Rules for Administration of Arkansas Rehabilitation Services Forgiveness of Student Loan Program Act 1275 of 2007

INTRODUCTION

Act 1275 of 2007, effective July 31, 2007, established the Arkansas Rehabilitation Services (ARS) Forgiveness of Student Loan Program (Program) to assist qualified current employees and newly-hired rehabilitation counselors employed by ARS with the repayment of student loans incurred while pursuing credentials that are required for employment.

The act provides that ARS shall administer the Program and promulgate rules for its administration.

PROVISIONS OF ACT 1275 OF 2007

Eligibility

An ARS rehabilitation counselor shall be eligible for the Program who

1. Satisfactorily completes the probationary employment period, as certified by the Commissioner of Arkansas Rehabilitation Services.

2. Provides proof of an unpaid student loan, including the name and address of the creditor; and

3. Agrees contractually to

    a. Work for ARS for a term that equals two (2) years for each year that the Program makes a payment on the counselor's student loan; and

    b. Reimburse the Program the full amount of any loan payment(s) made under the Program in the event that the counselor resigns his position with ARS or is terminated by ARS for cause before the term of the contract expires.

Payments Under the Program

All payments made under the Program shall be made directly to the counselor's student loan creditor.

Loan payments may not exceed two thousand dollars ($2,000.00) per fiscal year.

Loan payments made for any counselor may not exceed ten thousand dollars ($10,000).

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RULES

1. A counselor must complete the ARS six-month new-employee probationary period.

2. An eligible counselor who wishes to apply to participate in the Program shall submit to the Program Director.

    a. A completed Student Loan Program Request form (Appendix A)

    b. An original statement and/or correspondence from the student loan creditor, dated within 30 days of the request. The proof of loan document must indicate the original loan disbursement dates.

    c. A completed Student Loan Program Agreement(Appendix B), signed by the requesting counselor and his immediate supervisor. In the contract, the counselor will agree to

        i. Remain in the employ of ARS for a term that equals two (2) years for each year that the Program makes a payment on the counselor's student loan; and

        ii. Reimburse the Program the full amount of any loan payment(s) made under the Program in the event that the counselor resigns his position with ARS or is terminated by ARS for cause before the term of the contract expires.

3. A loan eligible for the Program must have been incurred in the pursuit of a master's degree in rehabilitation counseling, or a comparable degree as recognized by RSA and required for employment with ARS.

4. The amount of payment(s) made directly to the counselor's student loan creditor may not exceed two thousand dollars ($2,000.00) per year.

5. Cumulative loan payments made for any counselor may not exceed the lesser of ten thousand dollars ($10,000.00) or the amount of the balance due on the loan.

Arkansas Rehabilitation Services
Forgiveness of Student Loan Program
Request Form

Name _____ Date _____

Current ARS position _____ Location _____

Student loan incurred to obtain _____
Name of degree attained

Degree obtained from _____
Name of college or university

Name of creditor owed for student loan _____

Address of creditor _____

Balance owed to creditor $_____ Proof of loan attached Yes___ No ___

Proof of student loan must include an original statement and/or correspondence from the student loan creditor, dated within 30 days of this request. The proof of loan document must indicate the original loan disbursement dates.

Employee signature _____ Date _____

Supervisor's signature _____ Date _____

For ARS Use

Employee hire date _____ New hire probation completed _____

Verified loan balance with creditor _____

Request reviewed and approved by:

_____ Date _____
Program Director

_____ Date _____
Commissioner

Arkansas Rehabilitation Services
Forgiveness of Student Loan Program
Request Form

I, _____, do hereby accept the terms of the Arkansas Rehabilitation Services Forgiveness of Student Loan Program (Program), as indicated in this contract.

I understand that Arkansas Rehabilitation Services (ARS) has agreed to assist me with the repayment of a student loan I incurred in pursuit of _____ _____.
A balance of $_____ is owed to _____, located at _____.

Arkansas Rehabilitation Services agrees to make payments directly to the aforementioned creditor in amounts not to exceed two thousand dollars ($2,000.00) per fiscal year. Loan payments made on my behalf may not exceed ten thousand dollars ($10,000) in the aggregate.

In exchange for the student loan payment(s) ARS will make on my behalf, I agree to (a) work for ARS for at least a term that equals two (2) years for each year that the Program makes a payment on my student loan; and (b) reimburse the Program the full amount of any loan payment(s) made under the Program in the event that I resign my position with ARS or am terminated by ARS for cause before the term of the contract expires.

_____ Date _____
Employee Date

_____ Date _____
Supervisor Date

_____ Date _____
Commissioner Date