



**Policies and Procedures Governing
the North Carolina
Optometry Scholarship Loan Program**

**A Program of the State of North Carolina
Administered by the State Education Assistance Authority
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PART I
SHORT TITLE, PURPOSE AND DEFINITIONS

.0100. Short Title.

The Policies and Procedures Governing the North Carolina Optometry Scholarship Loan Program may hereinafter be cited and referred to as the “Program Policies.”

.0101. The Program and its Purpose.

The Program was established by The University of North Carolina to provide loans to qualified North Carolina students pursuing a doctorate of optometry degree who are committed to practicing optometry in North Carolina.

.0102. Definitions.

Unless the context clearly indicates some other meaning, the following capitalized words and phrases shall have the corresponding meanings in these Program Policies:

(a) “*Academic Year*” means a combination of school terms consisting of two semesters, two trimesters, or the equivalent thereof, beginning with the fall term of any year.

(b) “*Approved Institution*” means the Pennsylvania College of Optometry of Salus University, the Southern College of Optometry or the University of Alabama at Birmingham School of Optometry.

(c) “*Authority*” means the State Education Assistance Authority, a political subdivision of the State of North Carolina, created and enabled under Article 23 of Chapter 116 of the General Statutes.

(d) “*Loan*” means the value of the financial aid provided to a Student under the Program for payment of the Student’s cost of attendance, or a portion thereof, for one Academic Year at an Approved Institution.

(e) “*Optometry Education Program*” means a doctor of optometry degree program offered by an Approved Institution that qualifies a Student to practice as a licensed optometrist.

(f) “*Program*” means the North Carolina Optometry Scholarship Loan Program.

(g) “*Promissory Note*” means the legally enforceable agreement between a Student and the Authority which sets forth the terms and conditions under which the Authority advances funds to the Student for payment of the Student’s cost of attendance, or a portion thereof, at an Approved Institution and under which the Student repays the Loan in either service or cash.

(h) “*Residence Manual*” means the most current edition of *A Manual to Assist the Public Institutions of North Carolina in the Matter of Student Residence Classification for Tuition Purposes* containing the definitions of residency for tuition purposes as adopted from time to time by the Board of Governors’ of The University of North Carolina.

(i) “*State*” means the State of North Carolina.

(j) “*Student*” means a student who receives a Loan under the Program in accordance with these Program Policies.

PART II
ELIGIBILITY REQUIREMENTS

.0200. General Policy.

An applicant for a Loan is eligible to be considered for funding if, as of the date of the application, the applicant:

- (a) has complied with the application procedures set forth in these Program Policies;
- (b) is enrolled, or accepted for enrollment, on a full-time basis in an Optometry Education Program at an Approved Institution;
- (c) qualifies as a North Carolina resident for tuition purposes under G.S § 116-143.1 and the Residence Manual;
- (d) has complied with the registration requirements of the Military Selective Service Act or is exempt from the registration requirements;
- (e) is not in default, or does not owe a refund, under any federal or State loan or grant program; and
- (f) agrees to become licensed to practice optometry in North Carolina.

.0201. Renewal Loans.

A Student is eligible to receive a Loan for an Academic Year immediately following the Academic Year for which the Student previously received a Loan up to a maximum of four years, i.e. the initial year plus three renewal years, if the Student is honoring the terms of the Student's Promissory Note, meets the eligibility requirements in Policy .0200, remains otherwise eligible for a Loan under these Program Policies, and is continuously enrolled as a full-time student in the Optometry Education Program at an Approved Institution.

PART III

APPLICATION PROCEDURES; SELECTION OF STUDENTS AND LOAN APPROVAL

.0300. Application and Supporting Documentation.

(a) *Application.* An applicant for a Loan under the Program must submit a residency application to the Authority so that the applicant's residency for tuition purposes can be determined. Once a determination is made that the applicant is a North Carolina resident, the Authority will notify the Approved Institutions that the applicant, if admitted to its Optometry Education Program, can be considered for a Loan under the Program.

