

Title 6. Education

Chapter IV. Division of Higher Education, Department of Education

Subchapter B. Scholarships and Grants

Part 402. Health Education Grant Program

Codification Notes. This part as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"AUTHORITY AND PURPOSE

These rules are promulgated by the Arkansas Department of Higher Education ("ADHE") under authority of Arkansas Code Annotated Sections 6-4-104—107, 6-81-1101, 6-81-1103 and 17-90-111 for the purpose of administering a grant program for Arkansas students and a forgivable loan program to assist Arkansas dental students attending specified out-of-state health and medical professional schools. This grant program shall be known as the "Arkansas Health Education Grant (ARHEG) Program."

Subpart 1. Generally

6 CAR § 402-101. Definitions.

As used in this part, the following terms shall have the meanings set forth below:

(1) "Applicable academic period" means the academic term (grading period) during which an eligible grant recipient, as applicable, will pursue a course of instruction in an eligible profession at a participating institution, and for which a grant disbursement is made;

(2) "Applicable licensing board" means, with respect to:

(A) Dentistry, the Arkansas State Board of Dental Examiners;

(B) Optometry, the State Board of Optometry;

(C) Osteopathic medicine, the Arkansas State Medical Board;

(D) Veterinary medicine, the Arkansas Board of Animal Health;

(E) Chiropractic medicine, the Arkansas State Board of Chiropractic

Examiners; and

(F) Podiatric medicine, the Arkansas State Podiatry Examining Board;

(3) "Applicable professional license" means, with respect to an eligible profession, the license or other permit granted by the applicable licensing board and required by law in order for an individual to practice the eligible profession in the state;

(4) "Board of control" means the Board of Control for Southern Regional Education;

(5) "Cancellation" means the cancellation of a loan by the division by reason of the death or total and permanent disability of an eligible borrower pursuant to 6 CAR § 402-108 hereof;

(6) "Deferment" means a period of time for which otherwise required payments on a loan are deferred, pursuant to 6 CAR § 402-107 hereof;

(7) "Division" means either or both of the Arkansas Higher Education Coordinating Board and the Division of Higher Education;

(8) "Eligible borrower" is an eligible grant recipient who:

(A) Pays to a dental school at a participating institution nonresident tuition that exceeds the sum of the resident tuition and the regional contract program slot fee paid by the state to the Board of Control for Southern Regional Education for the eligible grant recipient's professional studies in dentistry; or

(B) Is enrolled in an optometry professional program outside the state and for whom any part of the out-of-state tuition is paid by the State of Arkansas through the Southern Regional Education Board grant funds;

(9) "Eligible grant recipient" means an eligible student who has been selected or accepted by a participating institution to receive financial assistance through this program and who has been certified by the division as a resident;

(10) "Eligible profession" means:

(A) Dentistry;

(B) Veterinary medicine;

(C) Optometry;

(D) Osteopathic medicine;

(E) Podiatric medicine; or

(F) Chiropractic medicine;

(11) "Eligible student" means an individual who:

(A) Is a citizen or permanent resident alien of the United States;

(B) Is a resident; and

(C) Has been accepted for enrollment for the applicable academic period for a full-time course of instruction in an eligible profession at a participating institution or is continuing to make satisfactory academic progress, according to the participating institution, in a full-time course of instruction in the eligible profession at a participating institution;

(12) "Grant" means a disbursement made on behalf of an eligible grant recipient for payment of tuition to attend a participating institution and which is not subject to repayment by the eligible grant recipient in accordance with Arkansas Code §§ 6-4-104 – 107, 6-81-1101, and 6-81-1103 of the General Assembly of the State of Arkansas, and any subsequent legislation;

(13) "Loan" means a disbursement evidenced by a note and subject to repayment by an eligible borrower in accordance with Arkansas Code §§ 6-4-104 – 107, 6-81-1101, 6-81-1103 of the General Assembly of the State of Arkansas, and any subsequent legislation;

(14) "Non-Southern Regional Education Board participating institution" means a participating institution that is a party to a currently effective written agreement with the division;

(15)(A) "Note" means a promissory note, which is a legal document obligating the eligible grant recipient to repay a loan if he or she does not practice dentistry in the state.

