

Public Law 25-085

Bill No. 264 (LS)

As substituted by the Committee on Education and amended on the Floor.

Introduced by:

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AN ACT TO AMEND ARTICLE 2 OF CHAPTER 15, DIVISION 3 OF TITLE 17 OF THE GUAM CODE ANNOTATED, RELATIVE TO INCREASING THE AMOUNTS AUTHORIZED FOR STUDENT LOANS, ALLOWING THE USE OF STUDENT LOAN PROCEEDS FOR DISTANCE LEARNING AND EXTENDING STUDENT LOANS TO STUDENTS ATTENDING THE GUAM COMMUNITY COLLEGE.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Article 2 of Chapter 15, Division 3 of Title 17 of the Guam Code Annotated is hereby *amended* to read as follows:

"Article 2. Student Loans.

Section 15201. Students Entitled to Loans.

Section 15202. Maximum Limits on Loan.

Section 15203. Repayment of Loan.

Section 15204. Allocation of a Portion of Student Loan Money for Students Attending the Guam Community College.

Section 15201. Students Entitled to Loans.

The Board is authorized to approve loans for graduate and undergraduate studies or training to qualified applicants who are admitted to the University of Guam, the Guam Community College pursuant to the provisions of §15204 of this Article or to a United States accredited off-Island college or university as full-time students on regular status or by Distance Learning, that may include classes by means of the internet, through a United States accredited college or university or one (1) recognized by the Council on Post Secondary Accreditation ('COPA'). The loans provided in this Article are subject to the following limitations:

- (a) The applicant must be a *bona fide* resident of Guam and a United States citizen, or a permanent resident alien, and must have achieved an overall grade point average of at least 2.0 or its equivalent in the applicant's high school studies, or in the applicant's undergraduate studies *if* the applicant is pursuing an academic graduate degree or an irrevocable letter of acceptance from a professional school in an area of a particular need on Guam as determined by the Board of Regents ('Board'). For loans made after January

1, 2000, the applicant must be a five (5) year resident of Guam for the period immediately preceding the starting date of the academic year the student will use such assistance and meet all other requirements herein.

- (b) The applicant must agree to the provisions of §15203 of this Article.
- (c) The applicant must be in financial need, which shall be determined by regulations authorized by §15105 of Article 1 of this Chapter. In addition, the applicant must complete 'A Free Application for Federal Student Aid' ('FAFSA') form as documentary evidence of need.
- (d) The applicant must present to the Board prior to the granting of the loan satisfactory proof that the applicant has been admitted to an accredited college or university as a full-time student to pursue a program of study in the area for which the loan was applied. No loan shall be continued beyond the number of years normally required to complete studies in the specific academic degree program for which the loan was granted, *except* under exceptional circumstances as determined by the Board.
- (e) The off-Island colleges and universities must be United States accredited, or recognized by the Council on Post Secondary Accreditation ('COPA'), and must be approved by the Board; provided, however, that no loans shall be granted for studies at an off-Island institution in an academic program that is available at the University of Guam.

Section 15202. Maximum Limits on Loan.

Loans granted pursuant to this Article to students attending school on Guam shall *not* exceed Six Thousand Dollars (\$6,000.00) per year, and loans granted to students attending off-Island colleges or universities, including Distance Learning, shall *not* exceed Ten Thousand Dollars (\$10,000.00) per year.

Section 15203. Repayment of Loan.

- (a) Every student awarded a loan pursuant to this Article shall execute a promissory note agreeing to repay said loan over a period to be determined by the Board, but not in excess of ten (10) years from the contemplated date of the termination or the completion of the course of studies for which the loan was approved. Said promissory note shall be non-interest bearing, *except* as to unpaid delinquent amounts due and payable under the note, which shall be subject to interest at the annual rate of ten percent (10%).
- (b) Any student granted a loan pursuant to this Article shall receive service credit against amounts due under the promissory note as follows:
 - (i.) at the rate of Five Hundred Dollars (\$500.00) for each month during which the student is employed on Guam, or in the office of Guam's Delegate to Congress. No amounts under the promissory note executed pursuant to this Section shall be considered due and payable during the period that any such person is so employed.
- (c) Any Student granted a loan pursuant to the provision of this Article who fails to return to Guam for work within six (6) months after the completion of studies must repay the full amount of the loan. The Board shall establish such policies prescribing the length and terms of repayment, the interest rate to be charged, the collection of delinquent accounts or in the event of a default.
- (d) *If* a student is recruited to serve in active duty in a branch of the U.S. Armed Services while in attendance or upon completion of studies, the service credit shall be postponed until such student begins work on Guam, but in no case longer than six (6) years; provided, however, that the student applies for the postponement within ninety (90) days

of entering the Armed Services and continues to maintain Guam as such student's place of residence.

- (e) Death or total and permanent disability of the student shall terminate any obligations herein. Total and permanent disability for purposes of this Section is defined as any physiological or psychological condition that will prevent the student from obtaining or maintaining any form of gainful employment. The Board may defer repayment for temporary disability. Total and permanent disability requires the certification by two (2) physicians licensed to practice in the United States.

Section 15204. Allocation of a Portion of Student Loan Money for Students Attending the Guam Community College.

Students attending, or intending to attend, the Guam Community College shall be eligible for student loans as authorized by this Article. The amount allocated for such student loans for students attending the Guam Community College shall be at least twenty-five percent (25%) of all Student Financial Assistance Program funds allocated to on-Island Student Loans as funded by the University of Guam's Student Financial Assistance Program Fund. In the event that the entire twenty-five percent (25%) is *not* used by students of the Guam Community College, the remainder may be used for student loans at the University of Guam. The Student Loan Program shall be administered by the University of Guam for all recipients."