(b) *Supporting Documentation.* An Approved Institution and the Authority may require an applicant to submit documentation or additional information in support of the applicant's application in order to substantiate information presented in the application before an Approved Institution considers the applicant for a Loan or before the Authority approves a Loan for disbursement.

(c) *Applications for Renewal Loans.* A Student seeking a Loan to continue in the Optometry Education Program in the Academic Year immediately following the Academic Year for which the Student received a Loan must submit renewal information, in a form acceptable to the Approved Institution and the Authority, and in a manner consistent with the procedures set forth in these Program Policies.

(d) *Responsibility to Update an Application.* If, at any time before a final determination is made on an application for a Loan under these Program Policies, any information presented on the applicant's application changes, the applicant is responsible for notifying the Approved Institution and the Authority of any such change.

.0301. Application Deadlines.

The Authority may set the application deadlines for the Program for each Academic Year.

.0302. Selection of Students.

Each Approved Institution shall select Students for the Program from among those applicants admitted to the Optometry Education Program who submit timely applications and meet the eligibility requirements of these Program Policies based on the following criteria:

- i. the applicant is determined by the Authority to be a North Carolina resident for tuition purposes under G.S. § 116-143.1 and the Residence Manual;

- ii. the intent of the applicant to complete the Optometry Education Program and to practice optometry in North Carolina following graduation and licensure;
- iii. whether the applicant is accepted for admission by an Approved Institution by the application deadline date; and
- v. any other factor consistent with the purpose of the Program and approved the Authority.

.0303. Loan Amount.

The value of each Loan shall be set by the Authority. The Loan is renewable for a maximum of three consecutive Academic Years, for a total award period of four consecutive Academic Years, provided the student is maintains academic progress and remains committed to practicing optometry in North Carolina. A Student who leaves the Optometry Education Program, regardless of the reason during this period of four consecutive Academic Years, may continue participation in the Program, but the number of the Loans that the Student is eligible for will be reduced by the number of semesters that the Student was not enrolled in the Optometry Education Program.

.0304. Promissory Note.

A Loan shall be evidenced by a Promissory Note, properly executed by the Student and the notary public who witnesses the Student's signature.

.0305. Loan Approval.

The Authority shall approve a Loan for disbursement to a Student if:

- (a) the Student is certified by an Approved Institution as eligible for the Program in accordance with these Program Policies;
- (b) the Promissory Note is negotiated in accordance with these Program Policies; and
- (c) the Student has complied with these Program Policies, the terms of the Promissory Note and any Program procedures implemented by the Approved Institution or the Authority to facilitate the application process consistent with these Program Policies.

.0306. Transfers between Approved Institutions.

A Loan under the Program is not transferable from one Approved Institution to another Approved Institution unless, under exceptional circumstances, the Authority approves the transfer of the Loan.

.0307. Loan Disbursement Procedures.

The Authority will disburse the proceeds of the Loan to the Approved Institution.

.0308. Use of Loan Proceeds.

Loans shall be used only for payment towards the cost of attendance at an Approved Institution as defined in Section 472 of the Higher Education Act of 1965, as amended (20 U.S.C. §108711).

PART IV
SCHOLARSHIP LOAN FORGIVENESS

.0400. Loan Forgiveness through Service; General Policy.

The Authority shall forgive a Loan, and any interest accrued on such Loan, if, within seven years of graduation from an Approved Institution, exclusive of any authorized deferment for extenuating circumstances as set out below, the Student practices optometry in North Carolina for one year for each Academic Year of funding received, and the Student otherwise complies with these Program Policies. The Authority shall apply this Policy .0400 sequentially, forgiving each Loan in the order that it was made to the Student.

.0401. Eligibility for Loan Forgiveness through Service.

To be eligible for Loan forgiveness, a Student must complete an Optometry Education Program supported by the Loan and obtain a license to practice optometry in North Carolina. If the Student fails to pass the first two successive licensure examinations offered following the Student's graduation, the Student must begin repaying the Loan or Loans in cash in accordance with these Program Policies.

.0402. Procedure for Obtaining Loan Forgiveness; Specific Employment Requirements.