(B) The eligible grant recipient's rights and responsibilities will be stated on the promissory note;

(16) "Participating institution" means a professional or graduate school that:

(A) Is located outside the state but within the United States;

(B) Offers a full-time course of instruction in at least one (1) eligible

profession;

(C) Is accredited by an accrediting entity acceptable to the applicable licensing board of the profession;

(D) Grants, after completion of such course of instruction, a degree acceptable to the applicable licensing board as the sole requirement, or as one (1) requirement, for the applicable licensing board's granting of the applicable professional license; and

(E) Is a party to a currently effective written agreement with the division or the Board of Control for Southern Regional Education, which agreement sets forth the terms and conditions under which, and the number of eligible students for which, grant disbursements will be made, and the amount of the grant disbursements to be made with respect to each eligible student by the division to the participating board or to the Board of Control for Southern Regional Education for the benefit of a participating institution;

(17) "Program" means the Arkansas Health Education Grant Program administered by the division;

(18) "Qualified service" means any one of the following:

(A) A branch of the Uniformed Military Service;

(B) An accredited medical residency program; or

(C) An advanced dental education program that prepares a dental student for specialty practice and satisfies the requirements of the respective specialty board;

(18) "Regional contract program" is a program that is available to eligible students through the Southern Regional Education Compact, Arkansas Code § 6-4-101 et seq. and the Board of Control for Southern Regional Education's currently written effective agreements with participating institutions on behalf of the state;

(19)(A) "Resident" means an individual who is determined by the division to be a bona fide resident of the state on the date of his or her application for a grant and on the date that was six (6) months prior to the date of such application, and at all times between such dates, under the guidelines set forth in Appendix A to this part.

(B) Such determination shall be made by the division on the basis of

information provided by the individual in an affidavit made under oath on a form provided by the division or through any additional information requested by the division;

(20) "Satisfactory academic progress" means satisfactory academic progress toward timely completion of the participating institution's prescribed curriculum, as defined by the participating institution, for the applicable academic period in question;

(21) "Southern Regional Education Board participating institution" means a participating institution that is a party to a currently effective written agreement with the Board of Control for Southern Regional Education in accordance with the State of Arkansas' contracts with such board;

(22) "State" means the State of Arkansas; and

(23) "Year" means any period of three hundred sixty-five (365) consecutive days.

Authority. Arkansas Code § 6-81-1101.

6 CAR § 402-102. Selection of eligible grant recipients for grants to be disbursed.

(a) The division will allocate, based upon funds available, the number of eligible grant recipients to receive financial assistance at each participating institution for each applicable academic period.

(b)(1) Each participating institution will select eligible grant recipients for each applicable academic period.

(2) In the event the number of eligible students accepted for enrollment at such participating institution exceeds the number of eligible grant recipients for which the division has allocated funds, such participating institution shall have sole discretion in selecting, from all such eligible students, the eligible students to designate as eligible grant recipients.

(3) In so selecting, the participating institution shall use the same criteria it uses in determining those students that will be accepted for enrollment at the

participating institution.

(c)(1) To remain eligible for continuing participation in the program, the eligible grant recipient must:

(A) Be in good academic standing; and

(B) Make satisfactory academic progress toward timely completion of the participating institution's prescribed curriculum, as defined by the participating institution, for the applicable academic period in question.

(2) The state shall not pay for repeated work.

(3) Payment of grants for any eligible grant recipient shall terminate the year the recipient would normally graduate if the recipient had not repeated a portion of the course, unless extra funds are available, and the division approves an extraordinary subsidy.

(d) The division shall make grants according to the allocations made by the division and selections made by the participating institutions in accordance with the following:

(1) The contract amount of the grant per eligible grant recipient for Southern Regional Education Board participating institutions shall be the amount approved for such programs by the Board of Control for Southern Regional Education.

(2)(A) For nonparticipating institutions that charge different annual tuition amounts for in-state students and out-of-state students, the contract amount of the grant per eligible grant recipient will be the difference between the annual resident tuition and the annual nonresident tuition.

