

18-1007. INTEREST ON LOANS.

(A) REQUIRED; RATE.

(1) THE BOARD SHALL REQUIRE EACH INDIVIDUAL WHO BORROWS FROM THE CORPORATION, OR WHO BORROWS FUNDS GUARANTEED BY THE CORPORATION, TO PAY INTEREST ON THE AMOUNT BORROWED DURING THE TERM OF THE LOAN.

(2) THE INTEREST RATE SET BY THE CORPORATION MAY NOT BE MORE THAN THE MAXIMUM RATE SET BY THE COMMISSIONER.

(B) COMPOUNDING PROHIBITED.

INTEREST ON ANY LOAN MADE OR GUARANTEED BY THE CORPORATION:

(1) MAY BE ACCUMULATED; AND

(2) MAY NOT BE COMPOUNDED.

(C) INTEREST PAID BY FEDERAL GOVERNMENT.

AN INDIVIDUAL WHO RECEIVES A LOAN OR GUARANTEE FROM THE CORPORATION MAY NOT BE REQUIRED TO PAY ANY INTEREST THAT IS PAID OR PAYABLE BY THE FEDERAL GOVERNMENT.

REVISOR'S NOTE: This section is new language derived without substantive change from the last two sentences of Art. 43A, §5(e) and §6.

18-1008. TERMS AND CONDITIONS OF LOAN.

(A) COLLATERAL OR COSIGNER NOT REQUIRED.

COLLATERAL SECURITY OR ENDORSEMENTS MAY NOT BE REQUIRED ON ANY LOAN MADE OR GUARANTEED BY THE CORPORATION EXCEPT ON THE SPECIFIC AUTHORITY OF THE BOARD.

(B) DURATION OF LOAN.

(1) EACH STUDENT MAY BORROW FOR AT LEAST 6 ACADEMIC YEARS.

(2) A LOAN MAY BE MADE TO A PART-TIME STUDENT WHO:

(I) CARRIES AT LEAST ONE HALF THE NORMAL FULL-TIME ACADEMIC WORK LOAD AS DETERMINED BY THE COLLEGE OR VOCATIONAL SCHOOL; AND

(II) MEETS ANY OTHER QUALIFICATIONS SET BY THE BOARD.

(C) AMOUNT OF LOAN.

THE BOARD SHALL DETERMINE THE AMOUNT OF EACH LOAN WITHIN THE LIMITS ESTABLISHED BY FEDERAL LAW AND THE