**Section 2720.10 Eligibility for ISAC Loan Guarantees**

a) Prior to July 1, 2010, applicants could apply for a loan guarantee by submitting a common ED-approved application form or through a comparable electronic process in accordance with federal law. (See 15 USC 7001 et seq.)

b) Borrower eligibility requirements for guaranteed loans are established by federal regulations (34 CFR 682.201).

c) The student must be enrolled, or accepted for enrollment, at an approved postsecondary institution which has certified the applicant as eligible for a guaranteed loan.

d) An applicant shall not be disqualified for a loan guarantee by ISAC if the lender, the institution, the student, and the borrower meet the eligibility requirements of Title IV, Part B, of the Higher Education Act of 1965, as amended (20 USC 1071 et seq.), of federal regulations and of this Subpart.

e) No loan guarantee shall be issued if such loan would exceed the annual or aggregate amount permitted such borrower, as specified by federal regulations (34 CFR 682.204).

f) The institution shall compute a recommended loan amount for each applicant in accordance with Section 425(a)(1) of the Higher Education Act, as amended. No guaranteed loan may exceed the institution's recommended amount.

1) When certifying loan eligibility for an academic year which will span academic levels, the institution's recommended loan amount shall not exceed the maximum permitted for the applicant's academic level at the time of certification.

2) Should a student borrow in excess of the permitted loan maximums, the student becomes ineligible for federal financial assistance for that academic year. (See Section 484 of the Higher Education Act of 1965, as amended (20 USC 1091) and 34 CFR 668.32(g)(2).)

(Source: Amended at 38 Ill. Reg. 13374, effective July 1, 2014)