# 94-457 FINANCE AUTHORITY OF MAINE

CHAPTER 603 RULES FOR THE CONDUCT OF THE BLAINE HOUSE SCHOLARS PROGRAM

Summary: This rule details the procedures to be utilized in the conduct of the Blaine House Scholars Program.

1. Definitions

A. Academic Achievement. “Academic achievement” means graduation in the top one-half of the class or the equivalent for graduating high school seniors, or earning a grade point average of at least 3.0, based on a 4.0 grade point system, or the equivalent thereof, as determined in the discretion of the chief executive officer, for currently enrolled college students and all other postsecondary applicants. The determination of academic achievement for applicants for a loan for students pursuing postbaccalaureate teacher certification is based upon their most recent cumulative grade point average.

B. Authority. "Authority" means the Finance Authority of Maine.

C. Blaine House Scholar. "Blaine House Scholar" means an eligible individual who has been recognized as such by the Governor after consultation with the chief executive officer, who shall annually review and evaluate all submitted applications.

D. Chief Executive Officer. "Chief executive officer" means the Authority's chief executive officer or a person acting under the supervisory control of the chief executive officer.

E. Duly Enrolled. "Duly enrolled" means the time at which an eligible individual has attended the first class meeting.

F. Eligible Individuals. "Eligible individuals" means students and teachers who meet eligibility requirements as determined in 20-A MRSA sections 12505 and 12507 and this rule.

G. Geographically Isolated Area. "Geographically isolated area” means an area identified pursuant to 20-A MRSA §15612(2).

H. Institution of Higher Education. Institution of higher education means an accredited postsecondary educational institution offering two year, four year or graduate level programs which lead to the attainment of Associate, Baccalaureate, Master or Doctorate Degrees and technical colleges offering at least a two year program of study beyond grade 12. The institution of higher education shall be located within this state, another state or a foreign country, the District of Columbia or United States Trust Territories. Federally subsidized military academies are not eligible.

I. Teacher. "Teacher" means a person certified by the Department of Education who is employed as a teacher by a public school or private school approved for tuition purposes or a state operated school including elementary and secondary teacher, specialized subject teacher, vocational industrial teacher as defined in the certification rules of the State Board of Education and also includes by position title the following, unless modified by future legislation:

1. Classroom teacher

2. Itinerant teacher

3. Guidance counselor

4. Librarian-media specialist

5. Special education teacher

6. Special teacher of reading

7. Speech clinician teacher

8. Chapter I tutor

J. Preservice. "Preservice" means preparation to become a teacher either through completion of not less than a four year teacher training program or through a liberal arts program and teaching pedagogy leading to certification in the subject area or areas to be taught.

K. Return Service. "Return service" means service performed as a teacher in public elementary or secondary schools in Maine or in a Maine private school approved for tuition purposes or in a state operated school for a full school year.

L. Underserved Subject Areas. "Underserved subject areas" means those subjects or programs required or authorized to be taught in the public schools for which there is an insufficient supply of teachers as may be determined by the chief executive officer after consultation with the Commissioner of the Department of Education. Those subjects include, but are not limited to, special education, computer studies, school librarians, reading specialists, science (7-12) and math (7-12).

M. Students pursuing postbaccalaureate teacher certification. "Students pursuing postbaccalaureate teacher certification" means students who have earned a Bachelor of Arts degree or its equivalent and are pursuing a program of studies leading to certification as a teacher.

N. Most recent cumulative grade point average. "Most recent cumulative grade point average" means the grade point average ("GPA") or its equivalent from the applicant's most recently completed course of study resulting in a degree. However, if the applicant has completed six credits or more in a program leading to teacher certification, during the year prior to the date of application in a program leading to teacher certification, the GPA or the equivalent attained for those credits is the most recent grade point average.

2. Application Deadlines

A. All applications for loans shall be made on forms provided by the Authority.

B. The deadline for filing initial applications is April I annually.

C. The deadline for filing renewal applications is April I annually. If a student does not have a GPA of 2.5 or the equivalent on the date of the application deadline, the student may request reconsideration of the application for renewal by submitting Spring semester grades no later than June 30.

D. [Repealed Effective November 24, 1991]

3. Loan Terms

A. Loans of up to $1,500 per academic year or $6,000 total may be made to eligible individuals. Individuals who have received a Blaine House scholars loan as an undergraduate student may also receive a loan for students pursuing postbaccalaureate teacher certification or a loan for teachers engaged in graduate education or continuing education. In no event may an individual receive more than $12,000 in total.

