

AGENDA ITEM 6A.

PEREMPTORY RULES AMENDMENTS

Submitted for: Information

Summary: This item reports on action taken in response to the passage of the federal FAFSA Simplification Act on December 27, 2020, effective for the 2023-24 academic year. On June 17, 2021, the U.S. Department of Education published a *Federal Register* that served as notice of early implementation of one of the changes from the Act - the removal of the requirement for Selective Service registration for federal student aid eligibility. The *Federal Register* established an implementation date of August 16, 2021. Due to the removal of the requirement that mandated male students must register with Selective Service before the age of 26 to be eligible for federal student aid, by extension, ISAC can no longer deny student aid based on non-compliance with Title 34 of the Code of Federal Regulations, Part 668.37.

Accordingly, peremptory rules amendments – rules implementing federal regulations and other legal measures that specify exactly how they must be enforced and do not allow the agency any discretion – were filed with the Secretary of State office to take effect on August 16, 2021. Peremptory rules amendments must be filed within 30 days after the action they implement and take effect immediately. They do not require public comment since they are dictated by an outside authority and cannot be changed. The Joint Committee on Administrative Rules (JCAR) reviews peremptory rules only to insure they meet Illinois Administrative Procedure Act (IAPA) criteria.

As of the writing of this item, it is expected that text of the peremptory rules amendments will be published in the August 27, 2021 *Illinois Register*. The full text of the peremptory rules amendments and Notice are included in this item. The Notice that precedes the Part contains a description of the subject and issue involved in the rulemaking process.

Action requested: None

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

<u>Section Numbers:</u>	<u>Peremptory Actions:</u>
2700.20	Amendment
2700.40	Amendment
- 4) Reference to the Specific State or Federal Court Order, Federal Rule or Statute Which Requires this Peremptory Rulemaking:

The U.S. Department of Education (ED) effectively repealed 34 CFR §668.37, effective August 16, 2021, which requires male students to register with Selective Service before the age of 26 to be eligible for federal student aid under Title IV of the Higher Education Act of 1965. Therefore, effective August 16, 2021, ISAC can no longer deny student aid based upon non-compliance with 34 CFR §668.37.

- 5) 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.
- 6) Effective Date: August 16, 2021
- 7) A Complete Description of the Subjects and Issues involved: Prior to this amendment, completing a Free Application for Federal Student Aid (FAFSA) was an issue for transgender students who did not want to identify their gender at birth. Now, applicants, including transgender students, who do not answer the gender question and/or do not register for Selective Service will be eligible for both state and federal student aid. This amendment not only removes the requirement to answer a question from the federal application that created discomfort for transgender applicants, it also results in providing student aid to more individuals.
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Date Filed with the Index Department:
- 10) A copy of the peremptory rule, including any material incorporated by reference, is on file in the agency's principal office and is available for public inspection.

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- 11) This rulemaking is in compliance with Section 5-50 of the Illinois Administrative Procedure Act.
- 12) Are there any proposed rulemakings pending on this Part? No
- 13) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate.
- 14) Information and questions regarding this preemptory rule shall be directed to:

Jackie Eckley, Agency Rules Coordinator
Illinois Student Assistance Commission
500 West Monroe, 3rd floor
Springfield, IL 62704

217.782.5161
jackie.eckley@illinois.gov

The full text of the preemptory amendments begins on the next page:

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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 Information
2700.60	Audits and Investigations
2700.70	Appeal Procedures
2700.80	Contractual and Consortium 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.

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. 9742, effective July 1, 2009; amended at

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34 Ill. Reg. 8543, effective July 1, 2010; amended at 37 Ill. Reg. 9497, effective July 1, 2013; amended at 38 Ill. Reg. 13356, effective July 1, 2014; amended at 39 Ill. Reg. 8390, effective July 1, 2015; amended at 40 Ill. Reg. 1963, effective January 7, 2016; amended at 43 Ill. Reg. 7269, effective July 1, 2019; amended at 43 Ill. Reg. 15003, effective January 1, 2020; amended at 44 Ill. Reg. 20164, effective January 1, 2021; amended at 45 Ill. Reg. 8430, effective July 1, 2021; preemptory amendment at 45 Ill. Reg. _____, effective August 16, 2021.

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 12 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 Application for Illinois Financial Aid" or "Alternative Application" – The FAFSA substitute application for State student aid and benefits under the Retention of Illinois Students and Equity (RISE) Act that may be used only as an alternative to the FAFSA, when appropriate, and shall be substituted accordingly for the FAFSA when FAFSA is referenced in ISAC rules. This application is appropriate for use by an applicant *who is an Illinois resident and who is not otherwise eligible for federal financial aid, including, but not limited to, a transgender applicant who is disqualified for failure to register for Selective Service or* an eligible *noncitizen* applicant as defined in this Section.

