; amended at 33 Ill. Reg. _____, effective _____.

SUBPART A: FEDERAL LOAN PROGRAMS:
THE FEDERAL STAFFORD LOAN PROGRAM, FEDERAL PLUS PROGRAM,
FEDERAL SUPPLEMENTAL LOANS FOR STUDENTS (SLS) PROGRAM,
AND FEDERAL CONSOLIDATION LOAN PROGRAM

Section 2720.20 Lender Eligibility

- a) Lender Agreement
 - 1) All approved lenders must execute an ISAC Lender Agreement prior to participating in the Federal Family Education Loan Program through ISAC. Lenders wishing to serve as lenders-of-last-resort are required to sign an Addendum that additional Agreement which includes the provisions of sectionSection 428(j) of the federal Higher Education Act, ~~as amended~~.
 - 2) Lenders must have received ED approval prior to executing a Lender Agreement.
 - 3) The Lender Agreement shall include provisions requiring lenders to:
 - A) comply with statutes, federal regulations and State rules; and
 - B) provide such information as ISAC may request relating to borrower demographics, collection records and other documents ISAC may need to comply with federal regulations. (See Sections 2720.60(a) and 2720.70(c).)
 - 4) Lenders and ISAC shall electronically transmit and receive loan guarantee data. ISAC shall provide the lender with program documentation and reasonable technical assistance related to electronic data exchanges. ISAC

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

and the lender shall agree that the information and data shall be confidential and shall not be used, disclosed, sold or shared for any purpose other than that which is directly related to the administration of ISAC's guaranteed loan programs.

- 5) Termination of the Lender Agreement may be made by either the lender or ISAC with 30 days' written notice. Termination shall not affect any obligations incurred prior to the time such termination becomes effective.
- b) Eligible lenders shall employ an adequate number of qualified persons to administer their responsibilities under ISAC's rules. In determining whether a lender employs an adequate number of qualified persons, ISAC considers the number of students aided, the number of applications evaluated and the amount of funds administered.
- c) In addition to the provision of subsection (a), the Lender Agreement for insurance companies approved as lenders shall require:
 - 1) advertising and promotional materials consistent with Section 149 of the Illinois Insurance Code [215 ILCS 5/149] and 50 Ill. Adm. Code 909; and
 - 2) compliance with Sections 421 through 434 of the Illinois Insurance Code [215 ILCS 5/421 through 434], which prohibit unfair methods of competition and unfair and deceptive acts and practices.
- d) A loan guarantee shall be cancelled if the lender fails to comply with federal regulations, statutes, ISAC rules or procedures, provided such failure impairs ISAC's ability to recover the expense of reimbursing the lender for the defaulted loan.
- e) ISAC conducts compliance reviews to determine if approved lenders are complying with federal regulations, statutes and rules.
- f) Lenders wishing to participate in ISAC-guaranteed loan programs shall submit an application which shall include, but not be limited to: servicing/secondary market agreements; previous compliance and audit reviews conducted by other guarantors and the Department of Education; documentation relating to the percentage of student loans as compared to other installment loan portfolios; and other information relating to student loans requested by ISAC to show the lender's

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

qualifications for participation. Program participation will be determined by an examination of those materials and compliance with federal laws and regulations and State rules and statutes.

- g) Lenders wishing to participate in a blanket guaranty program for ISAC-guaranteed loans must execute a Blanket Certificate of Loan Guaranty agreement.

(Source: Amended at 33 Ill. Reg. _____, effective _____)

Section 2720.40 Procedures for Obtaining a Guaranteed Loan

- a) Borrowers who are eligible for a loan guarantee in accordance with Section 2720.10 are issued a notice of guarantee/disclosure statement. All promissory notes must be in a form approved by ED. No alteration or substitution may be used.
- b) All loans are made at the lender's discretion. When a lender rejects a borrower's request for a FFELP loan, the lender shall issue a notice of non-acceptance to the borrower.
- c) Lender-of-last-resort requirements:
- 1) An applicant who is eligible for a ~~federal~~Federal subsidized or unsubsidized Stafford Loan or Federal PLUS ~~Loan~~loan-guarantee pursuant to Section 2720.10 of this Part and who has been unable to obtain loans from another ISAC-approved lender for the same period of enrollment can request participation in ISAC's Lender-of-Last-Resort Program.~~received two denials from~~ can request that ISAC make a referral to a lender of last resort provided the applicant:
 - A) ~~submits a written request for a lender-of last resort loan referral to ISAC, which is accompanied by two denials from ISAC approved lenders;~~
 - B) ~~receives loan counseling information specifically designed to benefit an applicant seeking a lender-of last resort loan; and~~
 - C) ~~attends an ISAC-approved institution or, for a PLUS loan, is the parent of a student attending an ISAC-approved institution.~~

