RULES AND REGULATIONS

SOCIAL WORKERS' EDUCATION LOAN FUND
UNDERGRADUATE AND GRADUATE PROGRAMS

A Program of the North Carolina
State Education Assistance Authority

in cooperation with

The North Carolina Department Of Human Resources

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.0101 Purpose

The Social Workers' Education Loan Program (SWELF) was created in 1994, effective for the 1994-95 academic year, by the North Carolina General Assembly. The purpose of the SWELF is to provide a competitive, merit-based scholarship loan program available to students who desire to enter the social work profession and to practice as a public child welfare social worker after earning the baccalaureate or master's degree in social work. Financial need is not a criterion for selection as a recipient. Recipients are selected by the participating social work education programs based upon criteria adopted by the Board of Directors of the North Carolina State Education Assistance Authority (SEAA). Recipients are selected from among qualified individuals who make application for admission to and plan to study in one of the participating social work education programs throughout the State. Recipients must intend to (1) enroll full-time in social work education programs, (2) obtain a degree, (3) be employed as a public child welfare social worker in a county department of social services in a designated rural or other need-based area in North Carolina.

.0102 Scope

Scholarship loans are available for full-time enrollment in social work education programs located in North Carolina, which are accredited by the Council on Social Work Education (CSWE), and which offer social work programs that lead to a degree which prepares one to be employed as a public child welfare social worker. Funding is contingent upon continued appropriations by the General Assembly of North Carolina. Cash repayments made by previous recipients who do not fulfill their service contract(s) are also available to fund future recipients.
SWELF is administered, as provided by statute, by the North Carolina State Education Assistance Authority (SEAA), an agency affiliated with The University of North Carolina, General Administration. Rules to administer the SWELF program are the responsibility of the Board of Directors of SEAA. SEAA consults with the North Carolina Department of Human Resources to designate "rural or other need-based areas" in which recipients are to be employed for service repayment.

.0103 Definitions

The following definitions apply to terms used in the "Rules for the Social Workers' Education Loan Fund" (hereafter 'SWELF rules'):

(a) Administrative Agreement – An agreement between the State Education Assistance Authority and each Participating School in SWELF. This document defines the duties and responsibilities of each party to administer the scholarship loan program.

(b) Appeal Process – The procedure described at .0513 by which an applicant may seek reexamination of a decision by participating institutions or SEAA.

(c) Approve Disciplines – Programs of social work education, accredited by CSWE, offered in participating schools and leading to the baccalaureate or master's degree in social work. Said disciplines are determined by the SEAA as consistent with the purpose and scope of the SWELF program.

(d) Default – Any account which is 120 days delinquent is considered in default and subject to collections procedures incident to such default.

(e) Deferment – The granting of an interruption in the payment of principal and interest on an obligation under terms acceptable to the SEAA (see .0707).
(f) Degree or Certificate – A title or formal recognition conferred upon a student by a college, university, professional school or other educational enterprise to signify completion of a unified program of study resulting in the acquisition of a specific body of knowledge.

(g) Delinquent – Any payment not made within five days of the due date.

(h) Department of Human Resources – The department of State government which is to consult with SEAA in determining designated rural or other need-based areas of North Carolina in which the SWELF graduates may be employed in public child welfare to receive service forgiveness of the SWELF scholarship loan.

(i) Disability – Conditions described at .0509 that are certifiable by appropriate medical authorities with respect to the mental or physical health of an applicant or recipient that may impair the ability of the recipient in fulfilling his/her SWELF agreement(s).

(j) Domicile or Residency in North Carolina – The conditions required to establish the applicant as a resident of the State of North Carolina for purposes of school attendance as described at .0201. Generally, a student must meet the requirements of the RESIDENCY MANUAL published by the General Administration of the University of North Carolina establishing the requirements for in-state tuition payment in publicly supported postsecondary institutions in North Carolina.

(k) Employment – The full-time engagement for compensation in a position as a public child welfare social worker. Positions eligible for service forgiveness must be designated in a rural or other need-based area by SEAA, in consultation with the Department or Human Resources, as described in .0207.
(l) Extenuating Circumstances – Those situations or conditions which SEAA determines to exist which would make repayment of the SWELF scholarship loan impossible and under the Board of Directors may forgive or reduce loan repayment - see .0508 (Death of Loan Recipient), .0509 (Disability), and .0510 (Financial Hardship).

(m) Financial Hardship – The conditions described at .0510 affecting a scholarship loan recipient under the SWELF program.

(n) Forbearance – The granting of an interruption in the payment of principal on an obligation provided that accrued interest is paid under terms acceptable to the SEAA (see .0708).

