

CALIFORNIA STUDENT AID COMMISSION

PROGRAM ADMINISTRATION AND SERVICES DIVISION

July 27, 2006



Dear NGAPLE Stakeholder:

The California Student Aid Commission (Commission) will convene a stakeholders meeting for the National Guard Assumption Program of Loans for Education (NG-APLE) on Tuesday, August 8, 2006. At this meeting the Commission will be providing you with program background and highlights. In addition, we will be requesting your feedback on specific questions and concerns we found in writing the draft regulations.

We are writing to confirm your attendance to participate in this important meeting. Your input and participation is very valuable to the initiation of the program. The meeting information is as follows:

Date: Tuesday, August 8, 2006
Time: 9:30 a.m. – 3:30 p.m.
Place: 10811 International Drive
California Room
Rancho Cordova, CA 95741

Please RSVP by close of business on Thursday, August 3rd, to Clarita Cortez at ccortez@csac.ca.gov.

If you prefer to participate via teleconference, the phone # is 1-877-891-6970 and the pass code is 24853. All participants must use a touch-tone phone to participate.

PARTICIPANT DETAILS:

- *0 – Contact the operator for assistance.
- *6 – Mute your individual line with a private announcement.

EVENT DAY

- You will be able to access the conference line 15 minutes prior to the event.
- Participants will hear silence until the presenter arrives.

Please contact Clarita Cortez, Financial Aid Analyst, at (916) 526-7953 or ccortez@csac.ca.gov should you have any questions regarding this meeting. Thank you in advance for your support of the Commission's administration of the National Guard Assumption Program of Loans for Education (NGAPLE).

Enclosure

Sincerely,



Max Espinoza, Chief
Program Administration and Services Division

CALIFORNIA CODES
EDUCATION CODE
SECTION **69750**-69751.8

69750. Commencing with the 2004-05 fiscal year, the National Guard Assumption Program of Loans for **Education** is established to provide an incentive for persons to enlist or reenlist in the National Guard, the State Military Reserve, or the Naval Militia within the meaning of Section 66025.6 who seek, or who have completed, degrees at institutions of higher **education** within this state, or who are enrolled in or have completed a program of instruction in a vocational diploma program, as defined in Section 94746, where enrollment qualifies a student for participation in the Federal Family **Education** Loan Program (20 U.S.C. Sec. 1071 et seq.) or any loan program approved by the Student Aid Commission for this purpose.

69750.3. (a) A person who meets all of the following conditions is eligible to enter into an agreement for loan assumption, to be redeemed pursuant to Section **69750.5**:

(1) The applicant agrees to enlist, or reenlist, in the National Guard, the State Military Reserve, or the Naval Militia.

(2) The applicant is enrolled in an institution of higher **education** or a vocational diploma program, as defined in Section 94746, that participates in the loan assumption program set forth in this article.

(3) In order to meet the costs associated with obtaining a degree or enrollment in a qualified vocational diploma program as defined in Section 94746, the applicant has received, or is approved to receive, a loan under one or more of the following designated loan programs:

(A) The Federal Family **Education** Loan Program (20 U.S.C. Sec. 1071 et seq.).

(B) Any loan program approved by the Student Aid Commission.

(b) A person participating in the program pursuant to this article shall not be eligible to enter into more than one agreement under this article.

69750.5. The Student Aid Commission shall commence loan assumption payments, as required by Section **69750.7**, upon receipt of a certificate from the Military Department verifying that the applicant has completed the enlistment and military service requirements, and upon determination that the applicant has otherwise met the requirements of the loan assumption agreement and all other conditions of this article.

69750.7. The terms of the loan assumption agreements granted under this article shall be as follows, subject to the specific terms of each warrant:

(a) After a program participant has completed one year of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, one year of additional service as, a qualifying member within the meaning of Section 66025.6, the Student Aid Commission shall assume up to two thousand dollars (\$2,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational **education**, under one or more of the designated loan programs.

(b) After a program participant has completed two consecutive years of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, two consecutive years of additional service as, a qualifying member within the meaning of Section 66025.6, the commission shall assume up to an additional three thousand dollars (\$3,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational **education**, under one or more of the designated loan programs, for a total loan assumption of up to five thousand dollars (\$5,000).

(c) After a program participant has completed three consecutive years of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, three consecutive years of additional service as, a qualifying member within the meaning of Section 66025.6, the commission shall assume up to a maximum of an additional three thousand dollars (\$3,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational **education**, under one or more of the designated loan programs, for a total loan assumption of up to eight thousand dollars (\$8,000).

(d) After a program participant has completed four consecutive years of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, four consecutive years of additional service as, a qualifying member within the meaning of Section 66025.6, the commission shall assume up to a maximum of an additional three thousand dollars (\$3,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational **education**, under one or more of the designated loan programs, for a total loan assumption of up to eleven thousand dollars (\$11,000).

69751. (a) The Student Aid Commission shall administer this article, and, in consultation with the Military Department, shall adopt rules and regulations for that purpose. The rules and regulations shall include, but need not be limited to, provisions regarding the period of time for which a loan assumption agreement shall remain valid, the reallocation of funds that are not utilized, and the development of projections for funding purposes. The commission shall solicit the advice of representatives from postsecondary educational institutions regarding the proposed rules and regulations. The commission shall adopt initial regulations for the program within six months of the effective date of the initial appropriation funding the program.

(b) The Student Aid Commission shall work in conjunction with lenders participating in federal loan programs to develop a streamlined application process for participation in the program set forth in this article.

69751.2. In any fiscal year in which the commission determines that funding for this article is insufficient to fully support this program, the commission shall, to the extent feasible, grant the following applicants priority for participation in the program:

(a) Individuals who are financially needy, as indicated by a household income and asset level that is at or below the maximum set for participants in the Cal Grant A program under Section 69432.7.

(b) Individuals who have been called to full-time active military duty.

69751.3. The Student Aid Commission shall report annually to the Legislature regarding program participation, including, but not necessarily limited to, both of the following, as categorized on the basis of age, ethnicity, and gender:

(a) The total number of participants in the program established by this article.

(b) The number of participants who receive a loan assumption benefit, classified by payment year.

69751.5. This article shall become inoperative on July 1, 2007, and, as of January 1, 2008, is repealed, unless a later enacted statute that is enacted before January 1, 2008, deletes or extends the date on which it becomes inoperative and is repealed.

69751.8. Notwithstanding any other provision of law, in any fiscal year, the Student Aid Commission may issue no more than the number of warrants that are authorized by the Governor and the Legislature in the annual Budget Act for that year for the assumption of loans pursuant to this article.