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 2) ~~The applicant must be a resident of Illinois or must attend an eligible institution in Illinois or, for a Parent PLUS Loan, be the parent of a student attending an eligible institution and a resident of Illinois. ISAC, within 60 days, will refer applicants to lenders of last resort or will advise them that they do not meet the eligibility requirements of Section 2720.10 of this Part.~~
- 3) ~~ISAC, within 60 days, will issue a guarantee for a loan under the Lender-of-Last-Resort Program or will advise applicants that they do not meet the eligibility requirements of Section 2720.10.~~
- 4) ~~ISAC will act as the lender-of-last-resort if it cannot arrange a loan for the applicant with a lender participating in ISAC's Lender-of-Last-Resort Program. ISAC will act as a lender of last resort or will refer the applicant to the Student Loan Marketing Association if it cannot refer the applicant to a lender of last resort willing to make a subsidized or unsubsidized Stafford Loan within 60 days.~~
- d) The availability of an ISAC-guaranteed loan shall not be conditioned upon the purchase of credit life, life, accident, health or other forms of insurance.
- e) The promissory note must be signed in ink, or must bear a valid electronic signature, in accordance with federal law (see 15 USC 7001 et seq.). Signature stamps shall not be used by the borrower.
- f) At the lender's discretion and in accordance with federal regulations, endorsers may be used for Federal PLUS Loans.
- g) Lenders shall obtain the names and addresses of at least two references from each loan applicant. Lenders shall submit the reference data to ISAC when requesting ISAC reimbursement pursuant to Section 2720.70.
- h) When certifying a borrower eligible for a loan guarantee, the institution shall provide a loan disbursement schedule consistent with ~~section~~Section 428G of the federal Higher Education Act of 1965, ~~as amended~~ (20 USC 1078-7). Should the institution or its agent fail to provide a disbursement schedule that is consistent with federal law, ISAC shall assign the loan a disbursement schedule that is consistent with ~~section~~Section 428G of the Higher Education Act of 1965;

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

~~as amended.~~

(Source: Amended at 33 Ill. Reg. _____, effective _____)

Section 2720.50 Procedures for Disbursement, Delivery and Repayment

- a) Disbursement, delivery and repayment procedures are specified in federal regulations. (See 34 CFR 682.206, 34 CFR 682.207, 34 CFR 682.209, and 34 CFR 682.604.)
- b) Prior to disbursement, the borrower shall execute a common ED-approved promissory note for the principal and interest on the loan. The lender shall retain an original or true and exact copy of the promissory note. (See 34 CFR 682.414.)
- c) The lender shall transmit to ED any and all statements and reports necessary to obtain federal interest payments on the borrower's behalf. The lender shall not collect or attempt to collect from the borrower or ISAC any portion of the interest on the loan that is payable by ED.
- d) Except for loans pursuant to Section 2720.55, or loans made under a Blanket Certificate of Loan Guaranty agreement, the lender shall not disburse the proceeds of any loan on the borrower's behalf unless and until the lender shall have received from ISAC evidence of a guarantee. The lender shall inform ISAC of all disbursement dates.
- e) Federal Stafford and Federal PLUS Loan proceeds shall be transmitted directly to the institution.
 - 1) Federal Stafford Loan checks shall be payable to the student borrower unless the institution requires all Stafford loan checks to be co-payable to the borrower and the institution. Federal PLUS Loan checks shall be co-payable to the institution and the borrower. Federal Stafford or Federal PLUS Loan funds disbursed either via EFT or by Master Check to the institution shall include information identifying the names, Social Security Numbers and the loan amounts of the borrowers who are receiving a portion of the disbursement, and, in the case of a Parent PLUS Loan, the names and the Social Security Numbers of the students on whose behalf the parents are borrowing.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 2) Loan proceeds must be disbursed to the institution and delivered to the borrower no later than 180 days after the end of the loan period or 180 days after the date on which the student ceased to be enrolled at least half-time, whichever is earlier. If the loan proceeds are not delivered pursuant to this subsection [\(e\)\(2\)](#), the school must request that the loan be canceled and must return any loan proceeds. (See 34 CFR 668.164(g).)
- 3) If the student has withdrawn from enrollment and federal regulations require the institution to submit a refund to the lender, either electronically or in the form of a check payable to the lender on behalf of the borrower, the institution shall provide simultaneous written notice to the borrower of the refund.
 - A) If the institution fails to issue a timely refund, as defined by federal regulations (see 34 CFR 682.607(c) and 668.22(j)), the institution shall pay penalty interest.
 - B) The penalty interest shall equal the total amount of interest and special allowance generated by the principal value of the refund amount. The penalty interest shall be computed from the date the refund was due until the date the refund was issued.
 - C) The penalty interest shall be paid to the lender or subsequent holder.
- f) The borrower shall have the right to prepay without penalty the whole or any part of a loan guaranteed ~~under this Part~~[under this Part](#).
- g) The lender or holder shall notify the borrower of the repayment options available, as specified in 34 CFR 682.209. The lender or holder shall send a repayment schedule to a FFELP borrower no less than 30 days nor more than ~~150~~[240](#) days before the first payment on the loan is due from the borrower.
- h) The lender or holder shall notify ISAC of payment in full or prepayment in full by the borrower.
- i) In accordance with federal regulations, the lender or holder may extend the maturity date of any note.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- j) Lenders or holders may exercise administrative forbearances, which do not require the agreement of the borrower, as authorized by ~~section~~Section 428(c)(3)(C) of the Higher Education Act of 1965, ~~as amended~~, and by federal regulations. (See 34 CFR 682.211.)
- k) Borrowers are entitled to deferments, which extend the maturity date of any note, under conditions established by federal regulations. (See 34 CFR 682.210.)
- l) ISAC provides lenders or holders with the ED-approved common forms necessary for servicing their guaranteed loan portfolio (e.g., deferment forms, mandatory forbearance forms).
- m) No note shall be sold or transferred by the lender except to an ISAC-approved lender, an ISAC-approved holder, or ISAC.