(o) Full-time Employment – Full-time employment for purpose of qualifying for cancellation of SWELF debts means duty hours which are required by the employer as necessary to earn the salary and employee benefits equal to 40 duty hours per week (see .0207).

(p) Grace Period – A ninety (90) day period beginning on the date the student is ineligible to receive further SWELF funding owing to (1) withdrawal from the educational program, (2) ceasing to remaining good standing academically and/or removal from the social work education program prior to successful completion of the program, or (3) completion of academic requirements. (see .0703 and .0901)

(q) Participating Schools – An institution of postsecondary education located in North Carolina and operating a program of social work education leading to the awarding of a degree enabling the holder to be employed as a public child welfare social worker. The Participating School shall be duly chartered or incorporated under laws of the State of North Carolina and fully accredited by the Council on Social Work Education (CSWE) to offer the program of social work education.
The Participating School must have entered into an Administrative Agreement for SWELF with the SEAA.

(r) Practice Approval – The process by which a recipient may seek specific approval for service cancellation as a public child welfare social worker at a practice site sanctioned by SEAA.

(s) Practice Sites – The public child welfare social worker must be employed full-time by a North Carolina public child welfare agency. The practice site must be approved by SEAA. (see .0703 and .0801).

(t) Program Office or Program Officer – The staff and personnel employed by The University of North Carolina for the Board of Directors of the North Carolina State Education Assistance Authority who are charged by G.S. 116-209.30 and the SEAA Board with the responsibility for managing, operating and directly overseeing the SWELF program.

(u) Program Regulation or SWELF Rules – Rules and regulations for the administration of SWELF for which the SEAA Board of Directors, in consultation with the Department of Human Resources, has responsibility. Chapter 116-209.30 (e) of the General Statutes empowers the SEAA Board of Directors to promulgate such rules.

(v) Promissory Note – The legally enforceable agreement between a SWELF recipient and the North Carolina State Education Assistance Authority which sets forth the terms and conditions under which the Authority advances funds to the recipient for the education purposes and describes the conditions under which the recipient shall repay the scholarship loan in either service or cash.

(w) Public Child Welfare Agency – A public child welfare agency is an administrative unit of a county department of social services, functioning for the principal
purpose of providing child welfare services to the citizens of North Carolina.

(x) Renewal Criteria – The academic and personal standards of performance which the SEAA Board of Directors adopts to be met by SWELF recipients in order to be eligible for funding in subsequent years.

(y) Satisfactory Academic Progress – The requirements adopted by SEAA as sufficient for SWELF purposes in reviewing the academic progress of a student in the social work education program for which the student was approved for a SWELF scholarship loan. A student deemed not in satisfactory progress by the educational institution is under no circumstances in satisfactory progress with SEAA. A student deemed in satisfactory progress by the educational institution must also meet SEAA's satisfactory progress requirements if different from the institution.

(z) State Education Assistance Authority (SEAA) – The SEAA is a political subdivision created by G.S. 116-201 through 116-209.30 which is an administrative unit of the The University of North Carolina - General Administration and which is authorized by the General Assembly to administer SWELF, in consultation with the N.C. Department of Human Resources, and in cooperation with eligible institutions of the public university and private college and university institutions of post-secondary education. SEAA is responsible for administration of most State-funded, need-based student assistance program that is interinstitutional or statewide in nature.

(aa) SEAA Board of Directors – The appointed body created under G.S. 116-203 and charged under G.S. 116-204 with powers and duties necessary to carry out the affairs of the North Carolina State Education Assistance Authority.

(bb) Service Cancellation – The requirements set forth at .0701 regarding the repayment to the State of North Carolina through service in an approved site in
consideration for the funds advanced to the recipient under the SWELF scholarship loan program.
.0200 ELIGIBILITY RULES

.0202 Domicile

A recipient of a SWELF scholarship loan must be a citizen of the United States and a resident and a resident of North Carolina for purposes of tuition payment under the terms and conditions of the Residence Manual (current edition) of The University of North Carolina.

.0202 Acceptance/Enrollment in A Course of Study

A recipient must be enrolled in good standing as a full-time student (12 semester hours as an undergraduate; 9 semester as a master's student in the fall and spring semesters of the academic year) in a social work education program leading to the baccalaureate degree in social work or the master's degree in social work which qualify the holder to be employed as a public child welfare social worker in North Carolina.

.0203 Financial Need

Financial need is not a criterion for selection or renewal as a SWELF recipient.

