

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

RULE REVIEW CHECKLIST

File No. 1331 Docket No. 05.0009.0448

DATE RECEIVED 12-3-86
REVIEW DATE 12-12-86
DUE DATE 12-17-86

APPROVED 12.12.86mjc
DISAPPROVED
WITHDRAWN

ADOPTED W/O HEARING X
EMERGENCY RULE

REVISOR APPROVED 12-4-86
REVISOR DISAPPROVED
FILED W/SEC. STATE 12-12-86
RETURNED TO AGENCY

✓ Rule as adopted (4 copies)

✓ ~~Notice to Solicit Outside Information/Opinion~~
11/22/86 ~~Date published in State Register~~
Comments

___ ~~Petition for Adoption of a Rule~~

✓ Board's Authorizing Resolution

✓ Proposed rule
yes Revisor's Certificate

✓ Notice of Intent to Adopt Rule
136A.16 Statutory Authority
None Small business statement
none Expenditure of public money statement
yes Signature

✓ Statement of Need and Reasonableness

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
9-17-86 Date (30)/25 days before adoption

✓ Publication in State Register
9-22-86 Date (30)/25 days before adoption

✓ Resolution Adopting

✓ Findings of Fact, Conclusions & Order Adopting
11-20-86 Date

___ ~~Written requests, submissions or comments~~

✓ Declaration of attorney
Laura Mattson Name of SAAG representing agency

___ ~~Notice of Submission to Attorney General~~

___ ~~Affidavit of Mailing Notice to Attorney General~~

SF-00006-03

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO: ROSE HERRERA HAMERLINCK
Minnesota Higher Education Coordinating Board

ATTN: LAURA E. MATTSON
Special Assistant Attorney General

DATE: 12-12-86

FROM: MARTHA J. CASSERLY
Special Assistant Attorney General

PHONE: 296-4692

SUBJECT: Adopted Permanent Rules Relating to Student Educational Loan

The above-referenced rule has been approved as to its legality by the Attorney General on December 12, 1986.

Enclosed is the agency's copy of the approved rule. This office has already filed two copies of the approved rule with the Secretary of State, who will forward one copy to the Revisor of Statutes. The fourth copy is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submission or comments received by the agency and any extra copies of documents which the agency submitted to the Attorney General.

In order for a permanent rule without a hearing to become effective, your agency must publish a notice of adoption in the State Register in accordance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

If you have any questions in this regard, please contact me.

MJC/ag
Enclosures

cc: Maryanne Hruby
Executive Director
Legislative Commission to Review
Administrative Rules

Duane Harves
Chief Administrative Law Judge
Office of Administrative Hearings

RR#1332

Higher Education Coordinating Board

Adopted Permanent Rules Relating to Student Educational Loan Fund (SELF)

Rules as Adopted

4850.0017 REPAYMENT PROCEDURES.

A. and B. [Unchanged.]

C. During the payout period, borrowers must repay their loans in monthly installments of principal and interest. The interest rate may vary throughout the period. The board or its agent must bill borrowers monthly for amounts due. The sum of the monthly payments must equal the sum of accrued interest plus principal. The monthly payments of principal must be in amounts calculated at the beginning of the repayment period as if two conditions existed. The two conditions are: (1) interest on the loan accrues at a fixed rate equal to the interest rate in effect at the time of the calculation and (2) the loan is payable over its term in equal monthly installments. All of a borrower's SELF loans must be combined into one repayment schedule. The borrower must pay a total of at least $600 each year on all of the borrower's SELF loans. If the borrower's spouse also has SELF loans, their combined annual payments on all SELF loans must be at least $600.

