

4850.0018 CLAIMS.

Subpart 1. **Filing claim.** The commissioner must file a claim to the bad-debt reserve for the outstanding principal of the loan plus accrued interest if, after exercising due diligence:

- A. the commissioner is unable to collect a loan payment from a borrower or cosigner; and
- B. the loan is at least 120 days past due.

Subp. 2. **Bad-debt reserve.** A claim to the bad-debt reserve is filed according to this subpart.

A. The commissioner must file a claim for death of the borrower upon confirming the borrower's death.

B. If the borrower becomes totally and permanently disabled, the commissioner must file a claim upon receiving a certification under part 4850.0027, subpart 2. The borrower's and cosigner's obligation to make any further payment of principal and interest on a SELF Loan is canceled as of the date that the office receives and approves a certification under part 4850.0027, subpart 2.

C. If a borrower or cosigner or both are adjudicated bankrupt and have liability for the SELF Loan discharged, any party not adjudicated bankrupt remains liable for unpaid principal and interest.

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

History: *10 SR 1852; 15 SR 1780; 20 SR 2214; L 2001 1Sp9 art 15 s 32; 32 SR 2268; L 2013 c 99 art 2 s 29; 46 SR 542*

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