(Source: Amended at 33 Ill. Reg. _____, effective _____)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENT

- 1) Heading of the Part: Nurse Educator Scholarship Program
- 2) Code Citation: 23 Ill. Adm. Code 2759
- 3) Section Number: 2759.30 Proposed Action:
Amendment
- 4) Statutory Authority: Implementing and authorized by Sections 5 and 15 of the Nurse Educator Assistance Act [110 ILCS 967/5 and 15]
- 5) A Complete Description of the Subjects and Issues Involved: This Part is being amended in order to correct a subsection number referenced in the text.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other amendments pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this Notice to:

Lynn Hynes
Agency Rules Coordinator
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield IL 60015

847/948-8500, ext. 2216

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENT

email: lhynes@isac.org

- 13) Initial Regulatory Flexibility Analysis:
 - A) Types of small businesses, small municipalities and not for profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2009

The full text of this Proposed Amendment begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENT

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2759

NURSE EDUCATOR SCHOLARSHIP PROGRAM

Section

2759.10	Summary and Purpose
2759.20	Applicant Eligibility
2759.30	Program Procedures
2759.40	Institutional Procedures

AUTHORITY: Implementing and authorized by Sections 5 and 15 of the Nurse Educator Assistance Act [110 ILCS 967/5 and 15].

SOURCE: Adopted at 30 Ill. Reg. 18771, effective December 1, 2006; amended at 33 Ill. Reg. _____, effective _____.

Section 2759.30 Program Procedures

- a) All applicants must complete and file the form the U.S. Department of Education (ED) designates as an application/promissory note for federal student financial aid for the purpose of determining the Expected Family Contribution (EFC), which is used as a selection criterion for this award. (See ~~section~~[Section](#) 483 of the Higher Education Act of 1965, ~~as amended~~ (20 USC 1070a).)
- b) A completed ISAC application for the Nurse Educator Scholarship Program must be postmarked on or before March 1 immediately preceding the academic year for which the scholarship is being requested, in order to receive priority consideration for an award.
 - 1) Applications are available at qualified institutions of higher learning, ISAC's web site, and ISAC's Springfield, Deerfield and Chicago offices.
 - 2) ISAC will make renewal applications available to all qualified students who were awarded assistance under this Part during the preceding year.
 - 3) If the application is incomplete, ISAC will notify the appropriate party. The applicant will then have an opportunity to furnish the missing

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENT

information. However, the application will only be considered for processing as of the date when the application is complete and received at ISAC's Deerfield office.

- c) No recipient may receive scholarship assistance under this program for more than the equivalent of 8 semesters/16 quarters of full-time enrollment.
- d) ISAC shall select the recipients from among qualified applicants who filed timely applications based on a combination of the following criteria:
 - 1) Cumulative grade point averages will be prioritized from highest to lowest. All grade point averages will be converted to a four-point scale; and
 - 2) Expected Family Contribution (EFC), from the lowest to the highest.
- e) Recipients of assistance under this Part during the previous academic year shall receive first priority consideration provided the student:
 - 1) Maintains his or her status as a qualified applicant, as outlined in Section 2759.20(a).2766.20(a) of this Part, Applicant Eligibility.
 - 2) Maintains satisfactory academic progress as determined by the institution.
 - 3) Has submitted an application on a timely basis.
- f) If all other criteria are equal, priority consideration will be given to the qualified applicant who submitted his or her completed application to ISAC on the earliest date.
- g) Prior to receiving scholarship assistance under this Part, the qualified applicant must sign a Teaching Agreement/Promissory Note that is submitted to ISAC. The Teaching Agreement/Promissory Note shall include the following stipulations:
 - 1) the recipient pledges to work as an educator in an approved program of professional nursing education in Illinois or an approved program of practical nursing education in Illinois, as certified by an authorized individual at the approved Illinois institution, for a period of not less than five years;

