

1301:5-3-07

Educational loans to individuals.

(A) All applications for loans to defray the costs of satisfying the prelicensure educational requirements of division (F)(6)(a) of section 4735.09 of the Revised Code shall be made in writing on a form provided by the superintendent which shall include, although not to be limited to, the following information:

- (1) A statement by the applicant that a loan from the educational and research fund is necessary for the completion of courses required for licensing;
- (2) The title or titles of the educational course or courses for which the loan is sought;
- (3) The full name and address of the ~~accredited~~ institution or institutions of higher education at which the course or courses will be taken;
- (4) The cost of tuition and required texts for such course or courses;
- (5) The name of the principal broker sponsoring the license and loan applicant who will serve as a ~~co-maker/guarantor with the applicant~~ guarantor for the loan from the education and research fund.

(B)

- (1) The sponsoring principal broker shall serve as guarantor of the loan and shall be liable to the education and research fund for any amount outstanding ~~on default by the applicant principal~~ should the loan go into default.
- (2) ~~In the event of transfer after licensing by a loan recipient, the broker to whom the loan recipient intends to transfer shall assume in writing the guaranty responsibility of the broker who sponsored the loan recipient for the salesperson license examination.~~ In the event a loan applicant changes sponsoring principal brokers prior to being issued a license, the new sponsoring principal broker shall assume, in writing, the guaranty responsibility of the principal broker who originally sponsored the loan applicant for the salesperson license examination.
- (3) In the event a licensee, who received an educational loan which has an outstanding balance, files an application to transfer the licensee's license to a different brokerage, the transfer application shall be accompanied by an affidavit from the principal broker with whom the licensee seeks to affiliate acknowledging guaranty responsibility for the outstanding loan balance.

- (C) Disbursements from the education and research fund for ~~personal~~pre-licensing education loans shall be made directly to the accredited institution or institutions of higher education at which the course or courses will be taken upon the applicant submitting proof of registration. The proceeds shall be used solely for the payment of expenses for tuition and books incurred as a consequence of the courses reported on the individual's loan application form.
- (D)
- (1) Repayment to the education and research fund of monies advanced to defray costs of satisfying the requirements of section 4735.09 of the Revised Code shall be made in full no later than twelve months from the date of licensure.
 - (2) In the event that the loan recipient has not been licensed as a real estate salesperson within one year of the date of eligibility to take the sales examination, the full amount of the disbursement shall immediately become due. In no event shall any individual's indebtedness to the fund continue beyond three years from the date of disbursements. Any amount outstanding at that time shall immediately be referred to the Ohio attorney general's office for collection proceedings.
- (E) No individual shall be authorized to make application for a loan from the education and research fund who has previously failed to satisfactorily complete a course required by section 4735.09 of the Revised Code for which the costs were defrayed by a loan from the fund.
- (F) No ~~applicant~~salesperson shall be approved for admission to the broker license examination who has not repaid in full any obligation incurred by the applicant to the education and research fund.
- (G) In the event of the death or permanent total disability of a ~~co-maker or~~ guarantor of a loan made in accordance with section 4735.06 of the Revised Code and this chapter of the Administrative Code, the obligations of such ~~co-maker or~~ guarantor shall be discharged.
- (H) The loan amount which an applicant is eligible to receive under this rule shall be based upon a percentage of the actual cost of the tuition and required texts determined in accordance with:
- (1) One hundred ~~per cent~~percent of the federal poverty level qualifies for one hundred ~~per cent~~percent;
 - (2) One hundred thirty-three ~~per cent~~percent of the federal poverty level qualifies for eighty ~~per cent~~percent;

- (3) One hundred seventy-five ~~per cent~~percent of the federal poverty level qualifies for sixty ~~per cent~~percent;
 - (4) Two hundred ~~per cent~~percent of the federal poverty level qualifies for forty ~~per cent~~percent; and
 - (5) Two hundred fifty ~~per cent~~percent of the federal poverty level qualifies for twenty ~~per cent~~percent.
- (I) A copy of the applicant's federal income tax return for the calendar year immediately preceding the year in which the loan application is filed must accompany the student loan application as verification of gross income. Married applicants who filed a separate return must also submit a copy of their spouse's federal income tax return. The commission may request other documentation for applicants who did not file a federal income tax return for the preceding calendar year.
- (J) In determining the loan amount which an applicant is eligible to receive, the commission may consider factors affecting the applicant's current gross income including, but not limited to, loss of employment, medical expenses, and divorce or legal separation.
- (K) Any loan approved by the commission under this rule shall not exceed the actual total cost of the required text and tuition, or the amount allowed pursuant to section 4735.06 of the Revised Code, whichever is less.

Effective:

Five Year Review (FYR) Dates:

Certification

Date

Promulgated Under: 119.03

Statutory Authority:

Rule Amplifies: