

Minnesota Office of Higher Education

DUAL NOTICE: Notice of Intent to Adopt Rules Without a Public Hearing Unless 25 or More Persons Request a Hearing, and Notice of Hearing if 25 or More Requests for Hearing Are Received; Revisor's ID Number 4425

Proposed Amendment to Rules Relating to the Higher Education Financial Assistance and Supplemental Student Loans., *Minnesota Rules*, 4830.0150 to 4850.0017

Introduction. The Minnesota Office of Higher Education intends to adopt rules without a public hearing following the procedures in the rules of the Office of Administrative Hearings, *Minnesota Rules*, parts 1400.2300 to 1400.2310, and the Administrative Procedure Act, *Minnesota Statutes*, sections 14.22 to 14.28. If, however, 25 or more persons submit a written request for a hearing on the rules by 4:30 p.m. on Tuesday, September 25, 2018, the Office of Higher Education will hold a public hearing in room 10, State Office Building, 100 Rev Dr Martin Luther King Boulevard, St. Paul, Minnesota 55155, starting at 9:30 am on Monday, October 29, 2018. To find out whether the Office of Higher Education will adopt the rules without a hearing or if it will hold the hearing, you should contact the agency contact person after September 25, 2018 and before October 29, 2018.

Agency Contact Person. Submit any comments or questions on the rules or written requests for a public hearing to the agency contact person. The agency contact person is:

Marilyn Kosir
Minnesota Office of Higher Education
1450 Energy Park Drive, Suite 350
St. Paul Minnesota 55108
651 355-0600
marilyn.kosir@state.mn.us

You may also review the proposed rule and submit written comments via the Office of Administrative Hearings Rulemaking eComments website at

<https://minnesotaoah.granicusideas.com/discussions>. Any questions about submitting comments via the Rulemaking eComments website should be directed to Katie Lin, Office of Administrative Hearings, at 651-361-7911 or katie.lin@state.mn.us.

Subject of Rules and Statutory Authority. The proposed rules amendments are about the SELF Loan Program which is a state program of supplemental loans to postsecondary students. The SELF Loan is a long-term, low-interest student loan to Minnesota residents and non-residents attending participating SELF postsecondary educational institutions. Students are required to complete the Free Application for Federal Student Aid (FAFSA) before applying for the SELF Loan in order to ensure the student receives federal and state grant funds before taking on loan debt. As part of the student's overall financial aid package, the SELF Loan is intended to supplement other student loan options—particularly federal loans.

The SELF Loan provides a low-cost option for students to finance their education. The interest rate is not based on a person's credit history, as is the case for many private student loans. This is an advantage to borrowers in that they know the interest rate before applying. *Minnesota Statutes* 136A.1701, subdivision 10 prohibits the use of state money to fund student loans. As a result, it is imperative the SELF Loan program operate in a manner that allows students to benefit from the program while at the same time ensuring losses, especially those due to default, are minimized. The program needs to be self-sustaining with all expenses, including the cost of defaulted loans, covered by program earnings. Earnings are primarily interest paid by borrowers and cosigners.

The proposed rules amendments are intended to:

- reduce default risks,
- align statute and rule language, and
- provide more flexibility to respond to the needs of borrowers and cosigners.

The statutory authority to adopt the rules is *Minnesota Statutes*, section 136A.16. A copy of the proposed rules is published in the *State Register* and attached to this notice as mailed.

Comments. You have until 4:30 p.m. on Tuesday, September 25, 2018, to submit written comment in support of or in opposition to the proposed rules or any part or subpart of the rules. Your comment must be in writing and received by the agency contact person by the due date. Comment is encouraged. Your comments should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed. You are encouraged to propose any change that you desire. Any comments that you have about the legality of the proposed rules must also be made during this comment period.

Request for a Hearing. In addition to submitting comments, you may also request that the Office of Higher Education hold a hearing on the rules. You must make your request for a public hearing in writing, which the agency contact person must receive by 4:30 p.m. on Tuesday, September 25, 2018. You must include your name and address in your written request. In addition, you must identify the portion of the proposed rules that you object to or state that you oppose the entire set of rules. Any request that does not comply with these requirements is not valid and the agency cannot count it when determining whether it must hold a public hearing. You are also encouraged to state the reason for the request and any changes you want made to the proposed rules.

Withdrawal of Requests. If 25 or more persons submit a valid written request for a hearing, the Office of Higher Education will hold a public hearing unless a sufficient number of persons withdraw their requests in writing. If enough requests for hearing are withdrawn to reduce the number below 25, the agency must give written notice of this to all persons who requested a hearing, explain the actions the agency took to effect the withdrawal, and ask for written comments on this action. If a public hearing is required, the agency will follow the procedures in *Minnesota Statutes*, sections 14.131 to 14.20.

Alternative Format/Accommodation. Upon request, this information can be made available in an alternative format, such as large print, braille, or audio. To make such a request or if you need an accommodation to make this hearing accessible, please contact the agency contact person at the address or telephone number listed above.