(a) *Notice of Intent to Seek Loan Forgiveness.* Within ninety (90) days after graduation from an Approved Institution, the Student shall notify the Authority, in writing and in a form acceptable to the Authority, of the Student's intent to seek, or to forego, the opportunity for Loan forgiveness.

(b) *Required Documentation.* Within thirty (30) days of beginning the practice of optometry in North Carolina, the Student shall submit written verification of that employment to the Authority in a form acceptable to the Authority. Thereafter, the Student shall provide the Authority with verification of employment in each ensuing year until all Loans are forgiven or the Student commences cash repayment under Policy .0501, whichever occurs first.

Notwithstanding the foregoing provisions of this Policy .0402(b), the Authority reserves the right to conduct independent inquiries with regard to whether or not a Student's employment qualifies for Loan forgiveness under these Program Policies.

(c) *Concurrent Employment Obligations.* The Authority may forgive a Loan when the Student's employment qualifies under these Program Policies for forgiveness through service and such employment also fulfills the Student's obligation to another education or scholarship program only upon finding that:

- i. such other program is not funded by the State or any of its agencies or political subdivisions; and
- ii. the Student's obligations to the other program will not interfere with the Student's ability to comply with these Program Policies.

.0403. Authorized Deferment for Extenuating Circumstances.

(a) *Procedure.* At any time a Student may apply to the Authority for an authorized deferment for extenuating circumstances. The application for an authorized deferment shall contain documentation, satisfactory to the Authority of the reason for the deferment and specify the period of time, by beginning and ending dates, covered by the deferment request.

(b) *Postgraduate Training.* The Authority shall authorize a deferment for postgraduate training for a period not to exceed seven (7) consecutive years for either the Student or the Student's spouse to complete an internship, residency or other postgraduate training. The Authority may authorize a deferment for postgraduate training for an additional period of time.

(c) *Extenuating Circumstances.* The Authority may authorize a deferment if one of the following extenuating circumstances is substantiated by the Student's request:

- i. personal illness for a period not to exceed twelve (12) months per each occurrence;
- ii. family medical leave, which means maternity or paternity leave upon the birth or adoption of a child or leave to provide necessary care for a member of the Student's immediate family, who is sick or disabled, in either case for a period not to exceed twelve (12) months per each occurrence;
- iii. unemployment during any period of time not to exceed twelve (12) months per each occurrence during which the Student is also conscientiously seeking and unable to obtain employment that qualifies for Loan forgiveness under these Program Policies;
- iv. full-time enrollment at any accredited postsecondary institution located within the United States for a period not to exceed twenty-four (24) months; or
- v. a member of the National Guard or a reserve component who is ordered to report for military service as that term is defined in 50 U.S.C.S. Appx § 511(2);

- vi. residing in or employed in an area that is a disaster area as that term is defined in 42 U.S.C. § 5204(2); or
 - vii. any other reason that the Authority finds is consistent with the purposes and goals of the Program not to exceed twenty-four (24) months.
- (c) *Effect of Authorized Deferment.* The Authority's approval of a deferment under this Policy.0403 shall operate to extend the period of time during which the Student must complete the Student's service under Policy .0400 by the amount of time for which the Authority authorized the deferment under subsection (b) of this Policy.
- (d) *Interest Accrual.* Interest on the Loan shall continue to accrue during any period of authorized deferment.

.0404. Reinstatement of Loan Forgiveness through Service.

- (a) A Student who has been required to commence cash repayment of a Loan after graduation may apply for reinstatement of the opportunity for forgiveness through service provided that the Student is:
- i. current with cash payments on the Loan;
 - ii. eligible for forgiveness through service under Policy .0401; and
 - iii. otherwise in compliance with these Program Policies.
- (b) A Student for whom the opportunity for forgiveness is reinstated under this Policy .0404 may have the balance of the Student's Loan forgiven under Policy .0400 provided that the Student complies with Policy .0402.
- (c) If the Authority reinstates the Student's opportunity for forgiveness in accordance with this Policy .0404, the Authority shall not refund any cash payments remitted prior to the reinstatement.

