

SREB DOCTORAL SCHOLARS PROGRAM

RULE 1 - SELECTION PROCESS

- I. The Southern Regional Education Board (SREB) shall be responsible for the selection of qualified applicants that meet the Scholar Eligibility requirements in Rule 2 of these amendments.
- II. The Director of the Doctoral Scholars Program for SREB shall withhold any payments on behalf of any student accepted into the program until such time as a signed Promissory Note in favor of the Arkansas Department of Higher Education has been obtained from such student.

RULE 2 - SCHOLAR ELIGIBILITY

- I. Recipients must be African-American, Hispanic, ~~or~~ Asian-American, or Native American and be U. S. citizens or permanent resident aliens who are Arkansas residents.
 1. For guidance purposes, the terms African-American, Hispanic, Asian-American, and Native American are based on the Race/Ethnic classifications utilized by the Integrated Postsecondary Education Data System (IPEDS) as follows:
 - a. African-American = Black/Non-Hispanic: a person having origins in any other black racial groups of Africa.
 - b. Hispanic: a person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.
 - c. Asian-American = Asian or Pacific Islander: a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands. This area includes those from China, Japan, Korea, the Philippine Islands, Samoa, India and Vietnam.
 - d. Native American = American Indian or Alaska Native: a person having origins in any of the original peoples of North America and who maintain cultural identification through tribal affiliation or community recognition
- II. Recipients must be enrolled in an eligible Ph.D. program in math, the sciences, engineering, foreign languages, or other academic discipline areas where minority doctoral degree recipients are underrepresented nationally. Ed.D. or Ph.D. programs in education (CIP 13) do not qualify for inclusion in this program. Recipients must enroll as full-time doctoral students in an eligible program or qualify for an A.B.D. award under Southern Regional Education Board guidelines.

- III. Individuals desiring acceptance into this program must apply to the Doctoral Scholars Program Director of the Southern Regional Education Board, 592 Tenth Street, N.W., Atlanta, Georgia, 30318-5790.
- IV. Individuals who are accepted into the Doctoral Scholars Program must execute a Promissory Note and Agreement in favor of the Arkansas Department of Higher Education that incorporates the terms and conditions outlined in these amendments.

RULE 3 - LOAN FORGIVENESS

- I. A recipient's loan shall be forgiven at the rate of one year teaching service in exchange for one year of receiving a forgivable loan.

RULE 4 - REPAYMENT OF FORGIVABLE LOAN

- I. Terms of Repayment
 - A. Recipients who teach full-time in an Arkansas public school or public institution of higher education for one year per each year of receiving forgivable loan shall have the total loan and accrued interest forgiven. The teaching commitment shall be in addition to any teaching obligation the recipient may have to fulfill based on receipt of a Minority Teacher Scholars Program or Minority Masters Fellows Program.
 - B. Recipients who do not teach full-time in an Arkansas public school or public institution of higher education following certification, or who discontinue their studies prior to completing their programs of study, shall go into repayment.
 - C. The repayment schedule will be set in monthly payments based on the total amount of the loan remaining at the time of entry into repayment, plus interest. Payments will be computed to ensure that repayment will be completed within a maximum of five years from the completion of study or withdrawal from school.
- II. Interest on Loan
 - A. Interest will accrue from the beginning of the repayment period at a maximum annual percentage rate not to exceed five percent (5%) per annum above the Federal Reserve Discount Rate at the time of the contract on the outstanding principal.
 - B. Interest will not accrue and installments need not be paid when a deferment has been approved by the Arkansas Department of Higher Education. Any recipient who desires a deferment must submit an application for deferment to ADHE for approval.

III. Deferment of Loan

- A. In the reasonable judgment of ADHE, scheduled loan repayments may be deferred if ADHE determines that circumstances prevent the recipient from making such repayments. Deferments may be granted for the following reasons:
1. The recipient is seeking but is unable to find employment as a teacher in an approved subject area for a single period not to exceed twelve (12) months. The loan recipient must submit a list of schools contacted for employment. ADHE will verify this information with the schools listed.
 2. The recipient is temporarily totally disabled, for a period not to exceed three years, as established by sworn affidavit from a licensed physician. ADHE reserves the right to require a second opinion by an ADHE approved physician.
 3. The recipient is unable to secure employment for a period not to exceed twelve (12) months by reason of the care of a spouse who is disabled, as established by the signature of a licensed physician. ADHE reserves the right to require a second opinion by an ADHE approved physician.
 4. Other circumstances which in the reasonable judgment of ADHE would prevent the recipient from repaying the debt within the contractual obligations of the promissory note will be considered.
- B. To qualify for any of the deferments, recipients must notify ADHE of their claim to the deferment on a Request for Deferment form which will be supplied by ADHE upon request. The form must be completed and returned, along with supporting documentation, to ADHE. ADHE will notify the recipient within ten (10) working days of approval or disapproval of any application for a deferment.

