

136A.1701 SUPPLEMENTAL AND ADDITIONAL LOANS.

Subdivision 1. **Establishment of program.** The Minnesota Office of Higher Education may provide for programs of loans which may be made in lieu of or in addition to loans authorized under sections 136A.15 to 136A.1702 and applicable provisions of federal law as provided in this section.

Subd. 2. **Purpose of program.** The purpose of the loan programs under this section is to provide financial assistance for the postsecondary education of students who are eligible students whether or not such students qualify for a loan or loans under other provisions of sections 136A.15 to 136A.1702.

Loans granted to students may be used solely for educational purposes.

Subd. 3. **Compliance with Civil Rights Act.** The student loan programs shall be administered in compliance with title VI of the Civil Rights Act of 1964.

Subd. 4. **Terms and conditions of loans.** (a) The office may loan money upon such terms and conditions as the office may prescribe. The principal amount of a loan to an undergraduate student for a single academic year shall not exceed \$6,000 for grade levels 1 and 2 effective July 1, 2006, through June 30, 2007. Effective July 1, 2007, the principal amount of a loan for grade levels 1 and 2 shall not exceed \$7,500. The principal amount of a loan for grade levels 3, 4, and 5 shall not exceed \$7,500 effective July 1, 2006. The aggregate principal amount of all loans made under this section to an undergraduate student shall not exceed \$34,500 through June 30, 2007, and \$37,500 after June 30, 2007. The principal amount of a loan to a graduate student for a single academic year shall not exceed \$9,000. The aggregate principal amount of all loans made under this section to a student as an undergraduate and graduate student shall not exceed \$52,500 through June 30, 2007, and \$55,500 after June 30, 2007. The amount of the loan may not exceed the cost of attendance less all other financial aid, including PLUS loans or other similar parent loans borrowed on the student's behalf. The cumulative SELF loan debt must not exceed the borrowing maximums in paragraph (b).

(b) The cumulative undergraduate borrowing maximums for SELF loans are:

(1) effective July 1, 2006, through June 30, 2007:

(i) grade level 1, \$6,000;

(ii) grade level 2, \$12,000;

(iii) grade level 3, \$19,500;

(iv) grade level 4, \$27,000; and

(v) grade level 5, \$34,500; and

(2) effective July 1, 2007:

(i) grade level 1, \$7,500;

(ii) grade level 2, \$15,000;

(iii) grade level 3, \$22,500;

(iv) grade level 4, \$30,000; and

(v) grade level 5, \$37,500.

Subd. 5. Maximum loans for students. Loans made under this section or sections 136A.15 to 136A.1702 to an individual eligible student for vocational study may be made for a maximum of three academic years or their equivalent and loans made to any other individual eligible student may be made for a maximum of eight academic years or their equivalent.

Subd. 6. Rate of interest. The office shall determine the rate of interest to be charged on loans. The rate of interest on student loans however computed, shall not be subject to any provision of state law limiting the rate of interest to be charged for a loan of money.

Subd. 7. Repayment of loans. (a) The office shall establish repayment procedures for loans made under this section, but in no event shall the period of permitted repayment for SELF II or SELF III loans exceed ten years from the eligible student's termination of the student's postsecondary academic or vocational program, or 15 years from the date of the student's first loan under this section, whichever is less.

(b) For SELF loans from phases after SELF III, eligible students with aggregate principal loan balances from all SELF phases that are less than \$18,750 shall have a repayment period not exceeding ten years from the eligible student's graduation or termination date. For SELF loans from phases after SELF III, eligible students with aggregate principal loan balances from all SELF phases of \$18,750 or greater shall have a repayment period not exceeding 15 years from the eligible student's graduation or termination date. For SELF loans from phases after SELF III, the loans shall enter repayment no later than seven years after the first disbursement date on the loan.

Subd. 8. Office powers. The office may take, hold, and administer for any of its purposes, real or personal property and money, or any interest therein, and the income therefrom, either absolutely or in trust, for any purposes of the office. The office may acquire real or personal property or money for its purposes by purchase or lease and by gift, grant, bequest, devise, or loan, and may enter into contracts with profit or nonprofit corporations or institutions with the same or similar purposes as will benefit and improve the operation of the office and its loan programs.

Subd. 9. **Variable repayment schedules.** The office may establish variable loan repayment schedules consistent with the need and anticipated income streams of borrowers.

Subd. 9a. **Appeals.** The office shall develop an appeals process for recipients of loans made under this section who believe there is an unresolved error in the servicing of the loan. The office shall provide recipients with a description of the appeals process.

Subd. 10. **Prohibition on use of state money.** No money originating from state sources in the state treasury shall be made available for student loans under this section and all student loans shall be made from money originating from nonstate sources.

Subd. 11. **Data.** (a) An eligible institution must provide to the office data on student enrollment and federal and state financial aid.

(b) An institution or its agent must provide to the office aggregate and distributional financial or other data as determined by the director that is directly related to the responsibilities of the office under this chapter and chapter 141. The director may only request aggregate and distributional data after establishing and consulting with a data advisory task force to determine the need, content, and detail of the information. Data provided by nonpublic institutions under this paragraph is considered nonpublic data under chapter 13.

Subd. 12. **Eligible student.** "Eligible student" means a student who is a Minnesota resident who is enrolled or accepted for enrollment at an eligible institution in Minnesota or in another state or province. Non-Minnesota residents are eligible students if they are enrolled or accepted for enrollment in a minimum of one course of at least 30 days in length during the academic year that requires physical attendance at an eligible institution located in Minnesota. Non-Minnesota resident students enrolled exclusively during the academic year in correspondence courses or courses offered over the Internet are not eligible students. Non-Minnesota resident students not physically attending classes in Minnesota due to enrollment in a study abroad program for 12 months or less are eligible students. Non-Minnesota residents enrolled in study abroad programs exceeding 12 months are not eligible students. For purposes of this section, an "eligible student" must also meet the eligibility requirements of section 136A.15, subdivision 8.

History: 1983 c 258 s 49; 1986 c 444; 1989 c 293 s 44-46; 1Sp1993 c 2 art 2 s 15,16; 1995 c 212 art 3 s 59; 2005 c 107 art 2 s 25,26,60; 2006 c 282 art 8 s 5,6