(B) However, pursuant to Arkansas Code § 6-81-1101(d), should the differential exceed the contract price approved for similar programs by the board in accordance with Arkansas's contracts with the board, the lesser amount will be paid.

(C) **Note.** Exceptions may be made for inconsequential differentials.

(3) For nonboard-participating institutions which charge the same amount of annual tuition for in-state and out-of-state students, or which charge a minimally different amount of annual tuition for in-state and out-of-state students, and such tuition is extraordinary as determined by the Division of Higher Education, the amount shall be not less than five thousand dollars (\$5,000) per student annually.

(e)(1) The participating institution shall apply these sums to the tuition and fees of such students.

(2) The institution agrees that the maximum amount charged each student, before credit for the above sum, shall not exceed the amount of tuition and fees charged other students for whom no such credit is given.

(3) The division shall have no obligation to make any grants except to the extent funds have been appropriated and funded for the program.

Authority. Arkansas Code § 6-81-1101.

6 CAR § 402-103. Selection of eligible borrowers for loans — Funds to be disbursed.

(a) The division will grant loans, based upon funds available, until the funds are exhausted, to eligible borrowers according to information submitted on the Free Application for Federal Student Aid.

(b)(1) The amount of the loan for recipients attending an approved dental program for the academic year may not exceed the amount of nonresident tuition paid by the eligible borrower to the participating institution which exceeds the sum of the resident tuition and the regional contract program's fee-for-service for dentistry, as determined by the Board of Control for Southern Regional Education.

(2) The amount of the loan for recipients attending an approved optometry program the academic year may not exceed five thousand dollars (\$5,000) annually.

(c) The loans shall be made on an annual basis.

(d) No loans to the eligible borrower shall exceed the combined total of four (4) loans for four (4) academic years.

(e) The loans shall be in addition to Southern Regional Education grant funds.

(f) The division shall have no obligation to make any loans except to the extent funds are available for the program.

Authority. Arkansas Code § 6-81-1101.

6 CAR § 402-104. Loans for eligible borrowers.

(a) No loan shall be made under the program except to an eligible borrower.

(b) No loan disbursement shall be made on behalf of an eligible borrower for an academic year until the eligible borrower has executed a note.

Authority. Arkansas Code § 6-81-1101.

6 CAR § 402-105. Loan forgiveness for eligible borrowers.

(a) Loans made to an eligible borrower shall be partially or completely forgiven, as described in subsection (b) of this section, in the event the eligible borrower shall have:

(1) Received a license or other permit within six (6) months following:

(A) His or her graduation; or

(B) The end of any applicable period of deferment;

(2) Commenced, within six (6) months following his or her receipt of a license or other permit, the practice of dentistry or optometry within the state; and

(3) Completed and submitted to the division a notice of intent to seek loan forgiveness on such form as provided by the division.

(b) Subject to verification by the division of an eligible borrower's eligibility for forgiveness under subsection (a) of this section, the eligible borrower's loan or loans shall be forgiven at a rate of one (1) academic year's loan for one (1) uninterrupted year of dental practice in the State of Arkansas.

(c) Any amount of any loan, including interest accrued thereon, not completely forgiven under the provisions of this part shall be due and payable by the eligible borrower under the terms and conditions of the note and as described in 6 CAR § 402-106 below.

(d)(1) Each eligible borrower seeking forgiveness of a loan, at the end of his or her first year of dental or optometry practice in the state, and again at the end of each subsequent year of practice, shall submit to the division a completed loan forgiveness voucher provided by the division.

(2) Loans relating to a particular academic year shall be forgiven upon the division's approval of a loan forgiveness voucher relating to the corresponding year of practice.

Authority. Arkansas Code § 6-81-1101.

