**Section 2700.40 General Applicant Eligibility Requirements**

a) Except as otherwise provided by this subsection, an applicant with a defaulted loan made pursuant to Title IV of the Higher Education Act is not eligible for benefits under ISAC-administered programs.

1) Eligibility for federally-guaranteed loans may be reinstated in accordance with federal regulations and the following provisions:

A) Eligibility for federally-guaranteed loans will be reinstated when:

i) the debt has been paid in full;

ii) the borrower has made a "satisfactory repayment arrangement," in accordance with 34 CFR 682.200;

iii) the borrower's prior defaulted loan has been rehabilitated, in accordance with 34 CFR 682.405; or

iv) the borrower has made payments on a defaulted loan to consolidate that loan in accordance with 34 CFR 682.201.

B) Borrowers are eligible to use subsections (a)(1)(A)(ii) and (iii) only one time.

C) Eligibility for ISAC-administered gift assistance will be reinstated for current and future terms when the applicant has maintained a satisfactory repayment record for at least 6 consecutive months or has met the requirements of subsection (a)(1)(A). Factors to be considered by ISAC in evaluating the repayment record include: the amount of the debt, the amount of the payments received by ISAC, the employment status of the applicant, and the frequency of the applicant's contact with ISAC.

2) A qualified applicant for Illinois Veteran Grant (IVG) assistance (23 Ill. Adm. Code 2733) shall be permitted one term of assistance during which a satisfactory repayment record, as defined by subsection (a)(1)(C), must be established. If such a repayment record is not established, additional assistance shall be denied until a satisfactory repayment record is established.

b) No applicant shall receive ISAC-administered assistance if the applicant owes a refund for any ISAC-administered gift assistance, a Federal Pell Grant, or a Federal Supplemental Educational Opportunity Grant (FSEOG) (20 U.S.C. 1070(b)).

c) An applicant shall, upon request, provide documentation to establish and verify eligibility. (See Section 2700.50.) Failure to supply adequate documentation will result in the denial of student assistance benefits.

d) An applicant who has received financial assistance based on fraudulent data shall be denied ISAC-administered assistance until full restitution has been made to ISAC for any fraudulently-obtained funds, and may also be subject to prosecution by the Illinois Attorney General, United States Department of Justice and/or an Illinois State's Attorney.

e) Applicants with a Social Security Number (SSN) must submit it at the time of applying.

f) Recipients who cease to be residents of Illinois after notification of eligibility may complete the academic year with the assistance awarded.

g) Unless otherwise provided, benefits under gift assistance programs are subject to the limits of dollars appropriated to ISAC by the Illinois General Assembly and approved by the Governor.

h) When gift assistance eligibility is limited to a specified number of term payments, the eligibility cap is calculated in accordance with this subsection.

1) For each semester term of full-time payment benefits, the recipient is assessed 6 eligibility units. For each quarter term of full-time payment benefits, the recipient is assessed 4 eligibility units.

2) For each semester term of half-time payment benefits, the recipient is assessed 3 eligibility units. For each quarter term of half-time payment benefits, the recipient is assessed 2 eligibility units.

3) For each semester or quarter term of less than half-time payment benefits, the recipient is assessed one eligibility unit.

4) Sixty eligibility units are the equivalent of payments for 10 semesters/15 quarters of full-time benefits.

5) Forty-eight eligibility units are the equivalent of payments for 8 semesters/12 quarters of full-time benefits.

i) Except for grants pursuant to 23 Ill. Adm. Code 2730 (Illinois National Guard Grant Program) (ING Grant) and 23 Ill. Adm. Code 2733 (Illinois Veteran Grant Program) (IVG Grant), an applicant must be maintaining satisfactory academic progress in accordance with the institution's policy.

j) Except for MAP, ING and IVG Grants, ISAC gift assistance benefits for courses utilizing distance education are limited to students enrolled in eligible degree or certificate programs that are defined as eligible to receive Title IV, HEA program funds. (See 34 CFR 668.38.)

k) Except for ING and IVG Grants, students enrolled in academic programs while incarcerated are ineligible for ISAC gift assistance benefits.

l) For the purpose of determining the timeliness of an individual's application, the postmark date of an application submitted electronically shall be the date on which ISAC receives that individual's submission of complete application data.

(Source: Amended at 47 Ill. Reg. 9433, effective July 1, 2023)