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENT

- 2) the recipient shall begin teaching as a nurse educator within one year following the termination of the program for which the recipient received assistance under this Part, and shall teach on a continuous basis for the required five year period of time;
 - 3) the teaching requirement will be fulfilled in an approved program of professional nursing education in Illinois or an approved program of practical nursing education at an approved institution in Illinois that prepares students for careers as practical or professional nurses;
 - 4) if the teaching requirement is not fulfilled, the proceeds received convert to a loan and the recipient must repay the entire amount prorated according to the fraction of the teaching obligation not completed, plus interest at a rate equal to five percent and, if applicable, reasonable collection fees;
 - 5) the recipient agrees to provide ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.); and
 - 6) the recipient promises to use all proceeds received for educational expenses.
- h) A recipient of funds awarded under this Part shall not be in violation of the agreement entered into pursuant to subsection (g) during periods in which the recipient:
- 1) serves, for not more than three years, as a member of the United States Armed Forces;
 - 2) is temporarily totally disabled, for not more than three years, as established by the sworn affidavit of a licensed physician;
 - 3) is actively seeking but unable to find employment as a nurse educator at an approved Illinois institution for one continuous period not to exceed two years and is able to provide evidence of that fact; or
 - 4) is taking additional courses, on at least a half-time basis, needed to obtain certification in a nursing educator program in Illinois.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENT

- i) If a recipient is required to repay any portion of the proceeds received, the repayment period shall be completed within ten years after the scholarship converts to a loan. This ten-year period may be extended if the recipient:
- 1) serves, for not more than three years, as a member of the United States Armed Forces;
 - 2) is temporarily totally disabled, for not more than three years, as established by the sworn affidavit of a licensed physician;
 - 3) is seeking and unable to find full-time employment, for one continuous period not to exceed two years, and is able to provide evidence of that fact;
 - 4) withdraws from a course of study leading to certification as a nursing educator, but is enrolled full-time in another academic discipline not to exceed three years; or
 - 5) is pursuing a graduate course of study and is enrolled on a full-time basis for one continuous period of time not to exceed three years.
- j) During the time a recipient qualifies for any of the extensions listed in subsection (i), he or she shall not be required to make payments and interest shall not accrue.
- k) A recipient shall enter repayment status on the earliest of the following dates:
- 1) the first day of the first calendar month after the recipient has ceased to pursue a course of study leading to certification as a nursing educator, but not before six months have elapsed after the cessation of at least half-time enrollment in such a course of study;
 - 2) the date the recipient informs ISAC that he or she does not plan to fulfill the teaching obligation; or
 - 3) the day after the latest date upon which the recipient must have begun teaching after completing the nurse educator program for which the funds were awarded.
- l) A recipient shall not be required to repay the amount of the proceeds received if he or she becomes permanently totally disabled as established by the sworn

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENT

affidavit of a qualified physician (see, e.g., 34 CFR 653.42(k)(1)), or if his or her representative provides ISAC with a certified death certificate.

(Source: Amended at 33 Ill. Reg. _____, effective _____)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 1) The Heading of the Part: State Scholar Program
- 2) Code Citation: 23 Ill. Adm. Code 2760
- 3)

<u>Section Numbers</u> :	<u>Proposed Action</u> :
2760.10	Amendment
2760.30	Amendment
2760.40	New Section
- 4) Statutory Authority: Implementing Section 25 and authorized by Section 20 (f) of the Higher Education Student Assistance Act [110 ILCS 947/25 and 20(f)]
- 5) A Complete Description of the Subjects and Issues Involved: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative to increase the level of standardization in procedures, format, and terminology throughout our programmatic rules in order to make them easier for our clients to use. In addition, ISAC proposes the following substantive amendment:

This Part is being amended to accommodate Public Act 95-715, which provides, subject to appropriation, that each Illinois State Scholar who enrolls or is enrolled in an Illinois institution of higher learning shall receive a one-time grant of \$1,000 to be applied to tuition and mandatory fees and paid directly to the institution of higher learning. Section 2760.40, Institutional Procedures, has been added to this Part for fund disbursement. In addition, the reference to the Illinois Standard Test Score Table in Section 2760.30 has been changed to the official table on the ACT Web site.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other amendments pending on this Part? No

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 11) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this Notice to:

Lynn Hynes
Agency Rules Coordinator
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield IL 60015

847/948-8500, ext. 2216
email: lhynes@isac.org

- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: None
- B) Reporting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2009

The full text of these Proposed Amendments begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSIONPART 2760
STATE SCHOLAR PROGRAM

Section

2760.10	Summary and Purpose
2760.20	State Scholar Eligibility
2760.30	Program Procedures
<u>2760.40</u>	<u>Institutional Procedures</u>

AUTHORITY: Implementing Section 25 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/25 and 20(f)].