.0204 Scholarship Loans Not Available

Scholarship loans are not available for:

(a) individuals who owe a refund on a federal or state scholarship or grant or who are in default on Perkins Loans or Stafford Student Loans (including Supplement Loans [SLS] and PLUS) or other student loans;

(b) repeating academic coursework for which a scholarship loan was previously granted, except where such limited repeat coursework is being completed concurrently with a course load for which the student is funded in the succeeding curricular offering, and comprises no more than 3 credit hours.
within such course load;

(c) enrollment during any period(s) in which the student is not in good standing in the social work education program or does not meet renewal criteria of the SEAA;

(d) enrollment in educational institutions which do not offer CSWE accredited social work education programs in North Carolina and which are not Participating Schools in SWELF;

(e) educational credits through correspondence or extension courses;

(f) enrollment in a social work education program on less than a full-time basis; and

(g) individuals who do not reflect personal or scholastic behavior of high moral and ethical standards.

.0205 Criteria for Selection of Recipients

The following criteria are to be considered in selecting SWELF participants:

(a) postsecondary education grade point average;

(b) student's willingness to enter into a contractual agreement with the State Education Assistance Authority (SEAA) to practice full-time as a public child welfare social worker in North Carolina in a designated rural or other need-based area following completion of the education program or repay in cash the amount received under SWELF plus interest at an annual rate of 10% (12% if the recipient does not complete the social work program for which funded);

(c) consideration of minority students and students from diverse socio-economic backgrounds;

(d) United States citizenship and North Carolina residency;

(e) student's willingness to comply with the rules and regulations of SWELF;
(f) evidence of high moral and ethical standards;

.0206 Method of Selection of Recipients

The following method of selection of recipients shall be employed for SWELF:

(a) the dean or director of the social work education program or the dean or director's designee in the Participating School and the State Education Assistance Authority shall publicize the availability of SWELF and make information available about the program to all interested individuals;

(b) SEAA shall allot SWELF funding to all participating institutions based upon the proportion of full-time North Carolina resident students enrolled in the fall semester of the previous academic year (each program will have at least one SWELF scholarship loan allotted each year);

(c) the participating institution shall designate recipients of SWELF scholarship loans from among admitted junior students in the undergraduate program and admitted first year students in the master's program;

(d) the institution shall consider minority students and students from diverse socio-economic backgrounds who may be eligible to receive awards;

(e) the intent of the student to practice public child welfare social work in a designated rural or other need-based area in North Carolina following the acquisition of the desired education and subsequent graduation shall be evaluated; and

(f) a priority for making SWELF awards among the eligible students shall be established that, in the opinion of the participating institution, best meets the objectives for the program to produce the most outstanding candidates for full-time public child welfare social work employment in North Carolina.

.0207 Agreement to Work in North Carolina
(a) Upon completion of all required academic coursework, scholarship loan recipients who desire to repay their scholarship by service shall agree to accept employment in North Carolina. The length of practice service will be equated to total funds received by the student, plus any accrued interest. For example, a student receiving the annual $4,000 undergraduate or $5,000 graduate SWELF award will be required to practice one year in North Carolina as a public child welfare social worker for each year of SWELF award.

(b) For each calendar month of approved, full-time employment (for a minimum of six months with one employer) as a public child welfare social worker in a designated area in North Carolina, the recipient's obligation will be cancelled, based upon the principal amount, at the rate of:

1. $334 for a $4,000 undergraduate award, and
2. $417 for a $5,000 graduate award.

(c) Employment must be in a public child welfare social worker position in a designated rural or other need-based area in North Carolina. The SWELF recipient must work full-time as herein defined:

1. Full-time employment for purpose of qualifying for cancellation of SWELF debt means duty hours which are required by the employer as necessary to earn the salary and employee benefits equivalent to 40 hours per week; and
2. The SWELF recipient must submit documentation, upon employment, to the SEAA from an appropriate official certifying the official beginning date(s) of full-time employment.

(d) Recipients agree to follow all SWELF Rules and Regulations for service cancellation.

(e) Recipients agree to keep the SEAA promptly appraised at all times of changes in circumstances affecting the repayment in service or cash of the SWELF award.
.0301 Application and Supporting Information

(a) Individuals newly-admitted to social work education programs may make application for SWELF consideration according to procedures adopted by the participating institution in which they will enroll;

(b) Scholarship applicants must agree to complete:
   (1) a certification form acknowledging their qualifications to receive SWELF funding;
   (2) a Promissory Note which details the amount of the SWELF award and the terms and conditions of repayment; and
   (3) a Disclosure Statement regarding their understanding of the SWELF Program;

(c) The SEAA staff may! contact the student aid office, the dean or director of social work, or other sources of information which it deems necessary to verify all information submitted on each SWELF application and the applicant, by means of applying, grants a waiver to all privacy requirements in order to be considered as a SWELF recipients.

.0302 Selection

Recipients of SWELF scholarship loans will be selected by participating institutions based upon selection criteria, which the Board of Directors of SEAA has adopted.

