

UNIVERSITY OF HAWAII

Amendment and Compilation of Chapter 20-8  
Hawaii Administrative Rules

(November 16, 2017)

SUMMARY

1. The title is amended.
2. §§20-8-1 to 20-8-6 are amended.
3. §§20-8-8 and 20-8-9 are amended.
4. Chapter 20-8 is compiled.

HAWAII ADMINISTRATIVE RULES

TITLE 20

UNIVERSITY OF HAWAII

SUBTITLE 1

UNIVERSITY OF HAWAII

BOARD OF REGENTS

CHAPTER 8

STATE HIGHER EDUCATION LOAN PROGRAM

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§20-8-1 **Statement of purpose.** The purpose of this chapter is to provide guidelines and procedures for the administration of the State Higher Education Loan Program in conformance with the guidelines set forth in chapter 304A, part IIC, Hawaii Revised Statutes. [Eff 6/22/81; am and comp 5/9/98; comp 12/19/02; am and comp **MAR 18 2018** ] (Auth: HRS §§304A-104, 304A-604, 304A-2160) (Imp: HRS §§304A-604, 304A-2160)



§20-8-2 **Definitions.** (a) As used in this chapter:

"Board" means the board of regents of the University of Hawaii.

"Borrower" means a student who receives a loan under the State Higher Education Loan Program established under chapter 304A, part IIC, Hawaii Revised Statutes, and this chapter.

"Degree" means an associate, baccalaureate, masters, doctoral, or certificate program approved by the board of regents and requiring not less than one academic year for completion.

"Financial aid office" means the primary university office which administers the student financial aid for the university campus.

"Financial need" means the student's education and maintenance expenses exceed the student's ability to pay for those expenses.

"Grace period" means the nine consecutive months following the termination of the student's enrollment on at least a half-time basis.

"President" means the president of the University of Hawaii and shall include the president's authorized designees.

"State Higher Education Loan Fund" means the revolving fund established by section 304A-2160, Hawaii Revised Statutes.

"State Higher Education Loan Program" means the financial aid program established under chapter 304A, part IIC, Hawaii Revised Statutes, for students enrolled at the university.

"Student" means an individual who is enrolled at the university with at least a half-time course load as determined by the university according to its own standards and practices.

"University" means the University of Hawaii.

(b) Words of the masculine gender include the feminine and neuter, and when the sense so indicates, words of the neuter gender may refer to any gender. Words in the singular number include the plural and words in the plural number include the singular. [Eff 3/12/84; am and comp 5/9/98; comp 12/19/02; am and comp MAR 18 2010 ] (Auth: HRS §§304A-104, 304A-604, 304A-2160) (Imp: HRS §§304A-604, 304A-2160)

§20-8-3 **Delegation of authority.** The board delegates its authority to administer and manage the State Higher Education Loan Program at the university, in accordance with the guidelines established under chapter 304A, part IIC, Hawaii Revised Statutes, and this chapter, to the president. [Eff 6/22/81; comp 5/9/98; comp 12/19/02; am and comp MAR 18 2018 ] (Auth: HRS §§304A-104, 304A-604, 304A-2160) (Imp: HRS §§304A-604, 304A-2160)

§20-8-4 **Eligibility.** (a) To be eligible for a loan under this chapter, the applicant shall be a student and:

- (1) Be registered in a program at the university which culminates in the award of a degree;
- (2) Provide evidence of financial need by completing and submitting forms provided by the financial aid office;
- (3) Not be under suspension from the university for disciplinary reasons;
- (4) Be a resident of the State of Hawaii for at least one year; and
- (5) Be willing to repay the loan. Failure to meet payment obligations on any previous student loan is evidence that the student is unwilling to repay the loan.

(b) In any period of enrollment during which a student drops below half-time status, the financial aid office shall review the student's eligibility and make any necessary adjustment to the loan award. [Eff 3/12/84; am and comp 5/9/98; comp 12/19/02; am and comp MAR 18 2018 ] (Auth: HRS §§304A-104, 304A-604, 304A-2160) (Imp: HRS §§304A-601, 304A-604, 304A-2160)

§20-8-5 **Amount of loan.** (a) The board and its authorized designees shall determine the amount of the loan, but the aggregate loan amount for each student shall not exceed those amounts established for the Federal Perkins Loan Program authorized under Title IV, Part E, of the Higher Education Act of 1965, as

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amended. If the Federal Perkins Loan Program has ended, then the aggregate loan amount for each student shall not exceed those amounts established by the university.

(b) The amount of the loan and the installment payments may be reported to at least one national credit bureau, along with other relevant information. [Eff 3/12/84; am and comp 5/9/98; comp 12/19/02; am and comp ] (Auth: HRS §§304A-104, 304A-604, 304A-2160) (Imp: HRS §§304A-601, 304A-604, 304A-2160)

§20-8-6 **Repayment of the loan.** (a) Each loan shall be evidenced by an executed promissory note which shall set forth the terms and conditions of the loan. Repayment of principal and interest shall commence after the grace period. Repayment of principal and interest shall be made in equal quarterly or monthly installments within a ten-year period as determined by the university. A payment plan of not less than \$45 a quarter or \$15 a month shall be required on all loans.

(b) Interest. The rate of interest payable on the loan shall be five per cent simple interest.