IV. Cancellation of Scholarship

ADHE will cancel a recipient's repayment obligations if it determines:

- A. On the basis of a sworn affidavit of a licensed physician, that the person is unable to teach on a full-time basis because of an impairment that is expected to continue indefinitely or result in death. ADHE reserves the right to require a second opinion by an ADHE approved physician; or
- B. On the basis of a death certificate or other evidence of death, that is conclusive under state law, that the person has died.

V. Prepayment of Loan

There shall be no penalty for prepayment or repayment of all or any portion of the principal.

VI. Grace Period

There will exist a nine-month grace period following graduation before the recipient must either take employment in a public institution of higher education in an approved subject specified for this program or begin repayment of the loan.

VII. Failure to Repay

Recipients who fail to meet their repayment obligations may have added to their total obligation any costs for collection of the debt.

RULE 5 - COLLECTION OF LOAN

I. Collection of Loan

Accounts will be retained by ADHE in the Financial Aid Division until the individual is no longer eligible for forgiveness or deferment due to the individual's failure to remain employed in the teaching field for the specified time period. At that time, the terms of the loan provisions will activate and the account will be turned over to a vendor for servicing. ADHE will notify the student by mail of this action and include a loan amortization schedule with the notification letter. The account will remain with the vendor until repaid or 120 days past due. Upon determination that a loan recipient is 120 days delinquent, ADHE will mail both the recipient and the co-signer a first letter of notification ten (10) days after the installment payment is due. If payment is not received within 60 days from the original payment due date, a second letter of notification will be sent to the loan recipient and the co-signer declaring the account delinquent and requesting that it be immediately brought up to date. If no response is received by 90 days from the original payment due date, the third and final letter of notification will be sent to the recipient and co-signer informing them that the account will officially be in default if outstanding payments are not received within 30 days. At this point, defaulted recipients and/or cosigners will be reported to credit reporting agencies, a state income tax set-off will be requested, and a civil suit will be initiated, if necessary, against the recipient and co-signer for repayment of the loan.

II. Skip Tracing Mechanisms

If letters are returned as undeliverable, the Department of Finance and Administration's Motor Vehicle Division can be used to perform skip tracing activities. Motor Vehicle Division's records are updated in March and September each year. To get this information, mail name, current address, and social security number on Arkansas Department of Higher Education letterhead to:

Department of Finance and Administration
Motor Vehicle Division
P. O. Box 1272
Little Rock, AR 72202
ATTENTION: Correspondence Desk

A response from the Motor Vehicle Division should be received within ten (10) working days. Additionally, ADHE will use these steps to locate recipients and/or co-signers if communications are returned as undelivered:

1. Contact references listed on the recipient's application
2. Utilize telephone directory or check with directory assistance in the area of the recipient and/or co-signer's last known address
3. Contact institutional offices (alumni office, admissions office, registrar's office, fraternity or sorority, and the department recipient's academic discipline) at the campus where the recipient last attended
4. Contact creditors, such as credit card companies, credit bureaus, or GSL lender
5. Contact recipient's field of study professional organization, union, or licensing board
6. Contact post office
7. Contact utility companies
8. Contact Chamber of Commerce.

III. Credit Reporting Agencies

Defaulted recipients and/or co-signers will be reported to the following credit reporting agencies:

1. CSC Credit Reporting Services, Inc.
2. T R W Credit Data
3. Trans Union Credit Reporting

Forms for reporting defaulted loan recipients and/or co-signers are located in the collections file. ADHE will also respond promptly to any inquiries it receives from credit reporting agencies concerning delinquent or defaulted loan recipients and/or co-signers.

IV. State Income Tax Set-Off

By the authority of Act 345 of 1993, ADHE is a claimant agency for the set-off of debts against state tax refunds. To access the Set-Off Section of the State Tax Administration Office, ADHE must submit name, address, social security number, and amount of debt via computer magnetic tape by December 1 to intercept taxes for the next year.