.0303 Approval

SEAA will approve the SWELF award provided:

(a) the recipient is certified by the institution in which enrolled as a full-time junior or first-year master's social work education student;
(b) the Certification Form, Disclosure Statement and Data Sheet, completed by the applicant, are correct; and

(c) the Promissory Note is negotiated properly.

.0304 Security for the Scholarship Loan

(a) Each scholarship loan must be secured by a Promissory Note signed by the recipient;

(b) Sureties (cosigners) are not required for this program;

(c) The recipients must complete and sign the Promissory Note before a notary public or a clerk of superior court who certifies the signing.

.0305 Check Disbursement

(a) Upon receipt and approval of the properly executed Promissory Note and other required documentation, the SEAA will authorize a check to be issued on the student's behalf;

(b) Checks will be mailed to the designated contact person in the social work education program in the institution in which the student is enrolled for disbursement to the student;

(c) Recipient will sign a receipt for the funds and certify that the proceeds of the award will first be used to make payments of any funds owed the institution;

(d) No disbursement will be made if a copy of the Certificate of Receipt of Scholarship Loan Funds for a previous disbursement is not on file in SEAA;

(e) Checks are issued for the fall and spring semesters;

(f) Checks not disbursed to eligible students shall be returned to SEAA within sixty (60) days of beginning date of the semester for which they were issued or sixty (60) days for the check was printed, whichever is later.
.0400 RENEWAL LOANS

.0401 Time Limit

Scholarships are approved for only one academic year at a time. Payments will be made on a fall and spring semester basis.

.0402 Renewal Applications

The recipient must be evaluated each year by the SEAA for renewal of the SWELF award based upon criteria adopted by the Board of Directors of SEAA and the potential duration of the initial award. The recipient must be making satisfactory academic progress, as defined by the SEAA and the institution, to eligible for renewal:

(a) A SWELF recipient who transfers to another participating school is eligible for SWELF funding in the second participating school provided the recipient was making satisfactory academic progress, as defined by the SEAA and the respective schools, and is eligible to return to the previous institution (see also .0511);

(b) Renewal of the Scholarship beyond the first year is based upon academic performance in the preceding academic year (fall and spring and subsequent summer sessions) rather than upon a cumulative grade point average (GPA).

(c) The SEAA Board of Directors has defined grade point averages for renewal, based upon a four-point scale, for each new class of SWELF recipients. Recipients are provided the renewal GPA requirements at the time the award is offered. Undergraduate recipients must maintain a 3.0 GPA in the junior year; master's recipient must maintain a 3.2 GPA in the first year of the master's program.

(d) The recipient must also remain in good standing academically, financially and socially (be in good standing with residence life and the student honor system if applicable) in the institution in which enrolled.
(e) Renewal awards are made subject to appropriations by the North Carolina General Assembly for the SWELF.

.0403 Repetition of Academic Work

Scholarship recipients who repeat academic work are not eligible for SWELF financial assistance, except where limited coursework (not exceeding 3 credit hours) is being repeated concurrently with a course load, appropriate for the SWELF award, in the succeeding curricular offerings.
.0501 State Policy on Civil Rights

(a) The State of North Carolina is committed to the nondiscriminatory administration of funds and programs.

(b) No citizen of the United States domicile in the State of North Carolina shall be denied participation in the Program, be denied benefits of the Program, or be subjected to discrimination under SWELF because of race, color, age, sex, national origin, or handicapping condition.

.0502 Responsibilities of the N.C. Department of Human Resources

The Department of Human Resources, in consultation with the State Education Assistance Authority, designates the rural or other need-based counties in North Carolina in which recipients of SWELF may repay the scholarship loan through service forgiveness as a public child welfare social worker.

.0503 Responsibilities of Participating Schools

(a) Participating Schools (or institutions) shall designate the chair, dean or director of the social work education program with the responsibility to carry out administrative and fiscal provisions of the Administrative Agreement with the SEAA. Such officer shall be the official contact between the Institution and SEAA on all fiscal matters relating to SWELF;

(b) The dean or director of the social work education program shall designate a contact person for SWELF. This contact person shall provide counseling and information to apprise eligible students of SWELF, the terms thereof, the requirements and expectations of the North Carolina General Assembly, SEAA, and the Institution;

(c) Institutions shall review likely candidates for SWELF, based upon

(1) the allotted number of awards,

(2) general standards of eligibility and
(3) the process it determines to use in conducting the review, and select SWELF recipients it then recommends to SEAA;

(d) Institutions shall serve as the primary conduit of information exchange between SEAA and student applicants and recipients during the time that such persons remain enrolled in the Institution.

