

4850.0017 REPAYMENT PROCEDURES.

Borrowers or cosigners shall make payments of principal and interest according to the following schedule.

A. During the in-school period, the office or its agent shall bill borrowers for accrued interest and applicable late charges at least once during each calendar quarter.

B. During the transition period, the office or its agent shall bill borrowers for accrued interest and applicable late charges once during each calendar month.

C. During the repayment period, the office or its agent shall bill borrowers for accrued interest, applicable late charges, and principal once during each calendar month. The interest rate may vary throughout the period. The sum of the monthly payments must equal the sum of accrued interest plus principal, plus any applicable late charges. The borrower must pay a total of at least \$600 each year on all of the borrower's SELF loans.

D. Interest payments during the in-school period that are delinquent in excess of 120 days from the billing date may be capitalized. Capitalization of past due interest must be limited to two occasions before filing a claim.

E. A prepayment penalty must not be assessed against borrowers who elect to make unscheduled payments of loan principal.

F. The commissioner shall grant forbearances in those instances when the borrower is unable to make payment and has not exhausted the permitted number of occurrences. The forbearance shall be granted upon receipt of a written request from the borrower and the cosigner. The commissioner shall waive the requirement for signatures from both the borrower and the cosigner when there is no current contact information for one of the parties or an affidavit or police report documents an adversarial relationship between the parties. Forbearances are limited to four months, renewable upon receipt of further documentation for another four months.

G. Upon request, the commissioner shall provide borrowers and cosigners with an annual statement of outstanding principal and interest paid during the previous calendar year.

Statutory Authority: *MS s 136A.01; 136A.04; 136A.111; 136A.134; 136A.16; 136A.1701; 136A.234*

History: *10 SR 1852; 11 SR 1276; 13 SR 128; 15 SR 1780; 18 SR 1848; L 1995 c 212 art 3 s 59; 20 SR 2214; 26 SR 1333; 35 SR 1092; L 2013 c 99 art 2 s 29; 43 SR 831*

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