

## 11 KAR 8:040. Deferment of teacher scholarship repayment.

RELATES TO: KRS 164.740, 164.744(2), 164.769

STATUTORY AUTHORITY: KRS 164.748(4), 164.753(3), 164.769(6)(f)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.744(2) authorizes the authority to provide scholarships, and KRS 164.769 authorizes the authority to specifically provide a program of teacher scholarships. KRS 164.748(4) and 164.753(3) require the authority to promulgate administrative regulations pertaining to the awarding of scholarships as provided in KRS 164.740 to 164.7891. KRS 164.769(6)(f) requires the authority to promulgate administrative regulations establishing the terms and conditions for the award, cancellation, and repayment of teacher scholarships including deferments. This administrative regulation establishes conditions for deferment of the repayment obligation.

Section 1. Definitions. (1) "Authority" is defined by KRS 164.740(1).

(2) "Default" means the status of an obligation under this program that has entered repayment and upon which no payment has been made for a cumulative period of 180 days following the repayment begin date for the obligation thereon.

(3) "Deferment" means a temporary waiver of the obligation of a teacher scholarship recipient to make payments to the authority, pursuant to one (1) or more promissory notes executed between the recipient and the authority, which is granted by the authority, for a specified period of time, upon a showing of cause by the recipient.

(4) "Eligible institution" is defined in KRS 164.740(4).

(5) "Kentucky Teacher Internship Program" or "KTIP" means the one (1) year of supervision, assistance, and assessment that is:

(a) Required by KRS 161.030 and established in 16 KAR 7:010; and

(b) Also referenced as the beginning teacher internship.

(6) "Participating institution" is defined in KRS 164.769(2)(d).

(7) "Professional Teaching Certificate" means the document issued to:

(a) An individual upon successful completion of the beginning teacher internship;

(b) An applicant for whom the testing and internship requirement is waived under KRS 161.030 based on preparation and successful completion of the assessment.

(8) "Qualified teaching service" is defined in KRS 164.769(2)(e).

(9) "Semester" is defined in KRS 164.769(2)(f).

(10) "Teaching" means performing continuous classroom instruction pursuant to a Professional Teaching Certificate or during participation in the Kentucky Teacher Internship Program (KTIP), and shall not include substitute teaching.

Section 2. Request for Deferment. (1) The recipient shall request a deferment in writing by submitting complete and accurate information on one (1) of the following forms, as appropriate:

(a) "Teacher Scholarship Program Request For School Enrollment Deferment";

(b) "Teacher Scholarship Program Request For Unemployment Deferment";

(c) "Teacher Scholarship Program Request For Disability Deferment";

(d) "Teacher Scholarship Program Request For Hardship Deferment";

(e) "KHEAA Teacher Scholarship Program Request For Alternative Certification Deferment"; or

(f) "KHEAA Teacher Scholarship Program Military Service Deferment Request".

(2) The recipient's submission of a request for deferment shall constitute authorization for the authority to request and receive the verification of facts represented by the recipient as may be deemed necessary by the authority.

Section 3. Effect on Repayments. (1) During a deferment, principal or interest repayments shall not be required. Interest shall:

(a) Continue to accrue on the unpaid principal balance owed by the recipient during a period specified in Section 4(1), (3), (4), or (5) of this administrative regulation; and

(b) Not accrue during a period specified in Section 4(2) of this administrative regulation.

(2) The authority shall not be required to grant a deferment if the deferment would legally impair the ultimate recovery of the principal and accrued interest otherwise owed by the recipient.

(3) If, during a deferment, the recipient resumes full-time enrollment in a teacher education program at a participating institution or renders qualified teaching service, the deferment shall nullify the prior commencement of repayment, and a promissory note so deferred may be subsequently cancelled in accordance with 11 KAR 8:030.

Section 4. Types of Deferments. Except as provided in subsection (6) of this section, if the requirements established in this section are met, the authority shall grant an enrollment deferment, disability deferment, unemployment deferment, hardship deferment, military service deferment, alternative certification deferment, or qualified teaching service deferment.

(1) Enrollment deferment.

(a) An enrollment deferment shall be a deferment granted to a recipient who is enrolled on at least a half-time basis at an eligible institution in the United States.

(b) Each semester, the recipient shall provide to the authority evidence of the enrollment on the "Teacher Scholarship Program Request for School Enrollment Deferment" form.

(c) The Authority shall grant deferment of repayment upon this basis for a period not to exceed an aggregate of either:

1. Forty-eight (48) months for a recipient enrolled in a baccalaureate program; or

2. Sixty (60) months for a recipient enrolled in a graduate program.

(2) The authority shall grant deferment of repayment for periods not to exceed an aggregate of thirty-six (36) months for any one (1) or combination of the following circumstances, unless a documented extenuating circumstance is approved by the executive director of the authority:

(a) Disability deferment.