(e) The dean or director (or a designee) of the social work education program in the participating institution shall be the contact person for purpose of confirming eligibility of recipients to continue in the professional program;

(f) Institutions shall provide with respect to SWELF recipients such information as may be requested by SEAA or by the State Auditor, provided such data requests are not inconsistent with laws governing privacy of personal information.

.0504 Responsibilities of the State Education Assistance Authority

(a) The State Education Assistance Authority (SEAA) has responsibility under Article 9C of Chapter 90 of the General Statutes and more specifically G.S. 116-209.30 for the following functions:

(1) to promulgate the rules and regulations necessary to implement the scholarship loan program;
(2) to adopt stringent standards to ensure that excellent students receive scholarship loans under SWELF;
(3) to determine selection criteria and methods of selection of SWELF recipients;
(4) to inform participating institutions of selection criteria and procedures to inform SEAA of recommended SWELF recipients;
(5) to approve standards for SWELF renewal.
(6) to disburse, collect and monitor scholarship loan funds;
(7) to establish and enforce the terms and conditions of promissory notes executed by loan recipients;
(8) to designate, in consultation with the Department of Human Resources, rural and other need-based areas for service repayment as a public child welfare social worker;
(9) to approve service repayment agreements; and
(10) to collect cash repayments required when service repayment is not completed.
(b) SEAA shall enter into an Administrative Agreement with each SWELF Participating School;

(c) SEAA shall inform Participating School(s) in a timely manner of the number of allotted annual awards and funds available for SWELF and of rules and regulations pertaining to the Program;

(d) The SEAA is governed by a Board of Directors consisting of seven members, each of whom is appointed by the Governor;

(e) Consistent with the Bylaws of the SEAA Board of Directors, the Executive Committee is empowered to act for the Board between regular meetings subject to ratification at the next regularly scheduled meeting of the Board. The actions of the Executive Committee are binding at the time as if an action of the full board.

.0505 Permissible Use

Scholarship loans shall be used only for payment of tuition, required fees, institutional equipment, training materials and books, living expenses, and other educational-related expenses.

.0506 Correspondence

(a) A recipient is responsible for answering promptly all correspondence related to SWELF from the Participating School and the SEAA Office.

(b) A recipient is responsible for notifying the Participating School and the SEAA Office of any change(s) in name, address, academic standing or other pertinent circumstances, which would affect the recipient's scholarship loan status while the contract is in force.

(c) Failure to fulfill (a) and (b) may disqualify the applicant form further SWELF consideration or may result in condition of default.

.0507 Sureties (Cosigners)
Cosigners are not required for this program.

.0508 Death of Loan Recipient

If a recipient dies while the contract is in force, any balance owed on the contract may be recovered from the deceased recipient's estate or forgiven by the Board of Directors of the SEAA at the discretion of the Board.

.0509 Disability

(a) In the event that a recipient becomes, in the opinion of a competent medical authority, mentally or physically disable after incurring a SWELF obligation, the recipient (or legally authorized representative) may apply to the SEAA for a waiver, deferment, or suspension of any loan obligation. Deferments shall be reviewed not less than once annually by the SEAA.

(b) Cancellation of any obligation owing to total and permanent disability must be approved by the Board of Directors of the SEAA. This cancellation shall be based only upon a medical determination of total and permanent disability, which causes the borrower to be unable to engage in any substantial gainful activity.

.0510 Financial Hardship

In the event that a loan recipient can prove severe financial hardship over an extended period of time, the recipient may apply to the SEAA for a waiver, deferment or cancellation of any outstanding loan obligation. All approved deferments will be reviewed on an annual basis. All requests for loan cancellation due to financial hardship must be approved by the Board of Directors of SEAA.

.0511 Transfer

(a) A SWELF award may not be transferred from one Participation School to another Participating School;
(b) A SWELF recipient may be considered for renewal SWELF assistance in a different Participating School, provided:

1. the recipient left the previously attended institution in good academic and social standing and was eligible to continue in the social work education program;
2. the recipient meets the previously attended institution and SEAA's requirements for award renewal;
3. the subsequent program of social work education is of the same duration as the previously attended program;
4. the total amount of the SWELF award is the same as the original SWELF award; and
5. the recipient will enter the social work education program to which a transfer is being made within one year of leaving the previously attended institution.

.0512 Ineligibility

Loans shall become due and payable unless deferment or forbearance is granted to the borrower within ninety (90) days after:

(a) borrower's withdrawal from the social work education program prior to the successful completion of all academic coursework;

(b) the borrower's ceasing to remain in good standing academically or removal from the social work education program prior to the successful completion of all required coursework;

(c) the borrower's decision to decline further funding for which borrower is eligible; or

(d) the borrower's failure to meet the standards set by the SEAA.