SOURCE: Adopted at 3 Ill. Reg. 4, p. 38, effective January 26, 1979; amended at 4 Ill. Reg. 16, p. 118, effective April 7, 1980; rules repealed, new rules adopted at 5 Ill. Reg. 7251, effective June 26, 1981; amended at 6 Ill. Reg. 8413, effective June 30, 1982; codified at 7 Ill. Reg. 10878; amended at 9 Ill. Reg. 20877, effective January 1, 1986; amended at 11 Ill. Reg. 3242, effective January 29, 1987; amended at 11 Ill. Reg. 14137, effective August 10, 1987; amended at 13 Ill. Reg. 8654, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1760 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2760 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17868; amended at 14 Ill. Reg. 10589, effective July 1, 1990; amended at 16 Ill. Reg. 11321, effective July 1, 1992; amended at 17 Ill. Reg. 10624, effective July 1, 1993; amended at 18 Ill. Reg. 10346, effective July 1, 1994; amended at 19 Ill. Reg. 8395, effective July 1, 1995; amended at 20 Ill. Reg. 9251, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11222, effective July 18, 1997; amended at 22 Ill. Reg. 11170, effective July 1, 1998; amended at 24 Ill. Reg. 9201, effective July 1, 2000; amended at 29 Ill. Reg. 9928, effective July 1, 2005; amended at 31 Ill. Reg. 9516, effective July 1, 2007; amended at 32 Ill. Reg. 10325, effective July 1, 2008; amended at 33 Ill. Reg. _____, effective _____.

Section 2760.10 Summary and Purpose

- a) The State Scholar Program publicly and personally identifies graduating high school seniors who possess superior academic potential. Each student designated as a State Scholar receives a Certificate of Achievement and statewide recognition in the news media. The Illinois Student Assistance Commission (ISAC) provides

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

the names of State Scholars to Illinois colleges and universities which actively seek State Scholars for admission. ~~No financial assistance is awarded by ISAC through this program.~~

- b) This Part establishes rules which govern the State Scholar Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

(Source: Amended at 33 Ill. Reg. _____, effective _____)

Section 2760.30 Program Procedures

- a) In order for its students to be considered for the State Scholar Program, a high school is to submit, in a format approved by ISAC, class ranks as of the third semester prior to graduation for students who desire to be considered for the Program. For high schools that cannot provide class ranks, non-weighted grade point averages as of the third semester prior to graduation must be provided.

- 1) Class ranks are calculated so that the class rank for the lowest grade point average (GPA) equals the total number of students being ranked.

Example: Class Rank	GPA
1	99.3
2	98.9
2	98.9
4	98.1
5	97.9
5	97.9
7	97.4

- 2) The equivalent term rank shall be provided for students planning to graduate in other than the traditional four years (see Section 2760.20(b)).
- b) Test scores submitted in accordance with this Part shall be converted to an Illinois Standard Test Score as follows:
- 1) The ACT or the PSAT composite score shall be the Illinois Standard Test Score.
- 2) SAT critical reading and math scores shall be added, and then converted to

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

the Illinois Standard Test Score using the [official ACT-SAT Concordance \(SAT Critical Reading + Math \(Score Range\)\)](http://www.act.org/aap/concordancetable) table available at www.act.org/aap/concordancetable below.

~~Illinois Standard Test Score Table~~

Illinois Standard Test Score	SAT Critical Reading + Math	
36	1590 to 1600	36
35	1570 to 1580	35
34	1540 to 1560	34
33	1510 to 1530	33
32	1480 to 1500	32
31	1450 to 1470	31
30	1420 to 1440	30
29	1380 to 1410	29
28	1340 to 1370	28
27	1310 to 1330	27
26	1270 to 1300	26
25	1240 to 1260	25
24	1200 to 1230	24
23	1160 to 1190	23
22	1120 to 1150	22
21	1090 to 1110	21
20	1060 to 1080	20
19	1020 to 1050	19
18	980 to 1010	18
17	940 to 970	17
16	900 to 930	16
15	850 to 890	15
14	800 to 840	14
13	750 to 790	13
12	660 to 740	12
11	580 to 650	11
10	520 to 570	10
9	460 to 510	9
8	400 to 450	8

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

c) High school class ranks submitted in accordance with this Part shall be converted to an Illinois Standard Rank Score as follows:

1) First, determine the percentile of the class rank for each student in accordance with the following formula:

$$\text{Percentile} = [\text{Size of Class MINUS (Rank in Class minus .5)}] \text{ divided by Size of Class}$$

2) Then, use the table below to convert a percentile class rank to the Illinois Standard Rank Score.

Percentile	Illinois Standard Rank Score
99.75 - 99.99	30
99.54 - 99.74	29
99.19 - 99.53	28
98.62 - 99.18	27
97.73 - 98.61	26
96.42 - 97.72	25
94.53 - 96.41	24
91.93 - 94.52	23
88.50 - 91.92	22
84.14 - 88.49	21
78.82 - 84.13	20
72.58 - 78.81	19
65.55 - 72.57	18
57.94 - 65.54	17
50.00 - 57.93	16

d) An Illinois Weighted Selection Score for each student shall be computed by adding the Illinois Standard Test Score to the Illinois Standard Rank Score.

e) In any academic year, the number of State Scholars is approximately equal to ten percent of the estimated total number of Illinois high school graduates. ISAC annually establishes a minimum Weighted Selection Score to yield this result.

f) Notwithstanding the previous provisions in this Section, any student nominated by his or her school shall be designated a State Scholar if that student achieves a

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

score at or above the 95th percentile on the ACT, or the equivalent on a comparable examination, regardless of that student's class rank.