D. to H. [Unchanged.]

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
DEC 12 1986
Joan Anderson Growe
Secretary of State
9:07 AM
JH

APPROVED AS TO FORM AND LEGALITY
December 12 1986
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY M J Cassedy
SPECIAL ASSISTANT ATTORNEY GENERAL

CERTIFICATE OF BOARD'S
AUTHORIZING RESOLUTION

I, Duane C. Scribner, do hereby certify that I am a member and the President of the Minnesota Higher Education Coordinating Board, a board duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Minnesota Higher Education Coordinating Board duly and properly held on the 21st day of August, 1986, that a quorum was present at said meeting, that a majority of those present voted for the resolution and that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

"RESOLVED, that David A. Longanecker, Executive Director of the Minnesota Higher Education Coordinating Board, be and he hereby is granted the authority and directed to sign an Order of the Board directing that Notice be given of the Board's intent to adopt without a public hearing rules governing the Student Educational Loan Fund, to sign the notice thereof and to perform any and all acts incidental thereto. In the event a public hearing becomes necessary, he hereby is granted the authority and directed to call a hearing for the purpose of promulgating said rules as well as perform any and all acts incidental thereto, including but without being limited to signing an Order of Hearing and Notice of Hearing as well as acting as the Board's representative at all hearings."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 21st day of August, 1986.

Duane C. Scribner
President
Minnesota Higher Education
Coordinating Board

Attest by one other Board member

Higher Education Coordinating Board

Proposed Permanent Rules Relating to Student Educational Loan Fund (SELF)

Rules as Proposed

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APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

combined into one repayment schedule. The borrower must pay a total of at least $600 each year on all of the borrower's SELF loans. If the borrower's spouse also has SELF loans, their combined annual payments on all SELF loans must be at least $600.

D. to H. [Unchanged.]

APPROVED IN THE
REVISOR OF STATUTES
OFFICE BY:

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Student Educational Loan Fund (SELF)

AGENCY: Higher Education Coordinating Board

MINNESOTA RULES: Chapter 4850

The attached rules are approved for publication in the State Register

Richard J. Sands
Senior Assistant Revisor

Higher Education Coordinating Board

Proposed Permanent Rules Relating to Student Educational Loan Fund (SELF)

Rules as Proposed

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REVISOR OF STATUTES
OFFICE BY:

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Office of the Revisor of Statutes

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TITLE: Proposed Permanent Rules Relating to Student Educational Loan Fund (SELF)

AGENCY: Higher Education Coordinating Board

MINNESOTA RULES: Chapter 4850

The attached rules are approved for publication in the State Register

Richard J. Sands
Senior Assistant Revisor

MINNESOTA HIGHER EDUCATION
COORDINATING BOARD

In the Matter of the Proposed
Adoption of the Rule of the
Minnesota Higher Education
Coordinating Board Governing
Student Educational Loan Fund
(Minnesota Rule 4850.0017)

NOTICE OF PROPOSED
ADOPTION OF A RULE
WITHOUT A PUBLIC HEARING

Notice is hereby given that the Minnesota Higher Education Coordinating Board proposes to adopt the above-entitled rule without a public hearing following the procedures set forth in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority to adopt the rule is contained in Minnesota Statutes, Section 136A.16.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Rose Herrera Hamerlinck
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
550 Cedar Street
St. Paul, Minnesota 55101
612/296-7963

The proposed rule may be modified if the modifications are supported by data and views and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Rose Herrera Hamerlinck upon request.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Rose Herrera Hamerlinck, Minnesota Higher Education Coordinating Board, 400 Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota 55101.

Sept. 8, 1986
Date

David A. Longanecker

DAVID A. LONGANECKER
Executive Director
Minnesota Higher Education
Coordinating Board

The attached Rule as Proposed will appear in the State Register on September 22, 1986.