V. Litigation

No sooner than 30 days after sending the third letter of notification, ADHE may institute a civil suit against the recipient and co-signer for repayment of the scholarship. Small Claims Courts will be used to satisfy debts of accounts up to \$3,000.00. If over \$3,000.00 ADHE must use Circuit Court. If the account is \$3,000.01 or above, ADHE may choose to use Small Claims Court and waive the difference because of the expense involved in going to Circuit Court. If ADHE chooses to waive the difference, it may not, at a later date, attempt to collect the difference. Forms to take the recipient and/or co-signer to Small Claims Court are requested from the recipient's and/or co-signer's county of residence.

VI. Write-Offs

SREB Doctoral Scholars Program forgivable loans may be written off as uncollectible if ADHE shows due diligence to satisfy the collection of the debt, and documents in the recipient's file reflect that:

- A. the cost of litigation would exceed the likely recovery if litigation were commenced; or
- B. the recipient and co-signer do not have the means to satisfy a judgment on the debt, or a substantial portion thereof.

Proof of due diligence collection activities must be submitted to the administrator of the Department of Finance and Administration and approved by the administrator before SREB Doctoral Scholars Program accounts may be written off as uncollectible.

VII. Nonpayment Penalties

Recipients who fail to meet their repayment obligations may have added to their total obligation any costs for collection of the debt.

RULE 6 - PROGRAM DEFINITIONS

The following definitions are used in the SREB Doctoral Scholars Program:

Cancellation ADHE shall cancel a recipient's repayment obligation if it determines:

On the basis of a sworn affidavit of a licensed physician, that the recipient is unable to teach on a full-time basis because of an impairment that is expected to continue indefinitely or result in death. ADHE reserves the right to require a second opinion by an ADHE approved physician; or on the basis of a death certificate or other evidence of death, that is conclusive under state law, the recipient is deceased.

Default	Failure to repay the SREB Doctoral Scholars Program scholarship in accordance with the terms of the promissory note provided that this failure persists for 180 days for monthly payments.
Deferment	This is a postponement of repayments and the accrual of interest. ADHE shall not consider that the recipient has violated the repayment schedule if he or she does not meet the payments during the time he or she is in deferment status.
Due Diligence	This process refers to those steps ADHE takes to collect SREB Doctoral Scholars Program funds when a recipient enters repayment status. It includes: billing the recipient, sending overdue notices, conducting address searches if the recipient cannot be located, reporting the account to credit bureaus, collection, and litigation. Due diligence also includes keeping the recipient informed of all changes in the SREB Doctoral Scholars Program that affect his or her rights and responsibilities and responding promptly to the recipient's inquiries.
Eligible Ph.D. Program	Ph.D. programs eligible under the Doctoral Scholars Program are mathematics, the sciences, engineering, foreign languages, and other academic discipline areas where minority doctoral degree recipients are under-represented nationally. Ed.D. or Ph.D. programs in education (CIP 13) do not qualify for inclusion in this program.
Grace Period	A nine-month period of time following graduation and before the recipient must either take employment in an Arkansas public school or public institution of higher education or begin repayment of the scholarship.
Permanent Resident Alien	An individual who can provide documentation from the Immigration and Naturalization Service (INS) that he or she is in the U.S. for other than a temporary purpose with the

intention of becoming a citizen or permanent resident. Valid documentation is an I-551, I-151, I-181, I-94, or passport stamped with the notation "Processed for I-551, Temporary Evidence of Lawful Admission for Permanent Residence". A completed Form G-641 can also be used to document permanent resident status.

Promissory Note

The promissory note is a legal document obligating the recipient to repay the loan if he or she does not teach for one (1) full year for each year of participation in the SREB Doctoral Scholars Program in an approved subject area on a full-time basis in an Arkansas public school or public institution of higher education. The recipient's rights and responsibilities will be stated on the promissory note.

Skip Tracing status.

A process for locating a recipient who is in repayment ADHE's efforts may include contacting relatives, friends, references, and other individuals or entities in the recipient's file.

Teach on a Full-time Basis

Teach the same number of hours required of teachers who have full-time contracts, as determined by the institution or agency at which an individual is teaching, for a minimum of one academic term, as defined by the institution or agency in which an individual is teaching.

U.S. Citizen or have National of

The term "U.S. citizen" includes persons born or who become naturalized citizens of the 50 States, the District Columbia, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and Trust Territory - Palau. The term "national" includes citizens of American Samoa or Swain's Island.

Approved: Agenda Item No. 5
October 21, 1994

Amended: Agenda Item No. 1 (Added Asian-Americans and Hispanics to qualifying April 7, 1997 minorities)

Amended: Agenda Item No. 14
October 20, 2000

Amended: Agenda Item No. 24 (Added Native Americans to qualifying minorities) February 2, 2001