PART V
CASH REPAYMENT

.0500. Cash Repayment, Generally.

When the Authority determines that a Loan, or any portion thereof, cannot be forgiven under these Program Policies, the Student shall repay the Loan to the Authority in cash in accordance with these Program Policies and the terms of the Promissory Note.

.0501. Commencement of Cash Repayment.

(a) *After Graduation from an Approved Institution.* If the Student graduates from an Approved Institution, the Student shall commence repayment of principal and interest no later than ninety (90) days following the earliest of:

- i. the graduation date, unless the Student has provided notice of intent to seek service forgiveness in accordance with Policy .0402(a); or
- ii. the date on which the Authority notifies the Student that the Student's employment does not qualify for Loan forgiveness under these Program Policies; or
- iii. the date on which the Student notifies the Authority that the Student does not intend to seek forgiveness through service; or
- iv. the date on which the Authority determines that the Student will not be able to satisfy the requirements of these Program Policies with regard to any portion of the Student's outstanding Loan.

(b) *Upon termination of the Loan.* If the Loan is terminated prior to the Student's graduation, the Student shall commence cash repayment no later than ninety (90) days following the date on which the Loan is terminated. For the purpose of this Policy .0501(b), a Loan is terminated upon the occurrence of any of the following events:

- i. the Student withdraws from an Optometry Education Program for which the Loan was advanced without requesting an authorized deferment within ninety (90) days of such withdrawal; or
- ii. the Student declines further funding under the Program without requesting an authorized deferment; or
- iii. determination by an Approved Institution or the Authority that the Student is no longer eligible for a Loan under these Program Policies and the Student does not request an authorized deferment within ninety (90) days of such determination; or

iv. the Student does not graduate from the Optometry Education Program at an Approved Institution.

.0502. Accrual of Interest.

Each Loan shall bear and accrue interest at the rate set forth in the Promissory Note beginning ninety (90) days completion of the Optometry Education Program supported by the Loan or ninety (90) days after the termination of the Loan, whichever is earlier.

.0503. Repayment Period and Terms.

(a) *Repayment Period; Monthly Installments.* When a Loan matures for cash repayment under these Program Policies, the Student shall be required to repay the Loan in each case according to a schedule of monthly installments established by the Authority that provides for payment of the Loan in full within ten (10) years of the date on which cash repayment is commenced.

(b) *Extension of the Repayment Period.* The Authority may, upon the request of a Student, grant an authorized deferment based on documentation of an extenuating circumstance and thereby extend the repayment period for a Loan by the period of time covered by the authorized deferment.

(c) *Forbearance at the Discretion of the Authority.* If the Student documents extenuating financial circumstances for the Authority, the Authority may reduce the Student's monthly payment temporarily and thereby extend the total period of time within which the Student will be required to repay the Loan in full.

PART VI

LOAN CANCELLATION DUE TO DEATH OR DISABILITY

.0600. Death of Student.

(a) *While the Student is enrolled in an Optometry Education Program.* If a Student dies while the Student is enrolled in an Optometry Education Program supported by the Loan, the Authority shall cancel the Loan and not pursue a claim against the Student's estate.

(b) *After Graduation from the Optometry Education Program.* If a Student dies after graduating from the Optometry Education Program at an Approved Institution, the Authority shall cancel the Loan and not pursue a claim against the Student's estate provided that the Student was either eligible for or pursuing Loan forgiveness through service under these Program Policies.

(c) *After Commencement of Cash Repayment.* If the Student is required to repay any Loan in cash under these Program Policies, the outstanding balance on the Loan may be recovered from the Student's estate or cancelled in the discretion of the Authority.

.0601. Disability.

The Authority is authorized to cancel an outstanding Loan upon a finding that the permanent disability of a Student creates the impossibility that the Student will be able to satisfy the requirements of Loan forgiveness within seven years of graduation from the Optometry Education Program supported by the Loan. This finding must be documented by the opinion of a doctor of medicine or osteopathy that is legally licensed to practice in a state on a form prescribed by the Authority.