

AGENDA ITEM 13.

ADOPTED RULES

Submitted for: Action

Summary: This item reports on the agency's proposed rules for the Veterans' Home Nurse Loan Repayment Program passed during the last legislative session and signed into law this summer, effective for the 2008 Fiscal Year. Text of the emergency and proposed rules was published in the **Illinois Register** on September 28, 2007. The proposed rules were previously presented to the Commission as an action item at its November 16, 2007 meeting.

Initial publication of the proposed rules triggered a 45-day public comment period that ended on November 11, 2007. No letters of comment were received during the public comment period. At its November 16, 2007 meeting, the Commission accepted the proposed rules, following which the Executive Director authorized staff to initiate the second 45-day review period by submitting the proposed rules to the Joint Committee on Administrative Rules (JCAR), the legislative support services agency responsible for reviewing all rulemaking action of state agencies. JCAR voted "no objection" to the proposed rules at its December 11, 2007 meeting.

The anticipated effective date of these rules will be February 1, 2008. The full text of the adopted rules is presented with this item.

Following approval and adoption of these rules by the Commission, the Executive Director will authorize staff to submit them to the Administrative Code Division of the Secretary of State for publication as final adopted rules. Once adopted, they will be communicated to ISAC's clients through publication in the **Illinois Register** and various client communications, as well as being posted to ISAC's Web site.

Action requested: That the Commission approve the following resolution:

"BE IT RESOLVED that the Commission approves and adopts the rules for the Veterans' Home Nurse Loan Repayment Program so they can be effective prior to expiration of the emergency rules."

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TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2757

VETERANS' HOME NURSE LOAN REPAYMENT PROGRAM

Section

2757.10 Summary and Purpose

2757.20 Applicant Eligibility

2757.30 Program Procedures

AUTHORITY: Implementing the Veterans' Home Nurses' Loan Repayment Act [110 ILCS 972] and authorized by Sections 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

SOURCE: Emergency rules adopted at 31 Ill. Reg. 13449, effective September 24, 2007 for a maximum of 150 days; amended at 31 Ill. Reg. _____, effective _____ .

Section 2757.10 Summary and Purpose

- a) The Veterans' Home Nurse Loan Repayment Program is intended to pay eligible educational loans as an incentive for nurses to pursue and continue their careers at State of Illinois Veterans' Homes.
- b) This Part governs the Veterans' Home Nurse Loan Repayment Program. Additional rules and definitions are contained in General Provisions (23 Ill. Adm. Code 2700).

Section 2757.20 Applicant Eligibility

- a) A qualified applicant shall be:
 - 1) a resident of Illinois;
 - 2) a United States citizen or eligible noncitizen;
 - 3) an individual who, for each year during which a grant is received, fulfills a separate 12 month period as a registered professional nurse or licensed practical nurse in a State of Illinois Veterans' Home;

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- 4) a borrower with an outstanding balance due on an eligible educational loan;
- 5) an individual who is not in default on a federally guaranteed educational loan and does not owe a refund on a grant or scholarship program administered by ISAC;
- 6) a nurse who meets licensing requirements of the Department of Financial and Professional Regulation; and
- 7) a nurse who has completed the prescribed employment probationary period and whose employment is in good standing as determined by the Department of Veterans' Affairs.

Section 2757.30 Program Procedures

- a) Eligible educational loans include:
 - 1) Stafford Loans;
 - 2) Graduate PLUS Loans;
 - 3) consolidation loans;
 - 4) nursing student loans;
 - 5) Supplemental Loans for Students;
 - 6) alternative loans; and
 - 7) other types of government and institutional loans used for nursing education expenses.
- b) Non-eligible loans include:
 - 1) credit card payments;
 - 2) Parent PLUS Loans;

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- 3) loans that have been paid in full;
 - 4) loans not governed by State or federal regulations obtained for the purpose of lending from private institutions or family members;
 - 5) any portion of a consolidated loan that cannot be directly attributed to the applicant; and
 - 6) any student loans that can be forgiven by a state or federal agency or a lending institution through a comparable educational debt repayment or forgiveness program.
- c) All applicants annually must complete an ISAC application for the loan repayment program.
- 1) Applications are available at all State of Illinois Veterans' Homes, ISAC's web site, and ISAC's Springfield, Deerfield and Chicago offices.
 - 2) If the application is incomplete, ISAC will notify the applicant, who will have an opportunity to furnish the missing information. The application will only be considered for processing as of the date the application is complete and received at ISAC's Deerfield office.
 - 3) Renewal applicants may be required to submit a history of prior awards in order to show program proceeds were used for eligible educational loans.
- d) Grant assistance under this program may be received for up to 4 years.
- e) ISAC shall select the recipients from among those who have submitted complete applications, including qualified new applicants and those who filed timely renewal applications and have supplied information required in subsection (c).
- f) The total number of grants awarded in a given fiscal year is contingent upon available funding. If funding is insufficient to pay all eligible applicants, awarding will be based on the date the completed application is received in ISAC's Deerfield office. Preference may be given to renewal applicants provided that the recipient continues to meet the eligibility requirements.
- g) The amount repaid by ISAC to the loan holder shall be no more than the borrower's remaining balance on eligible educational loans and shall not exceed \$5,000 per

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year.

- h) Proceeds will be remitted directly to the holder of the loans to be repaid.
- i) The recipient and loan holder shall submit information for eligible educational loans in sufficient time for ISAC to make payments for each year in which the funds are awarded.
- j) If the loan holder receives an overpayment, the loan holder shall return the amount of the overage to ISAC. A supplemental request must be made by the recipient and processed by ISAC for any funds to be paid to another holder.
- k) When multiple loans are held by a single lending institution, the loan holder shall distribute the payment to one loan until paid in full.
- l) When possible, all loans held at a single lending institution shall be paid in full before monies are distributed to another loan holder.