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### C. STUDENT FINANCIAL AID

#### 4-322 Student Financial Aid – State Supported Financial Aid Programs

##### A. Loan Forgiveness Program for Teachers of the Deaf or Blind

##### 1. Authorization

Laws 1990, CH. 340 §3 provides that the Board of Regents shall require the University of Arizona to establish a loan forgiveness program to encourage graduate students to prepare for positions as teachers of children who are deaf or blind and seek employment in a state school or in local school districts in the state.

##### 2. Type of Program

This program will provide loan funds to eligible graduate students at the University of Arizona in the Division of Special Education and Rehabilitation through the following conditions:

- a. Eligible recipients will be awarded loans up to \$5,000 per year upon written agreement to teach one year for each award in a state school or school district in this state with children who are deaf or blind. After graduation or completion of an approved course of study the recipient must provide verifiable evidence to the University of Arizona student loan collection office of employment as a full-time teacher in a local school district or a state school for the purpose of teaching children who are deaf or blind. Recipients who satisfy their teaching obligation as specific in the promissory note shall have their loan forgiven. Recipients who do not satisfy their obligation will repay the unsatisfied portion of their loan with interest.

- b. Eligibility criteria

To be eligible to apply for an award the student must be admitted to or enrolled full-time (minimum 9 units per semester of the academic year) as a classified graduate

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student in the College of Education, Division of Special Education and Rehabilitation at the University of Arizona.

c. Selection of recipient

Each year the Director, Division of Special Education and Rehabilitation, College of Education, University of Arizona, shall appoint a selection committee comprised of, but not limited to, the Coordinators of Teacher Preparation Programs in Deafness and Blindness and the Assistant Dean for Academic Services in the College to prepare and evaluate applications and select students to receive the awards. The committee members shall develop applications and adopt such selection criteria as academic excellence, character references, membership in an underrepresented population group and other factors that may be relevant to the needs of the state and the school districts. The University of Arizona is authorized to make the awards with priority for Fall-Spring enrollees. Summer session awards will be made on a fund-available basis (with a requirement to enroll for 6 units in at least one summer session).

d. Maximum awards

The maximum loan award for one calendar year shall be \$5,000 (beginning with the Fall semester). An individual recipient may receive a lifetime maximum totaling no more than \$10,000. Each award of \$5,000 or a portion thereof will carry a teaching obligation of one year not to exceed a two-year obligation in an eligible school.

3. Conditions of Repayment

- a. Prior to receipt of any loan award, a recipient shall be required to enter into a written contract with the University of Arizona. The contract shall set forth the methods and terms of repayment of the funds in the event that the recipient does not satisfy the agreed upon teaching obligation. The contract (promissory note) shall provide that:

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- (1) Recipients will have a grace period of 12 months after graduation, or completion of an approved course of study leading to a teaching credential, to sign a teaching contract in a state school or local school district in Arizona.
  - (2) If the recipient has not been able to secure employment in a state school or local school district, the repayment shall begin at the end of the 12 month grace period.
  - (3) If the recipient does not maintain full-time student status, fails to maintain satisfactory progress as judged by the selection committee, or leaves the College of Education, repayment shall begin no later than 6 months after the change is made.
- b. The university shall provide to each person in repayment an amortization schedule. The interest rate shall be 8% per annum and the repayment duration shall be no more than 10 years. The interest rate in effect when the recipient signs the contract will remain constant during the repayment period.
4. Deferment of the teaching obligation
- The university loan collection office, upon written request of a recipient, may grant deferment of time for satisfying the teaching commitment if the recipient:
- a. Is temporarily totally disabled for a period not to exceed 3 years, as established by a sworn affidavit from a qualified physician, or
  - b. Is unable to secure employment for a period not to exceed 12 months by reason of the care required by a spouse who is disabled, or

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- c. Has special or unusual circumstances which prevent him or her from complying with the terms of the contract with the University of Arizona.

In each case, the recipient must provide complete and verifiable documentation to support the request.

5. Loan cancellation

The University of Arizona, upon the recommendation of the University of Arizona Loan Repayment Office, may cancel a loan made under this program if it determines that:

- a. The borrower is totally and permanently disabled. The University of Arizona Loan Repayment Office shall require a sworn and verified affidavit from a qualified physician, which supports the request.
- b. The borrower has died. The University of Arizona Loan Repayment Office shall require a certified copy of the death certificate.

