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**Georgia National Guard
Service Cancelable Educational Loan Program**

REGULATIONS

2009 – 2010 Award Year



Effective Date – July 1, 2009



**Georgia Student Finance Authority
2082 East Exchange Place
Tucker, Georgia 30084**

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I. GEORGIA NATIONAL GUARD SERVICE CANCELABLE EDUCATIONAL LOAN PROGRAM

A. GOALS OF THE PROGRAM

The Georgia National Guard Service Cancelable Educational Loan is established as an incentive for qualified young men and women to join the Georgia National Guard and to retain skilled, productive citizens within the state.

B. PROGRAM DEFINITIONS

“Academic Year” means a period of time, usually eight (8) or nine (9) months, during which a full-time student would normally be expected to complete the equivalent of two semesters, three quarters of instruction.

“Associate Degree” means a two-year college level Degree conferred on students by a postsecondary institution upon completion of a unified program of study in an academic discipline or major at the Undergraduate level. Associate Degrees typically require a student to earn at least 60 semester or 90 quarter hours of college Degree credit.

“Audit” means when a student Enrolls for and attends a course for personal development, with the understanding and agreement of his or her postsecondary institution that no credit hours or grade will be earned for that course.

“Authority” means the Georgia Student Finance Authority, the agency responsible for administering certain postsecondary educational student financial aid programs offered by the State of Georgia, and other programs for which funds may be appropriated or assigned to it by the State Legislature, or from other sources, from time to time.

“Award Year” means four consecutive quarters or three consecutive semesters, beginning with the summer term and ending with the spring term.

“Award-Year Reconciliation” means a final student-by-student reconciliation for an Award-Year conducted by Eligible Postsecondary Institutions with the Authority, immediately following the completion of an Award Year.

“Baccalaureate Degree” means a four-year college level Degree conferred on students by a postsecondary institution upon completion of a unified program of study in an academic discipline or major at the Undergraduate level. Baccalaureate (Bachelor’s) Degrees typically require a student to earn at least 120 semester or 180 quarter hours of college Degree credit.

“Certificate” means a credential indicating satisfactory completion of training in a technical program of study offered by a postsecondary educational institution, which is not an Associate or Baccalaureate Degree.

“Continuing Education” means postsecondary level courses designed for personal development, or an extension of the traditional on-campus learning process, and does not lead to credit toward a postsecondary Certificate, Diploma, or Degree.

“Degree” means a two-year Associate Degree or four-year Baccalaureate Degree conferred on students by a college or university upon completion of a unified program of study at the Undergraduate level.

“Diploma” means a credential indicating satisfactory completion of training in a technical program of study offered by a postsecondary institution, which is not an Associate or Baccalaureate Degree.

“Eligible Non-Citizen” means a person who, in accordance with the Federal Title IV definition, is a United States permanent resident with a Permanent Resident Card (I-551); or a conditional permanent resident (I-551C); or the holder of an Arrival-Departure Record (I-94) from the Department of Homeland Security showing any one of the following designations: “Refugee”, “Asylum Granted”, “Parolee” (I-94 confirms paroled for a minimum of one year and status has not expired); or “Cuban-Haitian Entrant”. Victims of human trafficking, in accordance with the Victims of Trafficking and Violence Protection Act, may also be considered Eligible Non-Citizens. Persons with an F1 or F2 student visa, a J1 or J2 exchange visitor visa, or a G series visa do not meet the definition of an Eligible Non-Citizen.

“Eligible Postsecondary Institution” means: (1) a unit of the University System of Georgia; (2) a unit of the Technical College System of Georgia; (3) a private independent non-profit postsecondary institution located in Georgia that is eligible to participate in the Tuition Equalization Grant program, which is not a unit of the University System of Georgia, which is not a unit of the Technical College System of Georgia, which is not a graduate level school or college of theology or divinity, and which is accredited or holds candidate status for accreditation by the Southern Association of Colleges and Schools; (4) a private proprietary (for-profit) postsecondary institution located in Georgia that is eligible to participate in the Tuition Equalization Grant program, which is a Baccalaureate Degree granting postsecondary institution, which is accredited by a regional accrediting agency recognized by the United States Department of Education, which is not a Bible school or college (or, at the graduate level, a school or college of theology or divinity), which admits as regular students only persons who have a high school diploma, a General Education Development (GED) diploma, or a Degree from an accredited postsecondary institution, whose students are eligible to participate in the Federal Pell Grant program, which has

been reviewed and approved for operation and for receipt of Tuition Equalization Grant funds by the Georgia Nonpublic Postsecondary Education Commission, and which has been in existence for at least ten years. Once any Eligible Postsecondary Institution has been approved by the United States Department of Education for participation in the Federal Title IV Programs and then such approval is suspended or revoked by the United States Department of Education; such institution is ineligible to participate in Authority programs until approval for participation in Federal Title IV Programs has been restored by the United State Department of Education.