- g) A Certificate of Achievement and congratulatory letter are issued for each State Scholar. Subject to appropriation, each State Scholar who enrolls or is enrolled at least half-time in his or her first year at an Illinois institution of higher learning shall also receive a one-time grant of \$1,000 to be applied to tuition and mandatory fees. A student who has been awarded a Merit Recognition Scholarship may not be awarded a grant under this Part.
- h) A listing of State Scholars shall be available upon request to colleges, members of the General Assembly and to the media.
- i) Mailing labels of State Scholars' names shall be available, at cost, to Illinois colleges, universities and associations of Illinois colleges. Payment must be received by ISAC at the time the mailing labels are ordered. Requestors of labels shall provide written assurance to ISAC that the labels will not be resold or released to others in any manner.
- j) High school officials or student candidates shall have a period of 60 days following the announcement of the State Scholars to appeal a student's status. (See 23 Ill. Adm. Code 2700.70, Appeal Procedures.)
- k) If an appeal concerning an applicant's eligibility is received, ISAC shall request the high school verify the reported data. If the conflict remains, ISAC shall conduct an audit of the high school's records in accordance with 23 Ill. Adm. Code 2700.60.

(Source: Amended at 33 Ill. Reg. _____, effective _____)

Section 2760.40 Institutional Procedures

- a) Funds shall be remitted to institutions on behalf of recipients. If funds are insufficient to provide grants to all qualified students, ISAC shall allocate the appropriation according to proration.
- b) Scholarship funds may be used to finance tuition and mandatory fee expenses for any term, including a summer term.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- c) The institution submits a request for payment to ISAC. The request must be received within one year after and including the date of the student's high school graduation.
- d) Upon receipt of scholarship funds, the institution shall verify the recipient's enrollment status. If the recipient is enrolled at least half time in his or her first year of college, the institution may credit the funds to the recipient's account.
- e) To provide sufficient time for processing and vouchering through the State Comptroller's Office in Springfield, all payment requests, except for summer term, must be received by ISAC no later than July 1. Summer term payment requests must be received no later than July 31.

(Source: Added at 33 Ill. Reg. _____, effective _____)

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Illinois Future Teacher Corps (IFTC) Program
- 2) Code Citation: 23 Ill. Adm. Code 2764
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
2764.20	Amendment
2764.30	Amendment
- 4) Statutory Authority: Implementing Section 52 of the Higher Education Student Assistance Act [110 ILCS 947/52] and authorized by Sections 20(f) and 52(h) of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 52(h)]
- 5) A Complete Description of the Subjects and Issues Involved: This Part is being amended to accommodate Public Act 95-939, which requires the allocation of 200 awards annually to participants in the Golden Apple Scholars of Illinois program.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other proposed amendments pending on this Part? No
- 11) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a state mandate as defined in Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)] and does not necessitate a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this Notice to:

Lynn Hynes
Agency Rules Coordinator
Illinois Student Assistance Commission

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

1755 Lake Cook Road
Deerfield, Illinois 60015

847/948-8500, ext. 2216
email: lhynes@isac.org

- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: None
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: None
- 14) Regulatory Agenda on which this rulemaking was summarized: January 2009

The full text of the Proposed Amendments begins on the following page:

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSIONPART 2764
ILLINOIS FUTURE TEACHER CORPS (IFTC) PROGRAM

Section

2764.10	Summary and Purpose
2764.20	Applicant Eligibility
2764.30	Program Procedures
2764.40	Institutional Procedures

AUTHORITY: Implementing Section 52 of the Higher Education Student Assistance Act [110 ILCS 947/52] and authorized by Sections 20(f) and 52(h) of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 52(h)].

SOURCE: Emergency rules adopted at 19 Ill. Reg. 976, effective February 1, 1995, for a maximum of 150 days; emergency expired on June 30, 1995; adopted at 19 Ill. Reg. 11367, effective August 1, 1995; amended at 20 Ill. Reg. 9141, effective July 1, 1996; old Part repealed at 21 Ill. Reg. 11027 and new Part adopted at 21 Ill. Reg. 11029, effective July 18, 1997; amended at 22 Ill. Reg. 11043, effective July 1, 1998; amended at 24 Ill. Reg. 9095, effective July 1, 2000; amended at 27 Ill. Reg. 10395, effective July 1, 2003; emergency amendment at 27 Ill. Reg. 14860, effective September 10, 2003, for a maximum of 150 days; amended at 28 Ill. Reg. 1749, effective January 25, 2004; amended at 28 Ill. Reg. 9162, effective July 1, 2004; amended at 30 Ill. Reg. 11687, effective July 1, 2006; amended at 32 Ill. Reg. 10333, effective July 1, 2008; amended at 33 Ill. Reg. _____, effective _____.

