

**RULES
OF
TENNESSEE STUDENT ASSISTANCE CORPORATION**

**CHAPTER 1640-1-8
TEACHER LOAN/SCHOLARSHIP**

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1640-1-8-.01 INTRODUCTION.

These rules implement the Teacher Loan/Scholarship Program authorized by the Comprehensive Education Reform Act of 1984. The Act provided for a State Scholarship and Loan Program to encourage outstanding students to enter teaching as a career. The first loan scholarships are designated for persons who plan to teach math or science in the public schools of Tennessee. The scholarships may be provided for college students or for teachers who are now teaching subjects other than math or science. Teachers who are not certified in math or science are also eligible to participate in the program.

The Act allows the State Board of Education to add or delete eligible disciplines in subsequent years based upon their review of teacher supply/demand data.

Authority: T.C.A. §49-4-204. *Administrative History:* Original rule filed August 6, 1984; effective November 13, 1984.

1640-1-8-.02 GENERAL.

- (1) Definitions. As used in these regulations (Chapter 1640-1-8):
 - (a) “Plan of study” is a plan of enrollment not to exceed five academic years within which the applicant may complete requirements for certification/endorsement in an eligible field of study. The plan is transferable among Tennessee institutions provided such transfer is approved by the receiving institution and can be completed within the same period. The loan/scholarship is limited to the equivalent of four academic years of benefits regardless of the length of the “plan of study.”
 - (b) “Grace period” is a period of one year that shall begin on the date the student completes his/her “plan of study,” in which repayment is not required and interest shall not accrue on a teacher loan/scholarship.
 - (c) “Repayment period” is a period of not more than four years in which the loan/scholarship will be repaid and shall begin at the end of the grace period.
 - (d) “Certification shortage areas” are those endorsement areas so designated by the State Board of Education.
 - (e) “A full year of teaching service” shall be the ten (10) month contract period or its equivalent (two complete consecutive semesters of continuous full-time teaching).
 - (f) “Satisfactory progress” is a standard of progress toward completion of the pursued “plan of study” during which the student maintains a 3.0 cumulative grade point average, except

(Rule 1640-1-8-.02, continued)

- existing teachers must maintain a 3.0 cumulative grade point average only in the new work which is undertaken.
- (g) “Full-time teaching in mathematics or the sciences or other critical subject areas” as may be determined by the State Board of Education will be determined on the basis of a minimum of 50% of such teaching service to the recipient’s total teaching load.
 - (h) “A science” refers to one of the natural sciences.
 - (i) “A statement of intent” is a signed statement from a candidate, certifying his or her intent to become a teacher of mathematics or a science in the public school system of Tennessee.
 - (j) “A letter of support” is a letter attesting to an applicant’s teaching ability and promise of professional success as a teacher of mathematics or a science from persons directly knowledgeable about the capabilities of the applicant, i.e., supervisor, principal, superintendent, or other officer responsible for evaluating applicant.
 - (k) “Academic year” is a period of time, typically eight or nine months, and is composed of two semesters, three quarters, or two trimesters of instruction.
- (2) The Teacher Loan/Scholarship Program was authorized by the Comprehensive Education Reform Act of 1984, *T.C.A. §49-50-125*.
 - (3) Funds received from this program are considered financial assistance for purposes of determining student assistance eligibility under programs authorized by Title IV of the Higher Education Act of 1965, as amended.
 - (4) All loan/scholarships shall be evidenced by notes payable to the Tennessee Student Assistance Corporation.
 - (5) Any applications received or approved shall be subject to the availability of funds.
 - (6) The applicant pool for available funds for awards to be made for the year beginning in July shall be established based upon applications received prior to May 15 of that year, except for the initial year of implementation. The May 15 cut-off date may be extended by the TSAC Executive Director should it be determined necessary for the purpose of utilizing all available funds.