“Federal Title IV Programs” means the student financial aid programs administered by the United States Department of Education that are authorized by Title IV of the Higher Education Act of 1965.

“Full-Time” means enrollment for the equivalent of at least 12 quarter or 12 semester hours of postsecondary credit of a Matriculated student at an Eligible Postsecondary Institution.

“Half-Time” means a Matriculated student attending an Eligible Postsecondary Institution that is enrolled for the equivalent of at least 6 quarter or 6 semester credit hours, but not more than 11 quarter or 11 semester credit hours during a school term.

“HOPE” means Helping Outstanding Pupils Educationally, a State of Georgia student financial aid program that provides non-repayable scholarship and grant assistance to Georgia Residents attending Eligible Postsecondary Institutions in Georgia. The components that comprise HOPE are the HOPE Scholarship Program, HOPE Grant Program, and HOPE GED Grant Program. HOPE is authorized by the Official Code of Georgia Annotated § 20-3-519, funded by Georgia Lottery appropriations, and administered by the Commission in accordance with the *HOPE Scholarship Program Regulations, HOPE Grant Program Regulations, and HOPE GED Grant Program Regulations*.

“Matriculated” means a student is fully admitted and enrolled in an Eligible Postsecondary Institution in a unified academic program of study leading to Degree, Diploma, or Certificate.

“Resident of Georgia” means an individual or the status of such individual who is a United States citizen or Eligible Non-Citizen and is domiciled in the State of Georgia and meets the in-state tuition requirements of the governing body of the USG or TCSG Eligible Postsecondary Institution he or she attends, as specified and limited by these regulations, or for students attending private/independent Eligible Postsecondary Institutions, meets the criteria of the *Georgia Residency Requirements for State Programs Regulation*, as specified and limited by these regulations.

“Satisfactory Academic Progress” means the academic standards required of students by their postsecondary institutions in order to be eligible to receive payment from Federal Title IV Programs, in accordance with Federal Title IV Regulations. The standards must include a qualitative component, such as grades, and a quantitative component with a maximum time frame for completion of a student’s program of study (no longer than 150% of the length of the program).

“Technical College System of Georgia” or “TCSG” means the State of Georgia’s unified system of public technical colleges, formerly known as the Department of Technical and Adult Education (DTAE), which is governed by the Board of Commissioners of the Technical College System of Georgia.

“Transient” means a student is attending a Host Institution and is granted temporary admission for the purpose of completing course work and earning postsecondary credit to transfer back to his or her Home Institution toward a Degree, Diploma, or Certificate.

“Tuition” means the charges to a student for instruction without regard to other fees such as technology, activity, athletic, health, etc.

“Tuition Equalization Grant Program” or “TEG” means a State of Georgia student financial aid program that provides non-repayable grant assistance to Residents of Georgia who are Full-Time Undergraduate students attending private independent (nonprofit and proprietary) Eligible Postsecondary Institutions located in Georgia or college level juniors or seniors attending four-year public colleges or universities located outside the State of Georgia, but within 50 miles of Georgia’s borders. The TEG program is authorized by the Official Code of Georgia Annotated §20-3-410 and is funded by state appropriations.

“Undergraduate” means a student who is in attendance at an Eligible Postsecondary Institution and who is in the process of obtaining an Associate Degree, Baccalaureate Degree, Diploma, or Certificate.

“University System of Georgia” or “USG” means the State of Georgia’s unified system of public colleges and universities, which is governed by the Board of Regents.

“Withdrawal Date” means the date the student withdraws, as determined by the institution. The institution must determine the withdrawal date in accordance with the procedures set forth for determining withdrawal date under the Higher Education Act of 1965, as amended.