An eligible individual who has received a loan as a student pursuing postbaccalaureate teacher certification may subsequently receive a loan as a teacher engaged in graduate study or continuing education, including undergraduate courses. However, in no event may an individual receive Blaine House loans totaling more than $6,000 for students pursuing postbaccalaureate teacher certification and teachers engaged in graduate education or continuing education.

B. Loans shall be made to eligible individuals without interest.

C. Loans shall be for one academic year.

4. Loans to Graduating High School Seniors

A. Initial Loan Eligibility

(1) The student must be graduating from high school or the equivalent.

(2) The student must be in the upper half of the graduating class or the equivalent.

(3) The student must be a resident of the state.

(4) The student must be intending to pursue a postsecondary education at an institution of higher education on a full-time basis as determined by standards of the institution.

(5) The student must sign an agreement detailing conditions to be met for receipt of a loan.

(6) The student must be recognized as a Blaine House Scholar.

(7) Preference shall be given to students who intend to enroll in a program which has been determined to be an underserved subject area.

(8) The student must sign a statement certifying compliance with the United States Military Selective Service Registration Act or certifying the basis for exemption from such compliance.

B. Renewal Loan Eligibility

(1) The student must apply annually for a loan by the deadline date.

(2) The student must have received an initial loan.

(3) The student must maintain a 2.5 grade point average based on a 4.0 grade point system. Should the GPA fall below 2.5, the student has one academic year to bring the GPA up to 2.5. If this requirement is not met the student will be ineligible for further program participation.

(4) The student must be pursuing a postsecondary education at an institution of higher education on a full-time basis as determined by standards of the institution.

(5) A student granted an approved leave of absence by the postsecondary institution may be eligible to renew the loan at the termination of the leave of absence provided that all other requirements of this section are met.

(6) The student must sign an agreement which details conditions to be met for receipt of a loan.

(7) The student must maintain residence in the State of Maine in order to be eligible for a renewal loan.

C. Deferral. Acceptance of an initial award or renewal of a previous award may be deferred for one academic year only. If a designated Blaine House Scholar fails to be duly enrolled in an institution of higher education by the beginning of the second academic year which follows the student's designation as a Blaine House Scholar or receipt of a renewal award the student shall be ineligible for further program participation.

Blaine House Scholars shall be so recognized by the Governor after consultation with the chief executive officer who shall have caused a review and evaluation to be made of all submitted applications which are received annually from eligible individuals who show evidence of academic achievement.

5. Loans to Currently Enrolled Undergraduate College Students

A. Initial Loan Eligibility

(1) The student must be currently enrolled in an institution of higher education.

(2) The student must be a graduate of a Maine high school or the equivalent and a resident of Maine or a graduate of other than a Maine high school or the equivalent and a resident of Maine at least one year for other than educational purposes.

(3) The student must maintain at a minimum a 3.0 grade point average on a 4.0 grade point system or the equivalent thereof as determined in the discretion of the chief executive officer.

(4) The student must be enrolled on a full-time basis as determined by standards of the institution.

(5) The student must sign an agreement which details conditions to be met for receipt of a loan.

(6) The student must be recognized as a Blaine House Scholar.

(7) Preference shall be given to students who are enrolled or intend to enroll in a program which has been determined to be an underserved subject area.

(8) The student must sign a statement certifying compliance with the United States Military Selective Service Registration Act or certifying the basis for an exemption from compliance.

B. Renewal Loan Eligibility

(1) The student must apply annually for a loan on or before the deadline date.

(2) The student must have received an initial loan.

(3) The student must maintain at a minimum a 2.5 grade point average based on a 4.0 grade point system or the equivalent thereof, as determined in the discretion of the chief executive officer. Should the GPA fall below 2.5, the student has one academic year to bring the GPA up to 2.5. If this requirement is not met the student will be ineligible for further program participation.

(4) The student must be pursuing a postsecondary education at an institution of higher education on a full-time basis as determined by standards of the institution.

(5) A student granted an approved leave of absence by the postsecondary institution may be eligible to renew the loan at the termination of the leave of absence provided that all other requirements of this section are met.

(6) The student must sign an agreement which details conditions to be met for receipt of a loan.

(7) The student must maintain residence in the State of Maine in order to be eligible for a renewal loan.

C. Deferral. Acceptance of an initial award or renewal of a previous award may be deferred for one academic year only. If a designated Blaine House Scholar fails to be duly enrolled in an institution of higher education, as defined by these rules, by the beginning of the second academic year which follows the students designation as a Blaine House Scholar or receipt of a renewal award the student shall be ineligible for further program participation.

6. Loans to Teachers

A. Initial Loan Eligibility

(1) The teacher must be employed in a Maine school.

