

**1F SBCCC 100.97            STUDENT LOAN FUNDS FOR VOCATIONAL AND TECHNICAL EDUCATION**

- (a) The loan fund shall be held by the State Board and released by the System President of the Department of Community Colleges to meet loan commitments made by the various institutions.
- (b) The Department of Community Colleges shall disseminate information concerning the Student Loan Fund to all chief administrative officers of technical institutes and community colleges, hereinafter referred to as institutions. The Department of Community Colleges shall prepare news releases, brochures, and other publications interpreting the student loan program.
- (c) Applicants for the loans shall be furnished copies of the governing rules adopted by the board. Recipients of loans, by virtue of having complied with all the requirements for receiving aid, shall thereby be acknowledging their agreement to abide by the purpose of the fund and the rules prescribed by the board. Each institution is responsible for administering the fund and for making and collecting the loans. Periodically, as determined by the System President of the Department of Community Colleges and the State Board, collections on the loans shall be transmitted to the State Board. The institution, through a student loan committee, shall be responsible for the selection of those candidates to be recipients of student loans.
- (d) The System President of the Department of Community Colleges shall request institutions to furnish his office with appropriate enrollment verification that recipients of student loans are full-time students, and other necessary reports and information for proper records and control of total program.
- (e) The State Board shall have authority to revoke any loan if and when it should be determined that:
  - (1) The information submitted in support of the application was willfully reported erroneously or incompletely; or
  - (2) The student is not pursuing his work satisfactorily.
- (f) It shall be the responsibility of the loan recipients to keep the chief administrative officers of institutions informed of any change in address, status, or employment.
- (g) Recipients of student loans may be granted financial assistance of not more than three hundred dollars (\$300.00) per academic school year. The number of loans shall be determined by the demand and the availability of funds.
- (h) Recipients of student loans shall execute promissory notes on forms approved by the Attorney General. All student loans shall be evidenced by said notes, approved by and made payable to the institution granting the loan, which shall bear interest at the rate of three and one-half percent per annum. Repayment of such principal together with accrued interest thereon, shall be made over a minimum of five-year repayment period, commencing one year after the maker of the note ceases to be a full-time student in an institution and ending six years after such date. Interest shall accrue from the beginning of such repayment period. In the event the loan recipient acquires a disability as defined in the North Carolina Workers' Compensation Act, or dies, the unpaid indebtedness shall be canceled. In the event a loan recipient fails to maintain a "c" average or permanently withdraws from the institution, the entire indebtedness shall become due payable, with interest commencing on that date.
- (i) Each candidate for a loan must:
  - (1) be a resident of North Carolina and be or expect to be a full-time student of the approved institution as defined by the State Department of Community Colleges;
  - (2) declare that he is in need of financial aid to continue his studies as evidenced by information on furnished forms;
  - (3) apply on forms provided by the State Department of Community Colleges;
  - (4) be approved by the institution student loan committee;
  - (5) use the proceeds of the loan only for the payment of tuition and required fees, institutional equipment, materials, and books, board and room, and similar living expenses.
- (j) Applications shall be submitted to the chief administrative officers of institutions on forms prescribed and supplied by the System President of the Department of Community Colleges. Additional forms essential to the operation of the Student Loan Fund may be developed in the discretion of the System President of the Department of Community Colleges.

*History Note:    Authority G.S. 115D-1; 115D-5;  
                          Eff. February 1, 1976;  
                          Readopted Eff. January 5, 1978;  
                          Amended Eff. March 1, 1997; December 1, 1984.*