

283—35.4(261) Awarding of funds.

35.4(1) Selection criteria. All applications received on or before the published deadline will be considered for funding. In the event that all on-time applicants for the program cannot be funded with the available appropriation, criteria for selection of recipients will be prioritized as follows:

- a. Renewal status;
- b. Instructional shortage area being served, with the highest need areas as ranked by the Iowa department of education being served first;
- c. Geographic shortage area being served, with the highest need areas as ranked by the Iowa department of education being served first;
- d. Iowa residency status;
- e. Full-time employment status;
- f. Part-time employment status;
- g. Total indebtedness; and
- h. Date of application.

35.4(2) Annual award. The maximum annual award to an eligible recipient shall be the lesser of:

- a. The average undergraduate resident tuition rate established for students attending universities governed by the Iowa board of regents for the first year following the teacher's graduation from an approved practitioner preparation program, or
- b. Twenty percent of the teacher's total federally guaranteed Stafford loan balance, including principal and interest, under the Federal Family Education Loan Program (FFELP) or the Federal Direct Loan Program (FDLP). Eligible loans include subsidized and unsubsidized Stafford loans and consolidated loans. Only the outstanding portion of a Federal Consolidation Loan that was used to repay an eligible subsidized or unsubsidized Federal Stafford Loan, an eligible Direct Subsidized Loan, or an eligible Direct Unsubsidized Loan qualifies for loan forgiveness.

35.4(3) Extent of forgiveness. Recipients may receive loan forgiveness for no more than five consecutive years. Recipients who fail to complete five consecutive years of teaching in the designated shortage areas will not be considered for subsequent years of forgiveness.

Applicants who received funding under the teacher shortage forgivable loan program will be eligible for funding under the Iowa teacher shortage loan forgiveness program for five years minus one year for each year that a loan was received under the teacher shortage forgivable loan program.

35.4(4) Disbursement of loan forgiveness funds.

a. Loan payments will be disbursed upon completion of the academic year for which forgiveness was approved and upon certification from the school district that the teacher was employed as a teacher during the entire academic year and completed the academic year in good standing.

b. Loan proceeds will be distributed to the teacher's student loan holder and applied directly to the teacher's eligible loans. Unless otherwise instructed by the teacher, the holder will be instructed to apply the proceeds of the Iowa teacher shortage loan forgiveness program first to any outstanding unsubsidized Stafford loan balances, next to any outstanding subsidized Stafford loan balances, then to any eligible outstanding consolidation loan balances.