(2) The teacher must be employed on at least a half-time basis as determined by the local school unit.

(3) The teacher must be seeking enrollment in a course or program which is directly related t improvement and/or expansion of teaching competence.

(4) The teacher must sign an agreement which details conditions to be met for receipt of a loan.

(5) Preference shall be given to those teachers presently teaching or intending to teach either in an underserved subject area or in a geographically isolated area.

(6) The teacher must sign a statement certifying compliance with the United States Military Selective Service Registration Act or certifying the basis for an exemption from such compliance.

(7) The teacher must be a Maine resident.

(8) The teacher must submit a signed statement from the superintendent which will outline the district's educational reimbursement policy, along with an itemized expense form for that year's education. The Blaine House loan plus local reimbursement cannot exceed a teacher's cost of attendance, which includes tuition, books and supplies, room and board, travel and other reasonable expenses.

B. Renewal Loan Eligibility

(1) The teacher must have received an initial loan.

(2) The teacher must apply annually for loan renewal, but such renewal shall be automatic provided that the teacher maintains at minimum a grade point average of 2.5 based on a 4.0 grade point system or the equivalent thereof, as determined in the discretion of the chief executive officer and meets the requirement of section 6.A(3).

(3) The teacher must sign an agreement which details conditions to be met for receipt of a loan.

(4) The teacher must maintain residence in the State of Maine in order to be eligible for a renewal loan.

(5) The teacher must submit a signed statement from the superintendent which will outline the district's educational reimbursement policy, along with an itemized expense form for that years education. The Blaine House loan plus local reimbursement cannot exceed a teacher's cost of attendance, which includes tuition, books and supplies, room and board, travel, and other reasonable expenses.

C. General

Acceptance by a teacher of an initial loan or a renewal of a previous loan may be deferred for one academic year only, provided that the teacher enrolls in a program which meets the requirements of section 6.A(3) immediately upon conclusion of the one year deferment period. If the teacher fails to be duly enrolled in a higher education institution by the beginning of the second academic year following receipt of an initial loan or renewal loan, the teacher shall be ineligible for further program participation.

6-A. Loans to Students Pursuing Postbaccalaureate Teacher Certification

A. Initial Loan Eligibility

(1) The student must be a Maine resident.

(2) The student must be enrolled in or have applied for enrollment in a postbaccalaureate course of study leading to certification as a teacher.

(3) The student's most recent cumulative grade point average must be at least 3.0.

(4) The student must sign an agreement which details the conditions to be met for receipt of a loan.

(5) The student must be recognized as a Blaine House Scholar.

(6) Preference shall be given to students who are enrolled or intend to enroll in a program which has been determined to be an underserved subject area.

(7) The student must not be eligible to apply for a Loan to Teachers, pursuant to section 7 hereof.

(8) The student must sign a statement certifying compliance with the United States Military Selective Service Registration Act or certifying the basis for an exemption from compliance.

B. Renewal Loan Eligibility

(1) The student must apply annually for a loan on or before the deadline date.

(2) The student must have received an initial loan.

(3) The student must maintain at a minimum a 2.5 grade point average based on a 4.0 grade point system or the equivalent thereof, as determined in the discretion of the chief executive officer. Should the GPA fall below 2.5, the student has one academic year to bring the GPA up to 2.5. If this requirement is not met the student will be ineligible for further program participation.

(4) A student granted an approved leave of absence by the postsecondary institution may be eligible to renew the loan at the termination of the leave of absence provided that all other requirements of this section are met.

(5) The student must sign an agreement which details conditions to be met for receipt of a loan.

(6) The student must maintain residence in the State of Maine in order to be eligible for a renewal loan.

C. Deferral. Acceptance of an initial award or renewal of a previous award may be deferred for one academic year only. If a designated Blaine House Scholar fails to be duly enrolled in an institution of higher education, as defined by these rules, by the beginning of the second academic year which follows the student's designation as a Blaine House Scholar or receipt of a renewal award the student shall be ineligible for further program participation.

7. Payment Disbursement Provisions

A. A check will be made payable to each postsecondary institution for all funds to be received by student or teacher loan recipients who are indicated as duly enrolled by the institution on a roster which is sent to the institution prior to the start of each semester. A disbursement will be made to the institution at least once each semester with the appropriate amount to be credited to the accounts of the student or teacher recipients. Each check shall be disbursed within 60 days following receipt of evidence that recipients are duly enrolled.

B. Loans for students, except for students pursuing postbaccalaureate teacher certification shall be disbursed in the amount requested although this shall not exceed $1500 per academic year and shall be disbursed on a semester basis, one- half for the first semester and one-half for the second semester.