Section 2764.20 Applicant Eligibility

- a) *A qualified applicant* ~~*shall be:*~~
- 1) *shall be:*
- A) *a United States citizen or eligible noncitizen;*
- B2) *a resident of Illinois;*
- C3) *a high school graduate or a person who has received a General*

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

Educational Development (GED) Certificate;

D4) *enrolled, or accepted for enrollment, at or above the junior level, on at least a half-time basis at an Illinois institution of higher learning; and*

E5) *pursuing a postsecondary course of study leading to initial teacher certification or taking additional courses needed to gain Illinois State Board of Education (ISBE) approval to teach, including alternative teacher certification [110 ILCS 947/52]; or-*

2) shall be a Golden Apple Scholar enrolled, or accepted for enrollment, at or above the junior level, on at least a half-time basis at an Illinois institution of higher learning.

- b) In any academic year in which the qualified applicant accepts or receives financial assistance through the Paul Douglas Teacher Scholarship Program (23 Ill. Adm. Code 2762), the Minority Teachers of Illinois Scholarship Program (23 Ill. Adm. Code 2763), the Special Education Teacher Tuition Waiver Program (23 Ill. Adm. Code 2765), ~~or~~ the Teach Illinois Scholarship (23 Ill. Adm. Code 2768), or the Golden Apple Foundation, the qualified applicant shall not be eligible for scholarship assistance under this Part.

(Source: Amended at 33 Ill. Reg. _____, effective _____)

Section 2764.30 Program Procedures

- a) Golden Apple Scholars shall be designated by the Golden Apple Foundation. All other applicants must complete and file the form ~~which~~ the U.S. Department of Education (ED) designates as an application for federal student financial aid for the purpose of determining the Expected Family Contribution (EFC) ~~that~~which is used as a selection criterion for this award. (See Section 483 of the Higher Education Act of 1965, as amended (20 USC 1070a).)
- b) A completed ISAC application for the IFTC Program must be postmarked on or before March 1 immediately preceding the academic year for which the scholarship is being requested, in order to receive priority consideration for an award.

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 1) Applications are available at qualified institutions of higher learning, ISAC's Web site, and ISAC's Springfield, Deerfield and Chicago offices.
 - 2) ISAC will make renewal applications available to all qualified students who were awarded assistance under this Part during the preceding academic year.
 - 3) If the student section of an ISAC application is incomplete, ISAC will notify the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will be considered for processing as of the date when the application is complete and received at ISAC's Deerfield office.
- c) Selection of Recipients
- 1) *In each year, a minimum of 200 awards shall be allocated to participants in the Golden Apple Scholars of Illinois program [110 ILCS 947/52].*
 - 24) After satisfying the minimum number of awards to participants in the Golden Apple Scholars of Illinois program, ISAC shall give first preference in the selection process to the previous academic year's recipients of assistance under this Part who are not Golden Apple Scholars, provided he or she meets the following qualifications:
 - A) continues to maintain a cumulative grade point average (GPA) of no less than 2.5 on a 4.0 scale;
 - B) maintains his or her status as a qualified applicant, as outlined in Section 2764.20(a);
 - C) maintains satisfactory academic progress as determined by the institution; and
 - D) has submitted an application on a timely basis.
 - 32) For all other qualified applicants who are not Golden Apple Scholars, priority, in combination with the following criteria, is given to those who filed timely applications and are enrolled in a teacher shortage discipline (including early childhood education), pledged on the Teaching

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

Agreement/Promissory Note to teach in a hard-to-staff school, or enrolled in a teacher shortage discipline and pledged to teach in a hard-to-staff school. Point values are assigned to the criteria and awards are made according to the highest point totals.

- A) Cumulative grade point averages: 0-40 points, reflecting the GPA from highest to the lowest. All grade point averages will be converted to a four-point scale;
 - B) Expected Family Contribution (EFC): 0-30 points, from the lowest to the highest;
 - C) Minority students: 15 points.
- 43) If all other criteria are equal, priority consideration will be given to the qualified applicant who submitted his or her completed application to ISAC on the earliest date.
- d) A recipient may receive up to 4 semesters/6 quarters of scholarship assistance under this program.
 - e) Scholarship funds are applicable toward two semesters/three quarters of half-time and full-time study within an academic year.
 - f) The total number of scholarships awarded in a given fiscal year is contingent upon available funding.
 - g) To the extent necessary to administer this program within the limits of the State appropriation, the Commission may adjust the priority consideration factors and scholarship amounts established by this Section.
 - h) ISAC shall publish guidelines for the awarding of IFTC scholarships.
 - i) Notice of eligibility shall be sent ~~by ISAC~~ to each qualified applicant who is selected to receive an IFTC scholarship. A notice will be sent ~~by ISAC~~ to each qualified applicant who is not selected to receive an IFTC scholarship.
 - j) Scholarship Stipulations