In the event that the borrower becomes mentally or physically disabled after incurring a loan obligation, the borrower may apply to the SEAA for a waiver, deferment or suspension of the loan obligation. (see .0509)
.0513 Appeal Process

All appeals by students regarding SWELF must directed in writing to the assistant director in the office of Health, Education and Welfare programs, SEAA, which is responsible for administration of SWELF. The assistant director shall consider the merits of the appeal, resolve the matter administratively or seek the decision of the executive committee of the SEAA Board of Directors.

.0514 Dependent/Independent Student Status

With respect to any condition in which the SEAA may determine that the independent or dependent status of the student is relevant to the SWELF program, the current federal definition of an independent student shall be applied.
.0600 SCHOLARSHIP LOAN AMOUNTS

.0601 Annual Award Amounts

Award amounts are as follows:

(a) Baccalaureate students - $4,000 per year; and

(b) Master's students - $5,000 per year.

.0602 Maximum Aggregate Scholarship Loan Amounts

Maximum aggregate loan amounts are as follows:

(a) Baccalaureate student - $8,000; and

(b) Master's student - $10,000.
.0700 GENERAL PRACTICE RULES

.0701 Cancellation

(a) Scholarship loans may be cancelled with interest on the basis of full-time employment as a public child welfare social worker in an approved site in North Carolina. All SWELF loans cancelled through service must be cancelled within six years after graduation from a social work education program.

(b) Scholarship loans are cancelled for each calendar month of approved full-time employment as a public child welfare social worker, based upon the principal amount, as follows:

(1) baccalaureate recipients - $334. per month; and

(2) master's recipients - $417. per month.

(c) Service cancellation cannot begin before completion of the degree for which funding was received.

(d) A period of six months of full-time continuous practice with one employer at an approved site as public child welfare social worker is required to qualify for any cancellation of principal or interest which shall be credited toward cancellation after qualification therefore; and

(e) Scholarship loans shall be cancelled sequentially, with the initial loan being cancelled first.

.0702 Examinations

As of July 1994 when SWELF was established by the General Assembly, no certification or license is required to be employed as a public child welfare social worker in North Carolina. Should a certification or license be required in the future, a SWELF recipient will be required to hold the certificate or license in order to be eligible to repay the scholarship loan through service.
.0703 Practice or Employment

(a) Full-time employment shall begin within 90 days after completion of graduation from the social work education program.

(b) The recipient must be employed full-time by a designated county department of social services in North Carolina in a public child welfare position.

.0704 Exclusions

(a) Self-employment is excluded for purposes of service cancellation of loans.

(b) Employment in private or proprietary agencies is excluded for purposes of service cancellation of loans.

(c) Employment in a position other than public child welfare is excluded for purposes of service cancellation of loans.

.0705 Certification on Service

(a) The recipient must submit, upon employment, to SEAA a letter from an appropriate official on institutional letterhead stationery, or appropriately completed SEAA form, verifying the beginning date of full-time employment in order to receive approval of service for service cancellation of a SWELF loan.

If the recipient fails to submit the appropriate employment verification within the grace period, the SEAA will consider the full account immediately due and payable and require cash payment of the loan.

(b) SEAA will request a letter of certification of service from an institution or agency at the end of employment required to retire the promissory note for each year of the recipient's obligation.

(c) The SEAA reserves the right to conduct its own inquiries to verify fulfillment of loan commitments.
.0706 Practice Approval

The SEAA reserves the right to disapprove a practice location if not in accord with the purpose of the Program as stated in Rule 0101 and .0703.

.0707 Deferment

Deferment of the loan commitment may be granted for a specified time period at the discretion of the SEAA upon receipt of written deferment request and proper documentation of the deferment under the following circumstances:

(a) personal illness for a period not to exceed three years upon receipt of a written statement from a health care provider stating the nature and on-set of the illness and the tentative date that the recipient will be able to return to training or employment;

(b) maternity leave of absence for a period not exceed the nine months of the pregnancy and three months after the pregnancy, unless extended by the SEAA (not to exceed in any case a total of 18 months) due to extenuating circumstances, upon receipt of a written statement from a health care provider verifying the pregnancy;

(c) recipient is enrolled full-time in a program of social work education leading to a higher degree, related to public welfare practice, than the degree for which recipient receive SWELF funding.

(d) recipient who ceases to receive SWELF funding and who continues full-time enrollment, on a year to year basis, to extend no longer that the completion of education (in either social work or another discipline), provided recipient continues to be enrolled in a full-time load.