Authority: *T.C.A. §49-4-204. Administrative History: Original rule filed August 6, 1984; effective November 13, 1984. Amendment filed August 12, 1994; effective December 29, 1994.*

1640-1-8-.03 ELIGIBILITY.

- (1) To be eligible for a loan/scholarship, the applicant:
 - (a) Must be a citizen of the United States and a resident of the State of Tennessee.
 - (b) Must be admitted to or enrolled in an accredited public or private institution of higher education in Tennessee.
 - (c) Must submit to the Tennessee Student Assistance Corporation a signed statement of intent to teach four years in a Tennessee public school in a discipline of critical shortage, except existing teachers must also file two (2) letters of support.

(Rule 1640-1-8-.03, continued)

- (d) Shall not accept any other financial assistance that carries with it a conflicting service obligation after graduation and/or program completion.
- (e) Must submit application forms through the institution's Office of Financial Aid.
- (f) Shall not owe a refund or repayment on any grant, and is not in default on any loan, received at any postsecondary institution, under the provisions of Title IV of the Higher Education Act of 1965, as amended.
- (g) Must have on file with the educational institution for periods of instruction beginning on or after July 1, 1989 a statement certifying that the student is in compliance with the Anti-Drug Abuse Act.

Authority: T.C.A. §49-4-204. **Administrative History:** Original rule filed August 6, 1984; effective November 13, 1984. Amendment filed October 21, 1987; effective January 27, 1988. Amendment filed October 19, 1988; effective January 29, 1989. Amendment filed February 9, 1990; effective May 29, 1990.

1640-1-8-.04 METHOD OF SELECTION.

- (1) Each year an Advisory Committee composed of the Commissioner of Education, the Executive Director of the Tennessee Higher Education Commission, the Executive Director of the State Board of Education, the President of the Tennessee Independent Colleges and Universities, and the Executive Director of the Tennessee Student Assistance Corporation shall recommend to the TSAC how appropriated funds shall be budgeted among the established priority groups. The Executive Director of the TSAC shall, in consultation with the Advisory Committee, select the successful loan/scholarship recipients.
- (2) The priority groups for the Teacher Loan/Scholarship Program shall be:
 - (a) First priority, after the initial year of the program, shall be given to renewal applicants who are making satisfactory progress toward certification/endorsement. Student progress will be monitored and reported to the TSAC by the institution.
 - (b) Second priority shall be given to students who within the previous year successfully completed the Community College Education Recruitment Scholarship for Minorities, to the extent to which these applicants had achieved at least a 3.0 cumulative GPA in college.
 - (c) Third priority shall be given to non-teachers holding a bachelor's degree or higher who wish to become teachers and who have a 3.0 GPA for the highest degree completed and an ACT (or its equivalent SAT) of at least 21 or a GRE or Miller's Analogy Test composite score of the same percentile except that students who possess an ACT (or its equivalent SAT) composite score of 19-20 may receive consideration if there are compensating factors and who have filed a statement of intent. New awards in this priority group shall not exceed 50% of the funds available for new awards.
 - (d) Fourth priority shall be given to: (1) freshman students who possess a 3.0 high school GPA and an ACT (or its equivalent SAT) composite score of at least 21, except that students who possess an ACT (or its equivalent SAT) composite score of 19-20 may receive consideration if there are compensating factors such as high school class rank in the top 25% and (2) full-time and part-time undergraduate students other than entering freshmen who possess a 3.0 college GPA and an ACT (or its equivalent SAT) composite score of at least 21, except that students who possess an ACT (or its equivalent SAT) composite score of 19-20 may receive consideration if there are compensating factors such as high school class rank in the top 25%.