6 CAR § 402-106. Loan repayment for eligible borrowers.

(a) An eligible borrower shall become obligated to repay to the division the full amount of each outstanding loan, plus interest accrued thereon, according to the terms and conditions of the note and as described in this section, upon the occurrence of any of the following:

(1) Prior to graduation, the eligible borrower discontinues his or her course of study;

(2) The eligible borrower becomes a legal resident of another state;

(3) The eligible borrower does not obtain the license or other permit to practice in the State of Arkansas six (6) months following:

(A) His or her graduation; or

(B) The end of any applicable deferment period as described in 6 CAR § 402-107;

(4) The eligible borrower commences practice outside the state;

(5) The eligible borrower does not commence practice of dentistry or optometry in the state within six (6) months following his or her receipt of the license or other permit; or

(6) The eligible borrower fails to complete all requirements necessary to discharge the loan completely under the terms and conditions of the note and as described in 6 CAR § 402-105.

(b) The eligible borrower shall repay to the division the outstanding loan amount, plus interest accrued thereon, within five (5) years of the date the eligible borrower enters repayment status.

(c) Interest, not to exceed four percent (4%) per annum, will begin to accrue on

the outstanding loan amount, on the date of loan repayment.

(d) All interest will be calculated as a simple, per annum interest charge on the outstanding balance.

(e)(1) Upon commencement of repayment, the eligible borrower shall make equal monthly payments sufficient in amount to retire the entire outstanding balance of the loan, plus interest, within the five-year period allowed for repayment.

(2) However, in no case shall the minimum monthly payment amount be less than one hundred dollars (\$100).

(f) There shall be no penalty for prepayment of any amount of outstanding principal plus accrued interest.

Authority. Arkansas Code § 6-81-1101.

6 CAR § 402-107. Deferment of loans for eligible borrowers.

(a) Upon the completion and submission to the division of a loan deferment request, on such form as provided by the division, and signed by the eligible borrower and the administrator of a qualified service, repayment of a loan shall be deferred for periods the division deems appropriate.

(b) With sufficient justification, the division may determine that extraordinary circumstances exist which interfere with the eligible borrower's ability to meet loan repayment, in which case the division may authorize a period of loan deferment.

(c) In no case shall the loan repayment be deferred longer than five (5) years.

(d) Upon cessation of a period of deferment, the eligible borrower must either seek forgiveness of the loan or loans or commence repayment.

Authority. Arkansas Code § 6-81-1101.

6 CAR § 402-108. Loan cancellation for eligible borrowers.

(a) In the event of an eligible borrower's death, the division shall cancel the then outstanding balance of all of his or her loans, including any accrued interest thereon,

without further obligation to the eligible borrower's estate.

(b)(1) In the event of an eligible borrower's total and permanent disability, the outstanding balance of all of his or her loans, including any accrued interest thereon, shall be canceled by the division without any further obligation by the eligible borrower upon receipt of a written statement as to the nature and effect of the total and permanent disability.

(2) The division shall grant the loan cancellation following verification by the division with the eligible borrower's attending physician or physicians of the total and permanent disability.

(3) The division reserves the right to require a second opinion by a division-approved physician.

Authority. Arkansas Code § 6-81-1101.

6 CAR § 402-109. Delinquency and default of loans to eligible borrowers.

(a)(1) An eligible borrower's loan shall be considered to be delinquent at any time when any loan payment due under the terms and conditions of the note and this part becomes more than thirty (30) days past due.

(2) Upon a determination by the division that an eligible borrower's loan has become delinquent, the division shall engage in reasonable due diligence in the collection of past due amounts, including past due interest.

(b)(1) An eligible borrower's loan shall be considered by the division to be in default at any time when any loan payment due under the terms and conditions of the note and this part become more than one hundred twenty (120) days past due.

(2) Upon a determination by the division that an eligible borrower's loan has entered default status, the entire outstanding principal amount of such loan, together with interest accrued thereon, shall immediately become due and payable, and the division shall engage in reasonable collection techniques for the payment of the amount then outstanding, including all interest due thereon, on the eligible borrower's loan.

(3) Such collection methods may include, but shall not necessarily be limited

to:

(A) Correspondence with the eligible borrower;

(B) Credit bureau reporting of the default;

(C) Collection agency assistance;

(D) Arkansas income tax refund offset;

(E) Use of skip tracing; and

(F) Suit for judgment against the eligible borrower for the loan amount then outstanding, including all interest due thereon plus that accruing from the date of judgment against the eligible borrower.