Higher Education Coordinating Board

Proposed Permanent Rules Relating to Student Educational Loan Fund (SELF)

Rules as Proposed

4850.0017 REPAYMENT PROCEDURES.

A. and B. [Unchanged.]

C. During the payout period, borrowers must repay their loans in monthly installments of principal and interest. The interest rate may vary throughout the period. The board or its agent ~~shall provide borrowers with coupon books annually for repayment of loan principal and interest. The fixed amount of the coupon shall reflect (1) the interest rate in effect on the loan on the date the coupons are prepared (actual rate), added to a fixed percentage to be determined by the board (assumed rate), (2) the length of the payout period, and (3) the principal balance of the loan plus the amount of any unpaid interest as of the beginning of the year for which coupons are being prepared, assuming all scheduled payments are made. The actual interest rate on the loan must continue to vary. Payments of interest at the assumed rate exceeding actual interest accrued must be applied to the outstanding loan principal. If interest payments at the assumed rate are less than actual interest accrued, any unpaid interest not past due must be included in the calculation of the amount of the coupons for the following year~~ must bill borrowers monthly for amounts due. The sum of the monthly payments must equal the sum of accrued interest plus principal. The monthly payments of principal must be in amounts calculated at the beginning of the repayment period as if two conditions existed. The two conditions are: (1) interest on the loan accrues at a fixed rate equal to the interest rate in effect at the time of the calculation and (2) the loan is payable over its term in equal monthly installments. All of a borrower's SELF loans must be

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

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D. to H. [Unchanged.]

APPROVED IN THE
REVISOR OF STATUTES
OFFICE BY:

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Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Student Educational Loan Fund (SELF)

AGENCY: Higher Education Coordinating Board

MINNESOTA RULES: Chapter 4850

The attached rules are approved for publication in the State Register

Richard J. Sands
Senior Assistant Revisor

MINNESOTA
HIGHER EDUCATION
COORDINATING BOARD

SUITE 400
CAPITOL SQUARE
550 CEDAR STREET
SAINT PAUL 55101

(612) 296-3974

MEMORANDUM

TO: INTERESTED PERSONS

FROM: ROSE HERRERA HAMERLINCK Rose Herrera Hamerlinck

RE: STATEMENT OF NEED AND REASONABLENESS
STUDENT EDUCATIONAL LOAN FUND (SELF) (MINNESOTA RULES 4850.0017)

DATE: SEPTEMBER 24, 1986

The Higher Education Coordinating Board is proposing a permanent rule change to the SELF program. Attached you will find the Statement of Need and Reasonableness.

The SELF Rule as Proposed appears in the State Register on Monday, September 22, 1986.

If you have questions or comments, please contact:

Rose Herrera Hamerlinck
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
550 Cedar Street
St. Paul, Minnesota 55101
612/296-7963

RHH:kb
Att.

Authority to Prescribe Rules

The Minnesota Higher Education Coordinating Board is authorized by statute to adopt policies and prescribe rules and regulations for student loan programs (Minnesota Statutes 1984, 136A.16, Subd. 2).

The SELF program was authorized by the 1983 Minnesota legislature and began operation in June 1985. For a complete set of SELF program rules, please see Minnesota Rules 4850.0011 to 4850.0018.

The Board is proposing to change Minnesota Rule 4850.0017. This document provides an explanation for the proposed rule change.

Background

Current Student Educational Loan Fund (SELF) rules specify that the Board or its agent shall provide borrowers with coupon books during the borrower's repayment period (i.e., Payout phase).

Coupon books contain 12 months worth of coupons and must be printed in advance. Because the interest rate charged to the student fluctuates weekly, it is impossible to know in advance the prevailing rate for each monthly payment. In an effort to stabilize both the monthly payment for the borrower and to protect against a fluctuating interest rate, it was decided (in rules) to take the prevailing rate the month before the borrower entered Payout phase, add three percentage points, and print the coupon book with an arbitrarily inflated interest rate (i.e., the "assumed rate".) During the year both the actual interest rate and the assumed rate are tracked, and the account is reconciled at the end of the year with credit given the borrower for any interest paid that exceeds the actual interest accrued.