C. Loans for teachers and students pursuing postbaccalaureate teacher certification shall not exceed $1500 for the 12 month period beginning July 1 and shall be disbursed on the basis of one-third for the summer semester (summer school), one third for the fall semester, and one-third for the spring semester. Appeals to alter this fund distribution may be made by addressing a request to alter the fund distribution to the chief executive officer. Such requests must be supported with evidence of actual direct and indirect educational expenses, including, but not limited to, tuition, transportation, room and board, books and supplies. Such requests will be considered on a case by case basis.

D. If a recipient of a loan withdraws from an institution and if the student or teacher is entitled to a refund of tuition, fees or other charges, the institution shall pay directly to the Authority from that refund a sum which represents the portion of the loan paid to the student or teacher for the portion of the academic year that the student or teacher did not complete.

8. Repayment and Return Service Provisions

A. Student Recipients (Other Than Students Pursuing Postbaccalaureate Teacher Certification)

(1) Student recipients begin repayment six months after graduation.

(2) Each student recipient may cancel the total amount of the loan repayment by completing four years of return service in the public schools or private schools approved for tuition purposes in the state or in a state operated school.

(3) Each student recipient may cancel the total amount of the loan repayment by completing two years of return service in the public schools or private schools approved for tuition purposes in the state or in a state operated school if such service is performed in underserved subject areas or in geographically isolated areas as determined by the chief executive officer.

(4) Each student recipient may cancel the total amount of the loan(s) received on a proportional basis reducing the debt by 25% for each complete year of return service performed in the public schools or private schools approved for tuition purposes in the state or in a state operated school or by 50% for each year, if such return service is in an underserved subject area or a geographically isolated area.

(5) Student recipients shall perform return service within five years of graduation from the institution of higher education.

(6) A student recipient who fails to fulfill the return service option shall repay the Authority as follows:

a. The debt shall include the total amount of all Blaine House Scholars Program loans less the amount, if any, which has been canceled by return service.

b. The total debt shall be repaid to the Authority within five years of graduation on a schedule which specifies annual, semiannual, or monthly payments and indicates due dates. Exceptions due to extenuating circumstances may be granted on a case by case basis upon written request to the chief executive officer.

(7) Once a recipient has begun fulfilling the return service option by teaching in an underserved subject area or teaching in a geographically isolated area the recipient shall be allowed to complete this option in the same subject area or geographic area even though the subject area or geographically isolated area is removed from the list of those designated.

(8) Recipients who withdraw from school, for whatever reason, prior to completion of the course or courses for which the funds were loaned, will begin repayment one year from the end of the semester of last attendance and complete repayment within four years from the date of commencement of repayment, unless the student re-enrolls prior to that time.

(9) A recipient of a loan may seek a deferment of the annual principal payments. A request for deferment must be made to the chief executive officer who shall make a determination on a case-by-case basis. The decision of the chief executive officer shall be final.

(10) In the event of death or permanent disability (as determined by a physician) of a recipient, any unpaid amount due the Authority shall be canceled upon appropriate written verification of the death or disability to the Authority.

(11) If a cash payment is not made within 30 days following the due date of that payment, the Authority may declare the entire amount due and payable subject to the recipients right to receive a notice of right to cure. If a default is declared the recipient shall be liable for the amount in default plus any accrued late fees and reasonable attorney's fees.

(12) If any monthly payment is not paid when due, the holder of the Note may collect a late charge of five cents ($0.05) for each dollar of such payment more than thirty (30) days in arrears.

B. Teacher and Student Pursuing Postbaccalaureate Teacher Certification Recipients

(1) Teachers and students pursuing postbaccalaureate teacher certification must begin repayment six months after graduation or completion of the course or courses for which the funds were loaned.

(2) Each recipient of a loan designated for teachers pursuing an advanced degree or continued study or for students pursuing postbaccalaureate teacher certification may cancel the total amount of the loan by completing two years of return service in the public schools or private schools approved for tuition purposes in the state or in a state operated school. Each recipient of a loan designated for teachers or for students pursuing postbaccalaureate teacher certification may cancel the total amount of the loan on a proportional basis reducing the debt by 50% for each complete year of return service in the public schools or private schools approved for tuition purposes in the state or in a state operated school.

(3) Each recipient of a loan designated for teachers pursuing an advanced degree or continued study or for students pursuing postbaccalaureate teacher certification may cancel the total amount of the loan by completing one year of return service in the public schools or private schools approved for tuition purposes in the state or in a state operated school, if such service is performed in an underserved subject area or in a geographically isolated area.

(4) Return service shall be performed within three years of graduation from the institution of higher education or completion of the course or courses for which the funds were given.