Modifications. The Office of Higher Education might modify the proposed rules, either as a result of public comment or as a result of the rule hearing process. It must support modifications by data and views submitted to the agency or presented at the hearing. The adopted rules may not be substantially different than these proposed rules unless the Office of Higher Education follows the procedure under *Minnesota Rules*, part 1400.2110. If the proposed rules affect you in any way, the Office of Higher Education encourages you to participate in the rulemaking process.

Cancellation of Hearing. The Office of Higher Education will cancel the hearing scheduled for October 29, 2018 if the agency does not receive requests for a hearing from 25 or more persons. If you requested a public hearing, the agency will notify you before the scheduled hearing whether the hearing will be held. You may also call the agency contact person at 651 355-0600 after Tuesday, September 25, 2018 to find out whether the hearing will be held. On the scheduled day, you may check for whether the hearing will be held by calling 651 355-0600 or going on-line at <http://www.oh.e.state.mn.us/mPg.cfm?pageID=2261>.

Notice of Hearing. If 25 or more persons submit valid written requests for a public hearing on the rules, the Office of Higher Education will hold a hearing following the procedures in *Minnesota Statutes*, sections 14.131 to 14.20. The Office of Higher Education will hold the hearing on the date and at the time and place listed above. The hearing will continue until all interested persons have been heard. Administrative Law Judge Jeanne M. Cochran is assigned to conduct the hearing. Judge Cochran's Legal Assistant Katie Lin can be reached at the Office of Administrative Hearings, 600 North Robert Street, P.O. Box 64620, Saint Paul, Minnesota 55164-0620, telephone 651-361-7900 and FAX 651-539-0310 or katie.lin@state.mn.us.

Hearing Procedure. If the Office of Higher Education holds a hearing, you and all interested or affected persons, including representatives of associations or other interested groups, will have an opportunity to participate. You may present your views either orally at the hearing or in writing at any time before the hearing record closes. All evidence presented should relate to the proposed rules. You may also submit written material to the Administrative Law Judge to be recorded in the hearing record for five working days after the public hearing ends. At the hearing the Administrative Law Judge may order that this five-day comment period is extended for a longer period but not more than 20 calendar days. Following the comment period, there is a five-working-day rebuttal period when the agency and any interested person may respond in writing to any new information submitted. No one may submit **new** evidence during the five-day rebuttal period. The Office of Administrative Hearings must receive all comments and responses submitted to the Administrative Law Judge **via the Office of Administrative Hearings Rulemaking eComments website at <https://minnesotaoah.granicusideas.com/discussions>** no later than 4:30 p.m. on the due date. All comments or responses received will be available for review **at the on the agency's website at <http://www.oh.e.state.mn.us/mPg.cfm?pageID=2261>**. This rule hearing procedure is governed by *Minnesota Rules*, parts 1400.2000 to 1400.2240, and

Minnesota Statutes, sections 14.131 to 14.20. You may direct questions about the procedure to the Administrative Law Judge.

The agency requests that any person submitting written views or data to the Administrative Law Judge before the hearing or during the comment or rebuttal period also submit a copy of the written views or data to the agency contact person at the address stated above.

Statement of Need and Reasonableness. The statement of need and reasonableness summarizes the justification for the proposed rules, including a description of who will be affected by the proposed rules and an estimate of the probable cost of the proposed rules. It is now available from the agency contact person. You may review or obtain copies for the cost of reproduction by contacting the agency contact person. Or you can view and download this document free at <http://www.ohe.state.mn.us/mPg.cfm?pageID=2261>

Lobbyist Registration. *Minnesota Statutes*, chapter 10A, requires each lobbyist to register with the State Campaign Finance and Public Disclosure Board. Ask any questions about this requirement of the Campaign Finance and Public Disclosure Board at: Suite #190, Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155, telephone (651) 539-1180 or 1-800-657-3889.

Adoption Procedure if No Hearing. If no hearing is required, the agency may adopt the rules after the end of the comment period. The Office of Higher Education will submit the rules and supporting documents to the Office of Administrative Hearings for a legal review. You may ask to be notified of the date the rules are submitted to the office. If you want either to receive notice of this, to receive a copy of the adopted rules, or to register with the agency to receive notice of future rule proceedings, submit your request to the agency contact person listed above.

Adoption Procedure after a Hearing. If a hearing is held, after the close of the hearing record, the Administrative Law Judge will issue a report on the proposed rules. You may ask to be notified of the date that the Administrative Law Judge's report will become available, and can make this request at the hearing or in writing to the Administrative Law Judge. You may also ask to be notified of the date that the agency adopts the rules and the rules are filed with the Secretary of State by requesting this at the hearing or by writing to the agency contact person stated above.

Order. I order that the rulemaking hearing be held at the date, time, and location listed above.

August 6, 2018

Date



Larry J. Pogemiller
Commissioner