(4) The division may also charge to the eligible borrower's account all costs of collection, including reasonable attorney's fees.

Authority. Arkansas Code § 6-81-1101.

6 CAR § 402-110. Combination of loans to eligible borrowers.

(a) Upon the date of an eligible borrower's graduation or discontinuance of his or her course of study for more than six (6) months, all loan amounts then outstanding for loans received by the participating institution or institutions on behalf of such eligible borrower shall be combined into one (1) loan amount for accounting purposes.

(b) The entire loan amount as described in subsection (a) of this section shall be the amount to be repaid by the eligible borrower, after any applicable periods of deferment, or forgiven under the terms and conditions of the note and this part.

Authority. Arkansas Code § 6-81-1101.

6 CAR § 402-111. Notice of change in circumstances.

(a) Each eligible grant recipient shall notify the division within thirty (30) days, in writing, of any changes to:

(1) Name;

(2) Address;

- (3) Social security number;
- (4) Enrollment status; or
- (5) Participating institution of enrollment.

(b)(1) In addition, each eligible borrower shall notify the division within thirty (30) days, in writing, of any changes in professional practice.

(2) Failure to notify the division of a change in status may affect future eligibility or collection status.

(c) Each participating institution shall notify the division within thirty (30) days, in writing, with respect to an eligible grant recipient attending such participating institution, of any changes in enrollment status or failure to make satisfactory academic progress.

(d) The division will monitor the progress of each eligible borrower, by academic year, using the resources of the regional contract program or through direct contact with the participating institution including, but not limited to, changes in enrollment status and academic progress.

Authority. Arkansas Code § 6-81-1101.

6 CAR § 402-112. Withdrawal policy.

(a) The Division of Higher Education shall allow a student to withdraw from the Arkansas Health Education Grant Program for no more than one (1) year.

(b) The recipient must submit a written petition for withdrawal.

(c) The petition shall give the reason for withdrawal and be supported by documentation, if requested.

(d) In the absence of extraordinary circumstances, the award will be revoked if the recipient fails to enroll full-time in the participating institution, and the Division of Higher Education receives neither written notification of transfer to another eligible institution, nor a petition for withdrawal by the recipient by October 1 for the fall term and February 1 for the winter and/or spring terms, and June 1 for the summer terms.

(e) At the discretion of the Division of Higher Education, the award will not be

revoked if it is determined by Division of Higher Education that extraordinary circumstances prevented the student from notifying Division of Higher Education by the required dates.

Authority. Arkansas Code § 6-81-1101.

6 CAR § 402-113. Postgraduation reporting requirements.

(a) The division is required to compile information, if available, on the location and occupation of each eligible grant recipient who has completed the course of study.

(b) Such information is to be reported to the Legislative Council.

(c) Therefore, each eligible grant recipient who completes a course of study, or following graduation of his or her entering class, whichever shall come first, must report to the division (Attention: Arkansas Health Education Grant Coordinator) by September 15 for four (4) years following graduation, the following information:

- (1) Name and name at time of enrollment, if different;
- (2) Address;
- (3) Social security number;
- (4) Participating institution of enrollment;
- (5) Year of completion;
- (6) Occupation;
- (7) Employer; and
- (8) Employer's address.

Authority. Arkansas Code § 6-81-1101.

6 CAR § 402-114. Appeal.

An eligible grant recipient or eligible borrower shall have the right to appeal any determination made by the division under this part:

- (1) First to the Manager of Financial Aid at the division;
- (2) Second to the Director of the Division of Higher Education;

- (3) Third to the Arkansas Higher Education Coordinating Board; and
- (4) Fourth to a court of law or equity of appropriate jurisdiction.

Authority. Arkansas Code § 6-81-1101.

Appendix A. Guidelines for Determining Arkansas Residency for Purposes of Eligibility for the Arkansas Health Education Grant Program Under Authority of Arkansas Code Annotated Sections 6-4-104—107, 6-81-1101, and 6-81-1103

Link:

<https://CodeOfARRules.arkansas.gov/docs/CARCodeAppendices/Appendices/21/6CARpt.402Appendix.pdf>