(Rule 1640-1-8-.04, continued)

1. Applicants who do not meet the priority criteria based on high school cumulative grade point average may be considered based on the following scale:

<i>High School GPA</i>	<i>ACT or Equivalent SAT</i>
2.500 - 2.599	30 or above
2.600 - 2.699	28-29
2.700 - 2.799	26-27
2.800 - 2.899	24-25
2.900 - 2.999	22-23

2. Applicants who possess the GED may apply and may be considered on a case-by-case basis. Minimum acceptable score for consideration shall be no less than 50.
 - (e) Fifth priority shall be given to existing teachers who possess a 2.5 college cumulative GPA and have filed two (2) letters of support.
- (3) Applicants shall be grouped according to the priority assigned their application as follows:
 - (a) To the extent possible, successful candidates should represent all sections of the state and an appropriate racial balance.
 - (b) For entering freshmen and full-time students already in college, the applicants with the highest ACT (or its equivalent SAT) composite score and Grade Point Average shall be given highest priority, and
 - (c) For existing teachers not holding endorsements in the designated shortage areas, the highest priority shall be given to teachers needing the least number of academic hours to be endorsed in the designated shortage areas.
- (4) The Executive Director of TSAC may recommend to the Advisory Committee a student who does not meet the priority group qualifications exactly, providing there are compensating factors and the priority groups have been served.

Authority: T.C.A. §49-4-204. **Administrative History:** Original rule filed August 6, 1984; effective November 13, 1984. Amendment filed September 3, 1985; effective December 14, 1985. Amendment filed August 25, 1986; effective November 29, 1986. Amendment filed July 26, 1988; effective October 29, 1988. Amendment filed March 5, 1992; effective June 29, 1992. Amendment filed April 28, 1993; effective July 28, 1993.

1640-1-8-.05 LOAN/SCHOLARSHIP TERMS.

- (1) The total amount of a loan/scholarship for one academic year of full-time study shall not exceed the full cost of tuition and mandatory fees at the public institution of higher education with the highest costs or the actual tuition and mandatory fees, whichever is less. The maximum total available for any student under the Teacher Loan/Scholarship Program shall not exceed the equivalent costs for a full-time student attending the public institution of higher education with the highest costs, or the actual tuition and mandatory fees, whichever is less. For less than full-time study (less than twelve credit hours per term for undergraduate students or less than nine credit hours per term for graduate students), the amount of the loan/scholarship for each credit hour that is carried shall be the cost of tuition and mandatory fees at the public institution of higher education for enrolling in a comparable number of hours at the undergraduate level or the actual cost of tuition and mandatory fees per term, whichever is less.

(Rule 1640-1-8-.05, continued)

- (2) Funds shall be disbursed on a quarter or semester pro-rata basis at the beginning of each term. The check shall be in the recipient's name, but shall be sent to the school's financial aid office for delivery to the recipient.

The awards may be transferred from one eligible institution of higher education to another providing that a TSAC approved transfer form is submitted to the Corporation. The deadline for TSAC to receive these forms shall be September 20 for the Fall Semester, February 20 for the Spring Semester and June 20 for the Summer Semester. No student shall be allowed more than three (3) such transfers during any one (1) award year. The deadline for submitting transfer forms to TSAC may be extended by the Executive Director if written verification of extenuating circumstances is provided by the student's college or university.

- (3) Cancellation
 - (a) For each year of the four years of creditable full-time teaching service, as defined in these regulations, the recipient shall receive cancellation credit on an annual basis toward the repayment of the loan/scholarship plus related interest.
 - (b) Cancellation credit will be calculated at the rate of twenty-five percent of the total amount borrowed plus related interest for each year of creditable full-time teaching service. Fractions of a year will not be credited toward cancellation. Those who believe that they are employed in teaching positions, which will qualify them for cancellation credit, must notify TSAC of that teaching status within thirty days of the beginning of the school term. Upon completion of said year of teaching, cancellation will be applied upon receipt of the verification of such service.
 - (c) Cancellation will be given on a non-critical needed subject area provided the State Board of Education certifies no appropriate vacancy exists in Tennessee in the recipient's area of service, and subsequently removes the endorsement area from eligible participation, or in extenuating circumstances, as determined by the Executive Director of the TSAC.
 - (d) Cancellation shall apply only if the recipient completes a program of study for a shortage subject area.
 - (e) The term "teaching" shall include persons employed in an area of critical supply as determined by the State Board of Education.
 - (f) A grace period of one year will be granted to allow the grantee opportunity to secure employment to begin cancellation credit.
 - (g) The debt shall be cancelled in case of death of the recipient.
 - (h) If a recipient is determined to be totally and permanently disabled under the standards established by T.C.A., Title 8, Chapter 36, Part 5, for determining disability for members of the Tennessee Consolidated Retirement System, the outstanding debt shall be cancelled. A recipient is not considered totally and permanently disabled on the basis of a condition that existed prior to his/her loan/scholarship application unless the recipient's condition has substantially deteriorated since he/she submitted the application. If at any time subsequent to an initial determination of disability, the recipient's condition improves to the point where a total and permanent disability no longer exists, the corporation may reinstate any outstanding debt previously cancelled.