(c) Prior to the termination of the borrower's half-time enrollment, the borrower shall be responsible for reporting any change in name, address, telephone number, or social security number to the financial aid office. After the termination of the borrower's half-time enrollment, the borrower shall be responsible for reporting any change in name, address, telephone number, or social security number to the university office which handles the loan collection.

(d) Exit interview. Immediately prior to the termination of the borrower's half-time enrollment at a campus, the borrower shall be responsible for completing an exit interview with the university. The purpose of the exit interview is to schedule repayments and explain the borrower's rights and responsibilities under the loan. If the borrower fails to complete an exit interview, the university shall provide the borrower with the exit interview information either online or by mail.

(e) Collection fees. The university may charge late fees which do not exceed twenty per cent of the installment payment due and all other reasonable fees for the collection of the loan. Any payment received shall be applied in the following order:

- (1) Collection fees;
- (2) Late fees;
- (3) Accrued interest; and
- (4) Principal.

(f) The university may demand the immediate repayment of the entire loan, including any accrued interest, late fees, and collection fees, if the borrower fails to make a scheduled repayment or fails to file a deferment on time.

(g) The borrower may prepay all or any part of the loan at any time without penalty.

(h) Deferment. To qualify for a deferment on the loan, the borrower shall submit a written request for deferment. The written request shall include all documentation required by the university and shall be submitted no later than the date the university establishes. Interest shall not accrue and installments need not be paid during any period:

- (1) During which the borrower is enrolled at least half-time in a regular semester at an institution of higher education or at a comparable institution outside the United States approved for this purpose by the university;
- (2) Not in excess of three years during which the borrower is a member of the United States Army, Navy, Air Force, Marines, or Coast Guard;
- (3) Not in excess of three years in which the borrower serves as a volunteer under the Peace Corps Act;
- (4) Not in excess of three years during which the borrower is a volunteer under the Domestic Volunteer Service Act of 1973, as amended by the Serve America Act; or
- (5) During any other period granted by the university for good cause shown.

(i) Any deferment period granted by the university shall not be included in determining the

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ten-year repayment period.

(j) Cancellation of loan upon death or permanent disability of a borrower. If the borrower becomes permanently and totally disabled after receiving the loan, the unpaid balance of the loan shall be canceled upon receipt of a written request for cancellation and any documentation required by the university to demonstrate that the borrower meets the conditions for cancellation. If the borrower dies, the unpaid balance shall be canceled upon the submission of a death certificate or other official proof of death. [Eff 3/12/84; am and comp 5/9/98; am and comp 12/19/02; am and comp **MAR 18 2018**] (Auth: HRS §§304A-104, 304A-604, 304A-2160) (Imp: HRS §§304A-602, 304A-603, 304A-604, 304A-2160)

§20-8-7 **Allocation of loans.** Allocation of loans among student applicants shall be determined by the university on the basis of the students' academic promise, department, and financial need. [Eff 6/22/81; am and comp 5/9/98; comp 12/19/02; comp **MAR 18 2018**] (Auth: HRS §§304A-104, 304A-604, 304A-2160) (Imp: HRS §§304A-604, 304A-2160)

§20-8-8 **Capacity of minors.** For the purpose of applying for, receiving, and repaying the loan under this chapter, any qualified student regardless of whether the student is less than eighteen years of age, shall be deemed to have full legal capacity to act and shall have all rights, powers, and privileges and obligations of an adult. [Eff and comp 5/9/98; comp 12/19/02; am and comp **MAR 18 2018**] (Auth: HRS §§304A-104, 304A-603, 304A-604, 304A-2160) (Imp: HRS §§304A-602, 304A-603, 304A-604, 304A-2160)

§20-8-9 **State higher education loan fund.** The State Higher Education Loan Fund is a revolving fund administered by the President on behalf of the board.

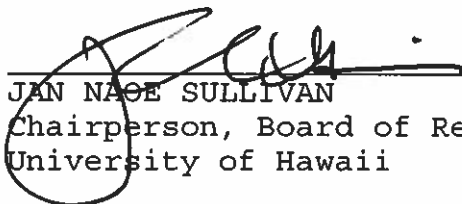
All interest and payments received on account of principal in the loan fund shall be credited to the loan fund. All payments collected, exclusive of the collection agency's commissions, shall revert and be credited to the loan fund. The loan fund shall be disbursed to needy students in accordance with the guidelines established in this chapter. [Eff and comp 5/9/98; comp 12/19/02; am and comp ]  
(Auth: HRS §§304A-104, 304A-603, 304A-604, 304A-2160) **MAR 18 2018**  
(Imp: HRS §§304A-602, 304A-603, 304A-604, 304A-2160)




UNIVERSITY OF HAWAII

Amendments to and compilation of chapter 20-8, Hawaii Administrative Rules, on the Summary Page dated November 16, 2017 were adopted on November 16, 2017 following a public hearing held on October 19, 2017, after public notice was given in the Honolulu Star-Advertiser on September 18, 2017.

These rules shall take effect ten days after filing with the Office of the Lieutenant Governor.

  
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JAN NAË SULLIVAN  
Chairperson, Board of Regents  
University of Hawaii

APPROVED:

  
\_\_\_\_\_  
DAVID Y. IGE  
Governor  
State of Hawaii

Dated: 03-08-2018

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Filed

APPROVED AS TO FORM:

University of Hawaii



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Department of the Attorney General



Diane Erickson  
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