(5) Failure to fulfill the return service option will necessitate repayment to the Authority as follows:

a. The debt shall include the total amount of all Blaine House Scholars Program loans less the amount, if any, which has been canceled by return service.

b. The total debt shall be repaid to the Authority within three years of graduation or completion of the course or courses for which the funds were given on a schedule which specifies annual, semi-annual or monthly payments and indicates due dates. Exceptions due to extenuating circumstances may be granted on a case by case basis upon written request to the chief executive officer.

(6) Once a recipient has begun fulfilling the return service option by teaching in an underserved subject area or teaching in a geographically isolated area, the recipient shall be allowed to complete this option in the same subject area or geographic area even though the subject area or geographically isolated area is removed from the list of those designated.

(7) Recipients who fail to successfully complete the course or courses for which the funds were given will not be allowed to exercise the return service option and will begin repayment six months from the end of the semester of last attendance.

(8) A recipient of a loan may seek a deferment of the annual principal payments. A request for deferment must be made to the chief executive officer who shall make a determination on a case-by-case basis. The decision of the chief executive officer shall be final.

(9) In the event of death or permanent disability (as determined by a physician) of a recipient upon appropriate written verification of the death or disability to the Authority, any unpaid amount due the Authority shall be canceled.

(10) If a cash payment is not made within 30 days following the due date of that payment the Authority may declare the entire amount due and payable subject to the recipients right to receive a notice of right to cure. If a default is declared, the recipient shall be liable for the amount in default plus any accrued late fees and reasonable attorney's fees.

(11) If any monthly payment is not paid when due, the holder of the Note may collect a late charge of five cents ($0.05) for each dollar of such payment more than thirty (30) days in arrears.

9. Selection Criteria - Blaine House Scholars

Student recipients of loans are determined utilizing the following selection criteria:

A. Academic Standing (Graduating High School Seniors)

(1) Analysis of high school transcript.

(2) Analysis of standardized test scores.

(3) Analysis of required essay.

B. Academic Standing (Currently Enrolled Undergraduate College Students and Students Pursuing Postbaccalaureate Teacher Certification)

(1) Analysis of college transcript.

(2) Analysis of required essay.

C. Academic Awards/Achievements/Honors

D. Preference within each allocation is given to preservice students/students pursuing postbaccalaureate teacher certification enrolled in a program which has been determined to be an underserved subject area.

E. Preference within the allocation for students pursuing postbaccalaureate teacher certification shall be given to students who did not receive a Blaine House Scholarship as an undergraduate student.

10. Selection Criteria - Teachers

Teacher recipients of loans are determined utilizing the following selection criteria:

A. Preference is given to teachers of subjects which have been determined to be underserved.

B. Preference is given to teachers currently teaching in geographically isolated areas.

C. Geographical distribution is considered in the selection of loan recipients.

D. Teachers are selected based upon the direct relationship of the course work to the teacher's current or intended teaching duties or responsibilities.

E. Preference is given to teachers who did not receive a Blaine House Scholarship as a student.

11. Selection Process

A. Students (Other Than Students Pursuing Postbaccalaureate Teacher Certification)

(1) The Selection Committee will review application materials submitted in light of identified criteria.

(2) The Selection Committee shall be approved by the chief executive officer and shall be composed of at least 15 individuals for the consideration of the preservice applications and at least 10 individuals for the consideration of the non-preservice applications.

(3) Each application and accompanying materials shall be read by at least two committee members.

(4) Following reading by the committee, applications will be rank ordered and loans made within the limits of available funds.

(5) The number of college recipients and high school senior recipients in a given category is determined by a ratio of eligible applicants in each year.

(6) The Selection Committee will recommend to the chief executive officer the names of applicants who should be considered for designation as Blaine House Scholars.

(7) The Governor, after consultation with the chief executive officer, shall announce the names of those individuals who are recognized as Blaine House Scholars.

B. Teachers and Students Pursuing Postbaccalaureate Teacher Certification

(1) The Selection Committee shall review application materials submitted in light of identified criteria.

(2) The Selection Committee shall be composed of at least five individuals approved by the chief executive officer. A majority of the members shall be teachers.

(3) Each application and accompanying materials shall be read by at least two committee members.

(4) The Selection Committee will recommend to the chief executive officer the names of applicants who should be considered for receipt of a loan.

(5) The chief executive officer shall designate those who shall receive a loan.

(6) The number of teacher and students pursuing postbaccalaureate teacher certification recipients in a given category is determined by a ratio of eligible applicants in each year.

AUTHORITY: 10 MRSA §969-A(14), 20-A MRSA, Section 12501, et. seq.

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