(Rule 1640-1-8-.05, continued)

- (i) The loan/scholarship may not be discharged in a bankruptcy filed during the first seven (7) years after the loan first becomes due (exclusive of any periods of deferment or other authorized suspension of the repayment period).
- (4) Repayment
 - (a) The loan must be repaid should the recipient choose not to honor the terms and conditions of the loan/scholarship agreement. Repayment will include the full amount of the loan/scholarship funds received plus interest accrued from the date of award(s), and shall be based upon the Stafford Loan prevailing interest rate at the time of the recipient's first award. Repayment must be made in whole or in monthly installments of at least fifty (50) dollars over a period of not more than four (4) years from the end of the grace period. All interest shall be based upon the unpaid principal balance of the loan.
 - (b) Repayment for recipients who complete the plan of study shall begin on the first day of the month following the end of the grace period.
 - (c) Repayment for recipients who fail to complete the funded plan of study shall begin on the first day of the month following such failure. Repayment will include the full amount of the loan/scholarship funds received plus interest accrued from the date of award(s), and shall be based upon the GSL prevailing interest rate at the time of the recipient's first award. Repayment may be made in whole or in monthly installments over a period of not more than four (4) years from the date of failure to complete the plan of study. All interest shall be based upon the unpaid principal balance of the loan.
 - (d) Repayment of principal and interest will be prorated to reflect the amount of principal and interest not previously cancelled. Such repayment shall begin on the first day of the month following termination of the creditable teaching service. Repayment of the non-cancelled loan/scholarship may be made in whole or in monthly installments over the remaining months of the four (4) year repayment period. All interest shall be based upon the unpaid principal balance of the loan.
 - (e) By statute (T.C.A. §49-4-404), the State Attorney General assumes the legal responsibility for enforcing the collection of any such indebtedness against the individual.
 - (f) If a borrower issues a check, draft, warrant or electronic funds transfer, which is subsequently returned to the Tennessee Student Assistance Corporation for reason of insufficient funds, a stop payment order by the issuer, or any other reason, the payment to which these funds was applied shall be reversed on the borrower's account and interest shall continue to accrue from the date of the last valid payment.
 - (5) Repayment of principal may be deferred, but interest shall accrue, during any period while the recipient is enrolled as a full-time student in an accredited institution of higher learning, or other extenuating circumstances as determined by the Executive Director of the TSAC.

Authority: T.C.A. §49-4-204. **Administrative History:** Original rule filed August 6, 1984; effective November 13, 1984. Amendment filed September 27, 1984; effective December 14, 1984. Amendment filed January 6, 1986; effective April 15, 1986. Amendment filed December 5, 1986; effective March 31, 1987. Amendment filed October 21, 1987; effective January 27, 1988. Amendment filed February 9, 1990; effective May 29, 1990. Amendment filed May 7, 1991; effective August 28, 1991. Amendment filed July 17, 1991; effective October 29, 1991. Amendment filed March 5, 1992; effective June 29, 1992. Amendment filed October 26, 1993; effective March 1, 1994. Amendment filed August 12, 1994; effective December 29, 1994.