Proposed Change

The proposed rule change would allow the agent of the Board, HEMAR, to print a monthly bill that more accurately reflects the amount owed. It would eliminate the confusion resulting from borrowers paying an artificially high interest rate and reconciling accounts. Maintenance of student loan accounts would be made easier. Monthly billings are useful in maintaining contact with the borrower. In addition, the borrower has been accustomed to receiving monthly or quarterly bills for interest only during the In-School and Transition (i.e, a period of one year following graduation or termination of enrollment) phases of the program, and it would be logical to continue using the same billing method during the Payout phase.

In the Matter of the Proposed Adoption of the Rule of the Minnesota Higher Education Coordinating Board Governing Student Educational Loan Fund

AFFIDAVIT OF MAILING THE NOTICE OF PROPOSED ADOPTION OF A RULE WITHOUT A PUBLIC HEARING AND CERTIFICATE OF MAILING LIST

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Rosemary Herrera Hamerlinck, being first duly sworn deposes and says:

I hereby certify that the list of persons and associations who have requested, pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22 or 14.30, that their names be placed on the Minnesota Higher Education Coordinating Board rulemaking mailing list is accurate, complete, and current as of this 17th day of September, 1986.

That on the 17th day of September, 1986, at the City of St. Paul, County of Ramsey, State of Minnesota, I mailed the attached Notice of Proposed Adoption of A Rule Without a Public Hearing by depositing in the State of Minnesota Central Mail System for United States mailing, a copy thereof, with postage prepaid, to all persons and associations on the aforementioned mailing list.

Rosemary Herrera Hamerlinck

Subscribed and sworn to before me this
5th day of November, 1986.

Judith A. Morgan
NOTARY PUBLIC — MINNESOTA
RAMSEY COUNTY
My commission expires Sept. 16, 1989

A copy of the proposed amended rule appears below.

A Statement of Need and Reasonableness that describes the need for reasonableness of the proposed amended rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Jim Gelbmann upon request.

If no hearing is required, upon adoption of the amendment, the amendment and the required supporting documents will be deliv, ered to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted amended rule, must submit such written request to Jim Gelbmann.

Mark B. Dayton, Commissioner

Rules as Proposed

4300.3100 GRANT AGREEMENTS.

Subpart 1. [Unchanged.]

Subp. 2. **Contents of grant contract.** The grant contract must include:

A. [Unchanged.]

B. a description of the manner in which payments will be made to grant recipients ~~with the condition that five percent of the grant award will not be paid until successful completion of all activities in the work program~~; and

C. [Unchanged.]

Subp. 3. to 7. [Unchanged.]

Higher Education Coordinating Board

Proposed Permanent Rules Relating to Student Educational Loan Fund (SELF)

Notice of Proposed Adoption of a Rule without a Public Hearing

Notice is hereby given that the Minnesota Higher Education Coordinating Board proposes to adopt the above-entitled rule without a public hearing following the procedures set forth in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority to adopt the rule is contained in Minnesota Statutes, Section 136A.16.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Rose Herrera Hamerlinck
Minnesota Higher Education Coordinating Board
400 Capitol Square Building
550 Cedar Street
St. Paul, Minnesota 55101
612/296-7963

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

The proposed rule may be modified if the modifications are supported by data and views and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Rose Herrera Hamerlinck upon request.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Rose Herrera Hamerlinck, Minnesota Higher Education Coordinating Board, 400 Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota 55101.

Dated: 8 September 1986

David A. Longanecker
Executive Director
Minnesota Higher Education
Coordinating Board

Rules as Proposed

4850.0017 REPAYMENT PROCEDURES.

A. and B. [Unchanged.]

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D. to H. [Unchanged.]

Department of Labor and Industry

Occupational Safety and Health Division

Proposed Revisions to the Occupational Safety and Health Standards

Request for Comments

Notice is hereby given that the Department of Labor and Industry, Occupational Safety and Health Division (Minnesota OSHA), proposes to adopt the following revisions to the Minnesota Occupational Safety and Health Standards, as authorized under Minnesota Statutes § 182.655 (1984) amending the Occupational Safety and Health Standards that have already been proposed and adopted by the federal Occupational Safety and Health Administration (Federal OSHA).