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 1) For Golden Apple Scholars to receive scholarship assistance for any academic year, the qualified applicant must have signed the Golden Apple Scholars of Illinois Agreement and Statement of Eligibility and Compliance that are on file at the Golden Apple Foundation.
- 2) For all others, prior~~Prior~~ to receiving scholarship assistance for any academic year, the qualified applicant must sign an IFTC~~a~~ Teaching Agreement/Promissory Note that is submitted to ISAC. The IFTC Teaching Agreement/Promissory Note shall include the following stipulations:
 - A~~1~~) the recipient pledges to teach, on a full-time basis, for a period of not less than five years and in accordance with any additional commitment to teach in a teacher shortage discipline (which shall include early childhood education) or at a hard-to-staff school, or both;
 - B~~2~~) the recipient shall begin teaching within one year following completion of the postsecondary education degree or certificate program for which the scholarship was awarded, and shall teach on a continuous basis for the required period of time;
 - C~~3~~) the teaching requirement will be fulfilled at a nonprofit Illinois public, private or parochial preschool, or an Illinois public elementary or secondary school and if the award made under this Part was for teaching at a hard-to-staff school, the school must qualify for teacher loan cancellation under section~~Section~~ 465(a)(2)(A) of the HEA (see 20 USC 1087ee);
 - D~~4~~) if the teaching requirement is not fulfilled, the scholarship converts to a loan and the recipient must repay the entire amount of the scholarships prorated according to the fraction of the teaching obligation not completed, plus interest at a rate equal to five percent and, if applicable, reasonable collection fees;
 - E~~5~~) the recipient agrees to provide ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.); and

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- ~~F6~~) the recipient promises to use the proceeds of the scholarship for educational expenses.
- k) Except for Golden Apple Scholars, a recipient of a scholarship awarded under this Part shall not be in violation of the agreement entered into pursuant to subsection (j)(2) during the period in which the recipient:
- 1) serves, for not more than three years, as a member of the United States Armed Forces; or
 - 2) is enrolled full-time in a graduate course of study related to the field of teaching at an institution of higher learning; or
 - 3) is temporarily totally disabled, for not more than three years, as established by the sworn affidavit of a qualified physician; or
 - 4) is actively seeking but unable to find full-time employment as a teacher at a school that satisfies the criteria set forth in subsection ~~(j)(2)(C)(i)(3)~~ for one continuous period not to exceed two years, and is able to provide evidence of that fact; or
 - 5) is taking additional courses, on at least a half-time basis, needed to obtain certification as a teacher in Illinois; or
 - 6) is fulfilling teaching requirements associated with other programs administered by ISAC if he or she cannot concurrently fulfill them in a period of time equal to the length of the teaching commitment.
- l) Except for Golden Apple Scholars, if a recipient is required to repay any portion of the scholarship, the repayment period shall be completed within ten years after the scholarship converts to a loan. This ten-year period may be extended if the recipient:
- 1) serves, for not more than three years, as a member of the United States Armed Forces; or
 - 2) is temporarily disabled, for not more than three years, as established by the sworn affidavit of a licensed physician; or

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

- 3) is pursuing a graduate course of study and is enrolled on a full-time basis for one continuous period of time not to exceed three years; or
 - 4) is seeking and unable to find full-time employment for one continuous period not to exceed two years and is able to provide evidence of that fact; or
 - 5) withdraws from a course of study leading to certification/approval in a teacher shortage discipline, but is enrolled at least half-time as an undergraduate for one continuous period of time not to exceed three years.
- m) During the time a recipient qualifies for any of the extensions listed in subsection (l), he or she shall not be required to make payments and interest shall not accrue.
- n) Except for Golden Apple Scholars, aA recipient shall enter repayment status on the earliest of the following dates:
- 1) the first day of the first calendar month after the recipient has ceased to pursue a course of study leading to certification as a teacher, but not until six months have elapsed after the cessation of at least half-time enrollment in such a course of study;
 - 2) the date the recipient informs ISAC that he or she does not plan to fulfill the teaching obligation; or
 - 3) the day after the latest date upon which the recipient must have begun teaching after completing the postsecondary education for which the scholarship was awarded.
- o) Except for Golden Apple Scholars, aA recipient shall not be required to repay the amount of the scholarships received if he or she becomes permanently totally disabled, as established by the sworn affidavit of a licensed physician (see, e.g., 34 CFR 653.42(k)(1)), or if his or her representative provides ISAC with a death certificate or other evidence that the recipient has died.
- p) Renewal recipients may receive a subsequent award even if their discipline is no longer on the approved list of teacher shortage disciplines.
- q) Golden Apple Scholars must comply with the stipulations as stated in the Golden

ILLINOIS STUDENT ASSISTANCE COMMISSION

NOTICE OF PROPOSED AMENDMENTS

[Apple Scholars of Illinois Agreement and Statement of Eligibility and Compliance.](#)

(Source: Amended at 33 Ill. Reg. _____, effective _____)