C. STUDENT ELIGIBILITY REQUIREMENTS

1. Be a Resident of Georgia, according to these regulations, for a minimum of 12 consecutive months immediately preceding the first day of classes of the school term for which a Georgia National Guard Service Cancelable Educational Loan is sought;
2. Be a United States citizen or Eligible Non-Citizen, according to Federal Title IV Program requirements, for a minimum of 12 consecutive months immediately preceding the first day of classes of the school term for which a Georgia National Guard Service Cancelable Educational Loan is sought;
3. Maintain good military standing as an eligible member of the Georgia National Guard;
4. Be enrolled as, at least, a Half-Time student in a Matriculated status seeking an Undergraduate Degree;
5. Be attending an Eligible Postsecondary Institution within Georgia;
6. Maintain Satisfactory Academic Progress, as required by Federal Title IV Programs;
7. Maintain at least a "C" average in all course work completed during the school term in which the loan is received;
8. Has not received a Baccalaureate Degree;
9. Does not owe a refund on any Federal Title IV Programs;
10. A student must not be in default on a Federal Title IV or State of Georgia educational loan, nor owe a refund on a Federal Title IV or State of Georgia student financial aid program, nor in any other way be in violation of Federal Title IV Regulations or State of Georgia student financial aid program regulations. If such student has repaid the defaulted loan or refund due in full, or resolved the default status, then he or she may be eligible to receive HOPE Scholarship funds beginning with the school term in which repayment was made in full, but not retroactively for previous school terms. A student's default status can be resolved by one of three ways: 1) complete an acceptable rehabilitation plan, 2) having the loan repurchased by the original lender and the default status reversed, or 3) consolidating the loan out of a default status.
11. Is not an Audit or Transient student.

D. APPLICATION PROCEDURES

The student is required to submit a Georgia National Guard Service Cancelable Educational Loan application each loan period for which he/she is applying for the aid. The forms are to be forwarded by the student to the Financial Aid Office at the institution he/she wishes to attend. The forms are then to be forwarded to the Georgia National Guard to be signed by the adjutant general or designated representative. The Georgia National Guard will forward the form to the Georgia Student Finance Authority (Authority) to process after completing their portion. This signature certifies that the student is in good standing with the Georgia National Guard and agrees to abide by all program rules and procedures.

A student must file the application online or in the institution's financial aid office on or before the last day of the academic term (semester or quarter) or the student's withdrawal date, whichever occurs first, in order to be paid for that academic term. The last day of the academic term is the last day of classes or exams for the institution, whichever occurs later. The withdrawal date is the date the student withdraws, as determined by the institution. The institution must determine the withdrawal date in accordance with the procedures set forth for determining the withdrawal date under the Higher Education Act of 1965, as amended. Supplemental documentation required by the institution or the Authority to support or verify a student's application information may be submitted after the deadline without jeopardizing the student's eligibility.

E. ENROLLMENT REQUIREMENTS

A student meeting all of the program eligibility requirements will be awarded a service cancelable loan not to exceed an amount equal to the actual Tuition charged to the recipient for the period of enrollment in an educational institution or the Tuition charged by the University of Georgia for the period of enrollment at the university, whichever is less, provided the student

1. Is enrolled in a program of study leading to an Associate or Baccalaureate Degree.
2. Is enrolled as at least a Half-Time student as determined by the institution in which the borrower will attend.
3. Has submitted a plan for the completion of his/her Degree with the Georgia National Guard.

F. FISCAL ASPECTS OF THE PROGRAM

1. The service cancelable loan will be awarded to students in programs leading to an Associate, or Baccalaureate Degree. A service cancelable loan will not be awarded for courses leading to a technical-vocational Certificate,

Diploma, Continuing Education course, which are not counted towards a Degree program at another institution. Concurrently enrolled high school students are ineligible for the service cancelable loan.

2. The service cancelable loan will cover resident (in-state) Tuition for all courses for which Tuition is charged. The student is responsible for all fees special course fees, student activity and facility fees, assessment fees, and others.
3. A student must be enrolled at least Half-Time as determined by the institution and cannot receive loan assistance for more than five Academic Years of study.
4. A student may not receive a service cancelable loan for courses completed in a prior term; that is; a student must apply for the waiver during the term in which he/she is enrolled by the deadline determined by the institution.
5. Students eligible for the HOPE Scholarship or HOPE Grant at a public or private Eligible Postsecondary Institution are ineligible to receive this loan during a school term in which they are receiving HOPE Scholarship or HOPE Grant funds.
6. Any non-repayable aid listed as Tuition for the enrollment period listed, will be deducted from the student's total eligibility.