Complete copies of the specific revisions are available by writing: Occupational Safety and Health Division, Department of Labor and Industry, 444 Lafayette Road, St. Paul, Minnesota 55101; or by calling (612) 297-3254.

CERTIFICATE OF THE
MINNESOTA HIGHER EDUCATION COORDINATING BOARD
RESOLUTION ADOPTING THE RULE

I, Charles F. Mouzin, do hereby certify that I am a member and the Secretary of the Minnesota Higher Education Coordinating Board, a board duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Minnesota Higher Education Coordinating Board, duly and properly called and held on the 20th day of November, 1986, that a quorum was present, and that a majority of those present voted for the resolution which has not been rescinded or modified.

> "RESOLVED, that the rule relating to the Student Educational Loan Fund is approved and adopted, pursuant to authority vested in the Minnesota Higher Education Coordinating Board by Minnesota Statutes Section 136A.16. David A. Longanecker, the executive director of the Minnesota Higher Education Coordinating Board, is authorized to sign the findings of fact, conclusions, and order adopting the rule and further is authorized to modify the rule if necessary to obtain the approval of the rule by the attorney general and to perform the necessary acts to provide that the rule shall have the force and effect of law."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 20th day of November, 1986.

Charles F. Mouzin
Officer of the Board

Duane C. Sathre
Attest by one other Board member

STATE OF MINNESOTA
MINNESOTA HIGHER EDUCATION COORDINATING BOARD

In the Matter of the Proposed Adoption of the Rule of the Minnesota Higher Education Coordinating Board Governing Student Educational Loan Fund

FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

Notice of the Board's proposed adoption of the above-entitled rule was published in the State Register on September 22, 1986 and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22 on September 17, 1986. The statement of need and reasonableness was prepared before the date of the notice of proposed adoption of a rule without a public hearing and was available to the public.

All persons were given the opportunity to submit comment on the rule for 30 days after notice of proposed rulemaking. No requests for a public hearing on the rule were received by the agency.

No submissions or comments on the rule were received by the agency. No requests for notice of submission to the attorney general were received by the agency.

Based on the comments and evidence in the record before the agency, I find the following:

The above-captioned rule is needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the rule identified as Student Educational Loan Fund is adopted this 20th day of November, 1986, pursuant to authority vested in me by Minnesota Statutes, Section 136A.16.

DAVID A. LONGANECKER
Executive Director
Minnesota Higher Education
Coordinating Board

In the Matter of the Proposed Adoption of the Rule of the Minnesota Higher Education Coordinating Board Governing Student Educational Loan Fund

DECLARATION OF COUNSEL

I, LAURA E. MATTSON, Special Assistant Attorney General, do hereby declare that I have examined the above-captioned rule, and the supporting rulemaking record, and that, based on my examination, the Administrative Procedure Act and Minnesota Rules, chapter 2010 have been followed. Any exceptions are listed below. For Attorney General billing purposes, the four-digit docket client code is 0448.

LAURA E. MATTSON
Special Assistant
Attorney General

Dated: December 2, 1986

MINNESOTA
HIGHER EDUCATION
COORDINATING BOARD

SUITE 400
CAPITOL SQUARE
550 CEDAR STREET
SAINT PAUL 55101

(612) 296-9665

OFFICE OF THE EXECUTIVE DIRECTOR

MEMORANDUM

TO: Laura Mattson

FROM: Rose Herrera Hamerlinck Rose Herrera Hamerlinck

DATE: November 20, 1986

RE: SELF Rules

Laura, attached you will find the necessary rulemaking documents for the SELF program.

Please prepare the Certificate of Compliance, and send to the Attorney General's office as soon as possible. Thanks.

RECEIVED
NOV 24 1986
ATTORNEY GENERAL'S OFFICE
1100 BREMER TOWER
7TH PLACE AND MINNESOTA ST.
ST. PAUL, MN 55101