Interest on the outstanding SWELF loan balance shall accrue during the approved deferment and must be repaid either in cash or service cancellation. No deferment may extend the period of time that is required by statue or these rules for full service or cash repayment.
.0708 Forbearance

Forbearance of the loan commitment may be granted for a specified time period at the discretion of the SEAA upon receipt of a written forbearance request and proper documentation in the following circumstances:

(a) recipient, who has been deferred for a maximum of three years owing to illness, upon receipt of a written statement from a health care provider stating the nature of the continued illness and the tentative date that the recipient will be able to return to training or employment;

(b) recipient continues to enrolled in at least a half-time academic load; or

(c) recipient is providing needed care to a family member (defined as spouse, child, parent or spouse's parent) who is sick or disabled.

Repayment of the principal owed will be deferred during the period of approved forbearance. If interest is currently accruing on the SWELF scholarship loan, it will continue to accrue during the time of forbearance and must be paid on regular basis as agreed up with SEAA. No forbearance may extend the period of time that is required by statue or these rules for full service or cash repayment.

.0709 Reinstatement of Service Cancellation

Scholarship loan recipients who were ineligible to repay the loan through service and are currently repaying the loan by cash, having later become eligible for service cancellation, may repay the remaining outstanding balance of the loan(s) under the following conditions:

(a) Eligibility:
   (1) recipient's account must be in current status with no past due payment(s) outstanding; and
   (2) recipient must submit to SEAA appropriate practice information for approval of the practice agency.

(b) Repayment:
   (1) Accrued Interest - If the recipient's account is in a current status and all current interest and all capitalized interest has not been paid, all current and capitalized interest may be cancelled
in cash or through service.

(2) Principal - Scholarship loan recipients must work full-time in an approved practice site for a minimum of six months in order for this service to repay principal owed under SWELF.

NOTE: Service credit will be applied first to outstanding current interest and then to the outstanding principal amount.
.0800 SPECIFIC PRACTICE REQUIREMENTS

.0801 Practice Site

A SWELF recipient must be employed in a North Carolina department of social services in a county designated in a county designated by SEAA as rural or other need-based area (such designations are to be made based upon recommendation by the N.C. Department of Human Resources) as public child welfare social worker. The recipient must work full-time as herein defined:

(a) Full-time employment for purpose of qualifying for cancellation of SWELF debt means duty hours which are required by the employer as necessary to earn the salary and employee benefits equivalent to 40 duty hours per week; and

(b) The recipient must submit to the SEAA documentation from an appropriate official certifying the official beginning (and ending) date(s) of full-time employment subject to the time limitations prescribed in section .0703 of these rules and regulations.

.0802 Concurrent Funding and Practice Obligation

Recipients may be approved SEAA for concurrent practice for any periods of time for which they are fulfilling a service obligation other than that of the SWELF, if such other service obligation is being perform in satisfaction of an agreement funded by a source other than the State of North Carolina or its agencies.
.0900 CASH REPAYMENT

.0901 Repayment

Unless cancelled pursuant to section .0700, a scholarship loan shall be repaid with interest at the rate of:

(a) ten percent (10%) per year if the recipient graduates from the program for which funded; or

(b) twelve percent (12%) per year if the recipient did not graduate from the program for which funded.

Cash repayments shall be completed within ten years after graduation from or termination or enrollment in social work education program for which the scholarship loan was awarded. Repayment shall commence not later than ninety (90) days following graduation for recipients who complete the social work education program for which the loan was advanced or the termination of the scholarship loan, whichever event occurs first. For the purposes of this section, "termination of the scholarship loan" means:

(a) the borrower's withdrawal from the social work education program for which the scholarship loan was advanced prior to the successful completion of all academic course work;

(b) the borrower's withdrawal from the social work education program for failure to maintain satisfactory academic progress;

(c) the borrower's failure to comply with the requirements of section .0700 for service cancellation;

(d) the borrower's decision to decline further funding for which he or she is eligible; or

(e) the borrower's failure to meet the standards set by the participating institution and SEAA.

.0902 Rate of Interest
All SWELF awards shall bear interest at the rate of ten percent (10%) per year if the recipient graduates from the social work education program for which funded, or twelve percent (12%) per year if the recipient did not complete the social work education program for which funded. [G.S. 116-209.30 (d) (3) & (4)]

.0903 Computation of Interest

Interest at the designated rate per year shall be charged on each scholarship loan beginning ninety (90) days after completion of the social work program or ninety (90) days after termination of the scholarship loan, whichever is earlier.

.0904 Capitalization of Accrued Interest

No in-school interest is accrued on SWELF loans. There is, therefore, no interest to be capitalized at the time that repayment of the obligation in cash is due. Interest, however will be accrued following maturity of the loan during any period of deferment or forbearance and will be due and payable in service or cash.

.0905 Date Due/Delinquency/Default

(a) If a recipient, for whatever reason, becomes ineligible to continue participation in the program, the total principal and interest owed becomes due and payable not later than ninety (90) days following withdrawal from social work education.

