

R612-1. Purpose: To establish the lender eligibility requirements for participation as an originating lender in the UHEAA loan program.

R612-2. References

- 2.1. Utah Code Title 53B, Chapter 12.
- 2.2. U.S. Code, Higher Education Act of 1965, as amended.

R612-2. Definitions

- 3.1. **Originating Lender.** A lending institution which originates Federal Stafford, PLUS, SLS or Consolidation Loans.
- 3.2. **"Located in Utah":** With respect to this rule, a lender is located in Utah if the lender has an office in Utah where the lender's full range of products and services is available to the lender's customers for routine business transactions. An office established for the sole purpose of collecting student loan applications is not sufficient to qualify a lender as being located in Utah.

R612-4. Policy

- 4.1. **Lender Eligibility Requirements:** To participate as an originating lender in the UHEAA loan program, a lender must:
 - 4.1.1. be located in Utah;
 - 4.1.2. be an eligible lender as defined by the Higher Education Act of 1965, as amended;
 - 4.1.3. obtain a six-digit lender identification number issued by the U.S. Department of Education; and
 - 4.1.4. execute an "Agreement to Guarantee Loans" with UHEAA.
- 4.2. **Borrower Eligibility:** A lender which meets the requirements of 4.1 may make loans guaranteed by UHEAA to any eligible borrower.
- 4.3. **Lender Pre-Approval:** A lender which participates in the UHEAA loan program is considered pre-approved.
- 4.4. **Loan Approval by Disbursement:** By disbursing the loan, the lender acknowledges its approval of the loan.
- 4.5. **Lender Cancellation of UHEAA Guarantee:** A guarantee issued by UHEAA may be canceled by the lender, if the lender does not grant approval of the loan.

¹ Revised by the UHEAA Board of Directors July 14, 1995 and amended October 1, 2001 and August 31, 2004.

4.6. Failure to Comply: If the lender violates or fails to comply with the provisions of this policy or the Higher Education Act of 1965, as amended, the lender will be liable for any penalties, claims, actions and expenses relating to the violation. In addition, the lender may be subject to limitation, suspension or termination under the Higher Education Act of 1965, as amended.