B. Arizona Financial Aid Trust Fund (AFAT)

1. General

- a. In accordance with the provisions of A.R.S. §15-1642, the Arizona Board of Regents has established the Arizona Financial Aid Trust Fund (AFAT) composed of student enrollment surcharge fees and state appropriated funds. This trust fund shall be used to provide immediate aid to students with demonstrated financial need, including students who are underrepresented in the population of the University, or to students who, by virtue of their special circumstances, present unique need for financial aid, and to create an endowment for future financial aid. The surcharge fee shall apply to all university regular, summer school, and off-campus courses offered for credit, irrespective of whether the course is taken for credit or noncredit (audit) purposes.

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- b. The state operating budget request for the Arizona Financial Aid Trust Fund will be based upon the most recent actual student surcharge collections available at the time of state budget submissions to include a Fall, Spring and Summer session.
- c. Each dollar raised pursuant to the surcharge shall be matched by 2 dollars as appropriated by the Legislature. The total amount of monies received in the trust fund for a given year shall be the sum of surcharge fees collected plus matching funds appropriated for this purpose and any interest which may accrue on those funds.
- d. For any year the Legislature does not appropriate funds for this program, the Board shall waive the surcharge fee for that program year.

2. Student Surcharge Fee Collections

- a. The surcharge fee shall not exceed 1 percent of the resident undergraduate tuition for students who enroll for 7 or more semester hours, rounded to the nearest dollar. The surcharge fee for students who enroll for 6 or fewer semester hours will be half of that charged to students who enroll for 7 or more credit hours, rounded to the nearest dollar. The Board shall set this fee each year at the time tuition and fees are set.
- b. For summer sessions, the total amount of the fee for each individual student shall not exceed the amount of the fee for a full-time student.
- c. The fee amount shall be collected at the time of tuition payment and the amount shall be shown as a separate line item on student billings.
- d. The fee is refundable prior to the first day of classes. Starting with the first day of classes, no refunds will be made

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unless a special determination is made by the university to refund 100% of tuition and fees in special circumstances.

- e. The maximum fee for a student in any one semester is the amount of the surcharge fee for a full-time student. If a student, by virtue of registering for classes at multiple sites, pays more than this amount, he/she shall be eligible for a refund equal to the amount paid in excess of the full-time surcharge fee.
- f. A refund of the fee shall be made to a student who, by virtue of a class cancellation, has paid a fee in excess of that which should be owed.

3. Distribution of Trust Fund Monies

- a. 25% of the annual trust fund monies shall be placed in the permanent endowment and the remaining monies shall be used for immediate aid for students with verifiable financial need.
- b. Immediate aid funds shall be distributed to the universities on a pro rata basis based on the amount of student fees collected in the previous year.
- c. Trust fund monies must be used to supplement, not supplant, funds from other state or institutional financial aid sources.

4. Awards to Students

- a. Each university shall use its allocation of trust fund monies in a manner to best meet the specific needs of the student aid applicants on that campus.
- b. All awards must be directed to students who have demonstrated financial need or have been approved for an award by a university Financial Aid Officer because of unique financial circumstances.

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- c. Student financial aid trust monies shall only be used in accordance with plans approved by the Board.
- d. Priority for awards shall be given to undergraduate Arizona residents, to students from underrepresented populations, and to students with unique financial circumstances.

Students with unique financial circumstances include, but are not limited to, students who do not qualify for federal financial student aid programs but who have demonstrated financial need as determined by a professional university Financial Aid Officer, and students who may qualify for some federal assistance, but who have unusual financial needs that cannot be adequately met by federal or other student aid programs.

- e. No state appropriated funds may be used to fund awards to out-of-state students. Any award made to an out-of-state student will be paid from student fee dollars or monies derived from interest earnings available for immediate aid for that year.

5. Trust Fund Administration

- a. Each year, 75% of the interest earned on the endowment account shall be made available to the universities on a share basis for immediate aid and 25% shall become part of the permanent endowment fund.
- b. Investment and oversight of the fund accounts shall be provided under direction of each university's Investment Oversight Committee and/or external advisors. Each university shall also explore long-range options for investment of the permanent endowment fund in such a manner as to obtain the most favorable rate of return and income stability commensurate with safety of principal. The universities shall also report annually the AFAT statement of fund balances.