G. INSTITUTION RESPONSIBILITIES

1. The institution shall designate a coordinator for the program.
2. The institution and the Authority shall establish a deadline each semester for the National Guard Units to send the service cancelable loan applications to the coordinator of the program. The deadline is no later than the close of the registration period of the semester(s) in which the borrower is applying for assistance.
3. The institution will submit prior to the beginning of each semester, the applicants' service cancelable educational loan applications to the National Guard. The National Guard will forward to the Authority the applications chosen to receive the service loan.
4. The institution shall report to the Authority students no longer maintaining Satisfactory Academic Progress.
5. The institution shall release funds to eligible members.

H. GEORGIA NATIONAL GUARD RESPONSIBILITIES

1. The Georgia National Guard shall report each semester to the Authority a list of eligible applicants, including their Social Security numbers.
2. The Georgia National Guard shall work with the student in preparing a Degree plan. The Georgia National Guard will monitor student progress in the completion of the Degree and notify the Authority should the recipient terminate studies.

I. ALLOCATION OF FUNDS

1. Upon receipt from each institution by the Authority of the completed applications, the eligible recipients for the Georgia National Guard Service Cancelable Loan and Tuition charged, the Authority will submit to the coordinator of the program at the institution the amount of Tuition charged. The maximum loan shall not exceed an amount equal to the actual Tuition charged to the recipient for the period of enrollment in an Eligible Postsecondary Institution or the Tuition charged by the University of Georgia for the period of enrollment, whichever is less. The checks submitted to the institution will be co-payable.
2. Interest will be calculated at an annual rate of **8%** and the interest on the loan will accrue from the first date of disbursement. The loan and accrued interest will be paid through service cancellation or cash installments should the borrower have to enter a cash repayment agreement.

J. GEORGIA NATIONAL GUARD ADJUSTMENTS

If a student enrolls less than Half-Time, ceases to be enrolled in the Georgia National Guard or is otherwise ineligible, the member's National Guard Service Cancelable Educational Loan will be terminated and the borrower must enter a cash repayment agreement.

K. REPAYMENT OF OBLIGATION

1. The loan obligation will be repayable in cash with interest to begin upon completion of a Degree, no longer a Half-Time student, no longer otherwise eligible. The borrower will not be given a grace period.
2. Upon satisfactory completion of a semester, year or other period of study as determined, graduation, termination or enrollment in school or termination of this assistance with approval of the Authority shall be canceled in consideration of the student's retaining membership in the Georgia National Guard during the period in which the loan is applicable.

3. If the service cancelable loan is not repaid through service or cash in timely payments, the borrower will be considered in default and Authority shall use all legal avenues for the collection of the debt.

L. RECONCILIATION AND PROGRAM REVIEW

1. The institution must conduct a complete student-by-student Award-Year Reconciliation with the Authority, and submit a Reconciliation Certification Form to the Authority by June 15, immediately following the completion of the Award Year.
2. The institution must have a procedure in place to ensure that state service loan funds do not go to an unintended third party (i.e. State, institutions).
3. The Authority may perform program reviews to ensure compliance with the terms of the participation agreement and these regulations. If warranted, the institution may be assessed fund liabilities.

M. RECORD RETENTION

1. An Eligible Postsecondary Institution shall maintain accurate records, books, documents and other evidence concerning the loan, including, but not limited to individual student files for the later of three years after the Award Year in which the aid was awarded; or for such other period as required by an applicable statute, rule, or regulation; or such other time as requested in writing by the Authority.
2. Documentation contained within an individual student file or record, which supports the original determination of a student's eligibility must be retained by the institution and available for review by the Authority on the institution's campus, located within the State of Georgia, for at least three calendar years after the most recent Award Year for which the student received Georgia National Guard Service Cancelable Loan funds. Institutions are permitted to maintain these documents in an imaged media format. The imaged media format must be capable of reproducing an accurate, legible, and complete copy of the original document.
3. Such documentation may include, but is not limited to, copies of Permanent Resident Alien Cards, Georgia State Income Tax Returns, student financial aid applications and academic transcripts from previous institutions. Documentation regarding a student's eligibility is not limited to files, records, and other information received and maintained by the institution's student financial aid office. Documentation supporting a student's eligibility that is received and maintained by the institution's admissions office, registrars office, business office, and other administrative operations of the institution must be available to the Authority for review. It is the institution's responsibility to

resolve any inconsistencies or conflicting information within a student's records, prior to awarding or disbursing loan funds to the student.

4. An institution may be required to retain student records involved in a program review, audit, or investigation for more than the three-year retention period described above. If the three-year retention period expires before the issue in question is resolved, the institution must continue to retain all associated records until resolution is reached.