**Section 60.100 Loans; Waiver or Deferral of Repayment**

Any candidate in a program administered under this Part may receive a forgivable loan for direct expenses associated with completion of the teacher preparation program, provided those expenditures are not otherwise paid for through grants-in-aid, other forgivable loans, or other resources of the consortium. Any amount expended for an individual's direct expenses shall be considered a part of that individual's loan, regardless of how the payment is administered and regardless of whether the individual receives any actual payment of funds. The total amount of any candidate's loan shall not exceed $25,000.

a) Pursuant to Section 25 of the Act, loan funds provided to candidates as part of *this program shall be fully forgiven if a graduate completes five years of service in hard-to-staff schools or hard-to-staff teaching positions, with partial forgiveness for shorter periods of service.* Forgiveness and repayment of loans shall be determined as provided in this Section.

b) An individual may accrue the service required for forgiveness of loans under this Part in one or more eligible schools or positions.

c) If an individual has not assumed employment in an eligible school or position within two years after receiving a teaching certificate, the individual shall be required to begin the repayment of amounts loaned under this Part. No interest shall apply. An individual who drops out of the program shall be required to begin repaying the amounts loaned in the month following the month when it becomes evident that he or she will not be completing any of the program's requirements for two consecutive semesters.

d) If an individual has not completed five years of service within 10 years after receiving a teaching certificate, the individual shall be required to begin the repayment of amounts loaned under this Part. The amount due shall be the total amount borrowed, less a percentage reflecting the relationship that any time taught by the individual in eligible schools or positions bears to the total five-year commitment. Loan amounts shall be reduced in increments of 10 percent for each semester completed.

e) Repayment of loans shall be made in no more than 60 equal installments. The minimum monthly payment will be determined by dividing the total amount due by 60. An individual may prepay the balance due on the loan in its entirety at any time or make payments in addition to the minimum amount owed each month without penalty.

f) In addition to the loan forgiveness permitted under Section 25 of the Act, the State Superintendent may defer or waive an individual's obligation to repay an amount due as provided in this subsection (f).

1) The State Superintendent shall waive the repayment obligation for an individual who is counseled out of a preparation program or found ineligible to continue, provided that the individual's exit from the program is not due to a violation of law or of applicable institutional policies.

2) The State Superintendent shall waive the repayment obligation for an individual who drops out of a preparation program or demonstrates that he or she is unable to complete a portion of the required teaching service due to:

A) the onset or exacerbation of a disability;

B) the need to care for an immediate family member during serious illness or disability;

C) destruction of the individual's residence; or

D) other circumstances that require the individual to assume responsibilities that cannot be avoided without serious financial hardship or other family disruption (e.g., death of a spouse that results in the need to take a second job or assume operation of a business).

3) The State Superintendent shall waive the repayment obligation for a candidate who does not complete a preparation program due to the unavailability of a State appropriation for this initiative for at least two consecutive years.

4) The State Superintendent shall defer the repayment obligation for a period of time specifically related to the circumstances when an individual:

A) is unemployed or is working for fewer than 30 hours per week;

B) is experiencing a financial hardship (e.g., receiving public assistance, earning an amount per month that is no greater than 200 percent of the amount of the loan payment, or experiencing circumstances such as those outlined in subsection (f)(2) of this Section); or

C) has re-enrolled as a full-time student in an institution of higher education or in a program under this Part.

5) Each request for a waiver or deferral of repayment shall be submitted in a format specified by the State Superintendent. The affected individual shall describe the specific circumstances that apply. This description shall be accompanied by evidence such as a physician's statement, insurance claim, or other documentation of the relevant facts.

g) When a teaching certificate is issued to an individual who received assistance under this Part, the certificate shall be accompanied by:

1) a statement indicating the total amount of the loan received by the individual and identifying the dates applicable to repayment under this Section; and

2) a claim form that the individual may use to claim forgiveness of the loan amount, which shall require the individual to identify the periods of service completed in eligible schools or positions and the school administrators who can verify the individual's service.

h) Management of Loans

1) It shall be the responsibility of each four-year institution of higher education, and of any two-year institution that participates in a consortium, to assist the State Board of Education with the forgivable loan process in the following manner:

A) by keeping records of the amounts provided to or on behalf of each individual for direct expenses;

B) by keeping up-to-date contact information regarding the address and telephone number of each individual during the individual's preparation at that institution; and

C) by notifying the State Superintendent within 30 days after a candidate fails to enroll in coursework as expected or otherwise ceases to participate in the program and informing the State Superintendent of the total amount of the candidate's loan for direct expenses as of that point in time.

2) When a candidate leaves a two-year institution and enters a four-year institution to continue in a program under this Part, the two-year institution shall inform both the State Superintendent and the four-year institution of the total amount of the candidate's loan for direct expenses as of that point in time. Each two-year institution shall ensure that the affected four-year institution continues to receive any information that subsequently affects the amount of a candidate's loan.

3) Each institution shall notify the State Superintendent as to who will be responsible for this information and shall provide contact information for the responsible individual within the institution.

i) It shall be the responsibility of the State Superintendent to take such actions as may be necessary to secure repayment when necessary.

(Source: Amended at 32 Ill. Reg. 8761, effective May 27, 2008)