1. A disability deferment shall be a deferment granted to a recipient who is:

a. Temporarily totally disabled and, therefore, unable to obtain full-time employment or attend school; or

b. Unable to obtain full-time employment or attend school due to the temporary total disability of the recipient's spouse who:

(i) Requires continuous (twenty-four (24) hour) nursing or similar care by the recipient; and

(ii) Is not confined to a hospital, nursing home, intermediate care facility, or similar institution.

2. For purposes of a disability deferment, a recipient, or the spouse of a recipient, shall be considered temporarily totally disabled if the person suffers an injury or illness which necessitates an extended or indefinite period of recovery which can be expected to preclude gainful employment or school attendance.

3. The recipient shall provide to the authority a statement from a licensed physician certifying that the recipient or spouse is temporarily totally disabled in accordance with subparagraphs 1 and 2 of this paragraph. The recipient shall be solely responsible for securing the physician's certification.

4. The authority shall grant a disability deferment subject to an annual review of the physician's certification.

5. After the third year of a disability deferment, the authority shall cancel the debt if it appears that the disability is expected to continue for an indefinite time.

(b) Unemployment deferment. An unemployment deferment shall be granted to a recipient

seeking, but unable to obtain, a qualified teaching service position within six (6) months following completion of a teacher education program at a participating institution. The recipient shall:

1. Be eligible to begin the Kentucky Teacher Internship Program established in KRS 161.030(5) and 16 KAR 7:010;
2. Have applied for a qualified teaching service position with at least three (3) public schools of the Commonwealth or private schools certified pursuant to KRS 156.160(3);
3. Not have refused an offer of employment in a qualified teaching service position in the Kentucky public or certified private schools to which the recipient may have applied; and
4. Provide the authority with a signed statement which sets forth:
  - a. The recipient's current address;
  - b. The names of the Kentucky public or certified private schools to which the recipient has applied for qualified teaching service employment; and
  - c. The recipient's agreement to notify the authority if the recipient obtains full-time employment in a qualified teaching service position.

(c) Hardship deferment. The authority shall determine that a hardship exists and grant a hardship deferment if:

1. Enrollment in a teacher education program or employment in a qualified teaching service position is temporarily interrupted due to circumstances beyond the recipient's control, including major illness, accident or death in the family, after which the recipient intends to resume the enrollment or qualified teaching position; or
2. The recipient is insolvent due to circumstances beyond his control, including natural disaster, involuntary unemployment, or unforeseen medical expenses.

(3) Military service deferment. The authority shall grant a military service deferment to a recipient upon proof of current active duty status in the United States Armed Forces, subject to annual review and verification by the authority.

(4) Alternative certification deferment.

(a) A deferment shall be granted to a recipient who has received a provisional certification by the Kentucky Education Professional Standards Board (EPSB) under one (1) of the alternative routes to teacher certification established by the EPSB in 16 KAR Chapter 9.

(b) The deferment shall be granted for up to thirty-six (36) months in order to allow sufficient time for the recipient to complete the Kentucky Teacher Internship Program and to obtain professional teaching certification.

(5) Qualified teaching service deferment.

(a) A deferment shall be granted to a recipient who, due to current employment in a qualified teaching service position, may reasonably be expected, solely with the passage of six (6) months or less time, to qualify for cancellation benefits pursuant to 11 KAR 8:030.

(b) The authority shall grant a deferment of the obligation to repay the teacher scholarship during the period of time in which the recipient is making payments or performing qualified teaching service for another program if:

1. The recipient received loans or scholarships from more than one (1) program that:
  - a. Is administered by the authority; and
  - b. Required a period of qualified teaching service for repayment or cancellation; and
2. The recipient is either:
  - a. Obligated to concurrently make cash payments on the teacher scholarship and other program; or
  - b. Performing qualified teaching service to fulfill the other program's requirements.

(6) Upon default of a repayment obligation under this program, a recipient shall be permanently barred from eligibility for the other deferments provided for in this administrative regulation.

Section 5. Incorporation by Reference. (1) The following material is incorporated by reference:

(a) "Teacher Scholarship Program Request For School Enrollment Deferment", March 2002;

(b) "Teacher Scholarship Program Request For Unemployment Deferment", March 2002;

(c) "Teacher Scholarship Program Request For Disability Deferment", March 2002;

(d) "Teacher Scholarship Program Request For Hardship Deferment", March 2002;

(e) "KHEAA Teacher Scholarship Program Request for Alternative Certification Deferment", November 2007; and

(f) "KHEAA Teacher Scholarship Program Military Service Deferment Request", November 2007.

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