"Alternative Application for Illinois Financial Aid Receipt Date" – The date upon which ISAC receives an applicant's initial Alternative Application for an academic year. For a paper Alternative Application sent through the U.S. Postal Service, the receipt date will be the postmark date.

"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.

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"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.)

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

"Commission" – The 10 member Illinois Student Assistance Commission created by Section 15 of the Higher Education Student Assistance Act [110 ILCS 947].

"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.

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The "Compound Accreted Value at Maturity" will be equal to \$5000 or an integral multiple thereof.

"Concurrent Registration" – The simultaneous enrollment at 2 or more higher education 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.

"Consortium Agreement" – The written agreement between two or more ISAC-eligible institutions whereby the host institution provides part of the education program of students enrolled at the home institution, as codified in Section 2700.80.

"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 serving as the host institution provides part of the education program of students enrolled at the ISAC-eligible home institution, as codified in Section 2700.80.

"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 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 HEA (20 USC 1087*ll*).

"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

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purposes.

"Default Status" – The failure of a borrower or endorser (if any) 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.

"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 HEA (20 USC 1091); or a noncitizen or person who is not a permanent resident of the United States, who does not meet the eligibility criteria for federal student assistance pursuant to section 484 of the HEA but who meets all of the following criteria:

the individual resided with a parent or guardian while attending a public or

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private high school in this State;

the individual graduated from a public or private high school or received the equivalent of a high school diploma in this State;

the individual attended school in this State for at least 3 years as of the date the individual graduated from high school or received the equivalent of a high school diploma in this State;

the individual provides an affidavit stating that the individual will file an application to become a permanent resident of the United States at the earliest opportunity the individual is eligible to do so; and

the individual has not established a residence outside of this State.

"Endorser" – A person fitting the definitions found at 34 CFR 682.200 or 34 CFR 685.102(b) who is secondarily liable for the repayment of a federal student loan.

"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 as defined at section 474 of the HEA (20 USC 1087nn) is used to determine a student's eligibility for need based programs administered by ISAC.

"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

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authorized by section 421 of the HEA, including subsidized and unsubsidized Federal Stafford Loans, Federal PLUS Loans, 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 5 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 12 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(b).

"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.

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"Half-time Student" – In relation to scholarship and grant programs, an individual enrolled for 6 or more credit hours (but fewer than 12 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(b).

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

"High School Equivalency Certificate" – A certificate received after successfully completing a high school equivalency examination as defined in Section 3-15.12 of the School Code [105 ILCS 5].

"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.

"Home Institution" – The institution of higher learning where the student is enrolled in a degree or certificate program and is the institution of record in a consortium or contractual agreement.

"Host Institution" – The institution where part of a student's program requirements is being taken through either a consortium or contractual agreement with a home institution.

"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, this term is defined at 34 CFR 668.2(b).

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

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

provides at least a 2-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;

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 3 years under the Academic Degree Act;

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.

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"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] 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, 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 Section 35 of the Higher Education Student Assistance Act 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(b).

"Pell Grant" – A federal gift assistance program administered by ED in accordance with section 401 of the HEA (20 USC 1070a et seq).

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

"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 the applicant is applying.

"Regular School Year" – An 8 to 9 month period of time that includes 2 semester terms or 3 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 FAFSA or the Alternative Application for Illinois Financial Aid, physically resides within the State of Illinois, and Illinois is the parent's 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 their true, fixed and permanent home.

When an applicant does not qualify as a resident of Illinois under the preceding 2 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

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with the following:

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 6 months after and including the date of separation and can demonstrate (pursuant to Section 2700.50(f) and (g)) that the applicant's 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 6 continuous months immediately prior to entering missionary service, returned (or plans to return) to Illinois within 6 months after the conclusion of missionary service, and can demonstrate (pursuant to Section 2700.50(f) and (g)) that the applicant's domicile was the State of Illinois throughout the 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 2 paragraphs.

The spouse-applicant shall be a resident of Illinois immediately upon physically occupying a dwelling within the State of Illinois provided it can be demonstrated that the applicant's 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 HEA (20 USC 1091).

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"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 HEA (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. 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 HEA (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 4 semesters/6 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

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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 subpart E of 34 CFR 668 and by ISAC's rules.