(b) The principal and interest on the note(s) of a recipient who graduates from the social work education program becomes due and payable 90 days following graduation or the failure to commence or continue approved full-time employment as a public child welfare social worker in North Carolina.

(c) The total amount of the recipient's obligation is due and payable, however, SEAA may permit the recipient, upon request, to make installment payments of principal and interest.

(d) Installment payments of SWELF indebtedness are due to be received in SEAA on the first day of each month.
(e) A recipient's account is past due and subject to penalties, if any, when the payment is not received within five (5) days of the due date, which shall be the first day of each month.

(f) A delinquent account, as described in (e), is considered in default if it becomes 120 days delinquent and is subject to collection procedures incident to such default.

(g) Late payment fees or penalties may be assessed if the debtor is chronically late in making payments due.

.0906 Collection of Past Due Accounts

(a) Garnishment of Wages – State Government Employees

After unsuccessful attempts have been made to collect past due accounts of State employees who are also loan recipients, the following actions shall be taken:

1. Recipient will receive a written notice stating that full restitution of the amount owed is a condition of continued employment (Chapter 143, Article 59 of the North Carolina General Statutes):

2. Thirty (30) days or less after receipt of this notice, affected delinquent borrowers must make satisfactory arrangements with the SEAA to repay the total amount owed by a specified time period;

3. State employees with delinquent accounts who do not make arrangements to repay their loan obligations in full will have steps taken to terminate their employment as provided by statute unless the employee is pursuing administrative or judicial remedies.

(b) Garnishment of Wages – Private Sector Employees

Following unsuccessful attempts to collect past due accounts of delinquent borrowers who are employed in the private sector and located in North Carolina, the past due debt will be declared in default and transferred to the Office of the Attorney General at SEAA to seek settlement through the entry of a judgement whereby the provision of Chapter 105B-1 to 105-5 of the General Statutes may
be employed in a judgement. The statute permits a court to garnish salaries and wages as means of enforcing a judgement against a debtor owing a debt to SEAA;

(c) Set off Debt Collection

The following actions will be taken against SWELF "debtors" in an effort to collect delinquent accounts of fifty dollars ($50) or more from loan recipients who are also North Carolina residents:

(1) The SEAA will submit the names of North Carolina delinquent loan recipients to the Department of Revenue pursuant to General Statutes 105-105A-2. SEAA will request that the State Income Tax refunds be set aside for the total amount owed to SEAA;

(2) "Debtor" is defined as "any individual owing money to or having a delinquent account with any claimant agency which obligation has not been adjudicated satisfactorily by court order, set aside by court order, or discharged in bankruptcy." As a general policy, delinquent accounts of ninety (90) days or less will not be submitted to the Department of Revenue;

(3) Upon written notification from the Department of Revenue that a debtor is entitled to a refund, the SEAA will send written notification to the debtor and to the Department of Revenue asserting rights to the refund or any part thereof. Objections to the claim must be filed in writing with the SEAA;

(4) If a claim is contested, SEAA will notify the Department of Revenue and indicate a date by which final determination of this claim might be reasonable expected;

(5) The SEAA shall afford the delinquent borrower the right of appeal specified under G.S. 105A-2;

(6) If the claim is paid or otherwise settled, SEAA will notify the Department of Revenue immediately so that the tax refund can be release.

.0907 Suit for Collection

(a) If it becomes necessary to refer a defaulted account to an attorney for legal action, the maker of the Promissory Note will be charged an additional amount or the cost of the litigation, including court costs and any attorney fees;
(b) If it becomes necessary to refer a defaulted account to a collection agency or if legal action is
brought by the collection agency, the maker of the Promissory Note will be charged the collection
agency fee and /or any costs incurred for litigation, including attorney's fees;
(c) When an account is delinquent for the time set forth in these rules, it shall be declared defaulted and
referred to the Office of the Attorney General at SEAA to seek the powers of the Courts of North
Carolina effect recovery.

.0908 Eligibility Criteria for Reinstatement for Service Option

See .0709 for these criteria.

.0909 Write-off Policy

Termination of collection activity on an account, the closing on the associated account file, and the transfer of
the account from an active to a write-off status for accounting and reporting purposes shall occur only after
completion of all collection efforts required by these rules and regulations and the determination of the Attorney
General's Office that a judgement is uncollectible.

Approval for the transfer of an account from an active to a written-off status will require written approval by the
following individuals based upon the amount being written off:

$ 0 - 25 – Repayment Clerk and Repayment Specialist
$ 26 - 500 – Repayment Specialist and Assistant Director
$ 501 and up – Assistant Director and Executive Director on behalf of the SEAA Board of Directors.