(Source: Peremptory Amendment at 45 Ill. Reg. _____, effective August 16, 2021)

Section 2700.40 General Applicant Eligibility Requirements

- a) Except as otherwise provided by this subsection, an applicant with a defaulted loan made pursuant to Title IV of the Higher Education Act is not eligible for benefits under ISAC-administered programs.
 - 1) Eligibility for federally-guaranteed loans may be reinstated in accordance with federal regulations and the following provisions:
 - A) Eligibility for federally-guaranteed loans will be reinstated when:
 - i) the debt has been paid in full;
 - ii) the borrower has made a "satisfactory repayment arrangement," in accordance with 34 CFR 682.200;
 - iii) the borrower's prior defaulted loan has been rehabilitated, in accordance with 34 CFR 682.405; or
 - iv) the borrower has made payments on a defaulted loan to consolidate that loan in accordance with 34 CFR 682.201.
 - B) Borrowers are eligible to use subsections (a)(1)(A)(ii) and (iii) only one time.
 - C) Eligibility for ISAC-administered gift assistance will be reinstated for current and future terms when the applicant has maintained a satisfactory repayment record for at least 6 consecutive months or has met the requirements of subsection (a)(1)(A). Factors to be considered by ISAC in evaluating the repayment record include: the

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amount of the debt, the amount of the payments received by ISAC, the employment status of the applicant, and the frequency of the applicant's contact with ISAC.

- 2) A qualified applicant for Illinois Veteran Grant (IVG) assistance (23 Ill. Adm. Code 2733) shall be permitted one term of assistance during which a satisfactory repayment record, as defined by subsection (a)(1)(C), must be established. If such a repayment record is not established, additional assistance shall be denied until a satisfactory repayment record is established.
- b) No applicant shall receive ISAC-administered assistance if the applicant owes a refund for any ISAC-administered gift assistance, a Federal Pell Grant, or a Federal Supplemental Educational Opportunity Grant (FSEOG) (20 USC 1070(b)).
- c) An applicant shall, upon request, provide documentation to establish and verify eligibility. (See Section 2700.50.) Failure to supply adequate documentation will result in the denial of student assistance benefits.
- d) An applicant who has received financial assistance based on fraudulent data shall be denied ISAC-administered assistance until full restitution has been made to ISAC for any fraudulently-obtained funds, and may also be subject to prosecution by the Illinois Attorney General, United States Department of Justice and/or an Illinois State's Attorney.
- e) Applicants with a Social Security Number (SSN) must submit it at the time of applying.
- f) Recipients who cease to be residents of Illinois after notification of eligibility may complete the academic year with the assistance awarded.
- g) Unless otherwise provided, benefits under gift assistance programs are subject to the limits of dollars appropriated to ISAC by the Illinois General Assembly and approved by the Governor.
- h) When gift assistance eligibility is limited to a specified number of term payments, the eligibility cap is calculated in accordance with this subsection.
- 1) For each semester term of full-time payment benefits, the recipient is

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assessed 6 eligibility units. For each quarter term of full-time payment benefits, the recipient is assessed 4 eligibility units.

- 2) For each semester term of half-time payment benefits, the recipient is assessed 3 eligibility units. For each quarter term of half-time payment benefits, the recipient is assessed 2 eligibility units.
- 3) For each semester or quarter term of less than half-time payment benefits, the recipient is assessed one eligibility unit.
- 4) Sixty eligibility units are the equivalent of payments for 10 semesters/15 quarters of full-time benefits.
- 5) Forty-eight eligibility units are the equivalent of payments for 8 semesters/12 quarters of full-time benefits.

~~i) An applicant shall comply with Selective Service registration requirements (see 34 CFR 668.37 et seq.) unless contrary to State law (see 110 ILCS 986/15(a)).~~

~~ii) Except for grants pursuant to 23 Ill. Adm. Code 2730 (Illinois National Guard Grant Program) (ING Grant) and 23 Ill. Adm. Code 2733 (Illinois Veteran Grant Program) (IVG Grant), an applicant must be maintaining satisfactory academic progress in accordance with the institution's policy.~~

~~iii) Except for ING and IVG Grants, ISAC gift assistance benefits for courses utilizing distance education are limited to students enrolled in eligible degree or certificate programs that are defined as eligible to receive Title IV, HEA program funds. (See 34 CFR 668.38.)~~

~~iv) Except for ING and IVG Grants, students enrolled in academic programs while incarcerated are ineligible for ISAC gift assistance benefits.~~

~~v) For the purpose of determining the timeliness of an individual's application, the postmark date of an application submitted electronically shall be the date on which ISAC receives that individual's submission of complete application data.~~

(Source: Peremptory Amendment at 45 Ill. Reg. _____, effective August 16, 2021)