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# SELF Loan Manual

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**About the Office of Higher Education**

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to postsecondary education. The agency also serves as the state's clearinghouse for data, research and analysis on postsecondary enrollment, financial aid, finance and trends.

The Minnesota State Grant Program is the largest financial aid program administered by the Office of Higher Education, awarding more than \$243 million annually in need-based grants to Minnesota residents attending eligible colleges, universities and career schools in Minnesota. The agency oversees other state scholarship and grant programs, tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Plan, licensing and early college awareness programs for youth.

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# Introduction

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This manual is written for postsecondary institutions participating in the Minnesota SELF Loan Program and is subject to all subsequent changes in Minnesota state laws and regulations, as well as additional policy guidance issued by the Minnesota Office of Higher Education (OHE) governing the SELF Loan Program. Refer to Appendices A and B for links to SELF Statutes and Rules. Institutions are required to read all email and written correspondence from OHE to remain informed about changes in policy or guidance. This manual is periodically updated, and policy changes announced during the interim have the full force and effect of the SELF Loan Manual. To participate in the SELF Loan Program, institutions must sign a SELF Participation Agreement with OHE that outlines their responsibilities specifically related to the SELF Programs. Responsibilities may be different for other financial aid programs offered through OHE.

All participating institutions are required to notify OHE of any changes to the institutional contact name, email address, or phone number.

## SELF 8 Overview

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The **SELF Loan** Program, currently in Phase 8, provides educational loans to Minnesota residents and to students attending eligible Minnesota postsecondary institutions. OHE requires students to seek other sources of federal, state, institutional, and outside gift aid before incurring debt.

The student starts the application process at [www.selfloan.mn.gov](http://www.selfloan.mn.gov). Emails are sent throughout the application process to remind the borrower and co-signer when action is required.

## Financial Aid Administrators Contact Resources

Loan origination tasks, including reviewing, processing, and approving SELF Loans, are performed by OHE staff.

- Contact OHE for the following:
- Questions on the status of applications or disbursements.
- Changes to loan applications **prior** to approval if the institution cannot make the changes in CommonLine, i.e., loan amount reductions, grade level, loan period, and disbursement date changes, and cancellations.

iLink (a division of Aspire) is responsible for the following:

- Changes to loan applications **after** approval if the institution cannot make the changes in CommonLine, i.e., disbursement date and amount changes, cancellations, and re-issues.
- Setting up the institution's Electronic Fund Transfer (EFT).
- Disbursing loans
- Processing school refunds

Aspire is responsible for servicing all SELF Loans, which include the following:

- Billing borrowers
- Processing loan payments
- Updating borrower and co-signer demographic information
- Setting up borrower and co-signer ACH payments
- Performing diligence activities
- Tracking enrollment/graduation status

Refer to [Appendix C](#) for contact information for OHE, Aspire, and iLink.

## Institutional Duties

Institutions are required to provide OHE with contact information for an institutional representative. The institution is responsible for the following:

- verify and document Minnesota residency if the student is attending an eligible institution outside Minnesota
- confirm completion of the Free Application for Federal Student Aid (FAFSA), if required, or a signed [Waiver of SELF Maximum Effort Test](#)
- disburse the loan check or credit the EFT to the student's account if determined eligible
- document in writing the disbursement date and amount of the loan check or electronically transferred funds (refer to [Appendix D](#) for a sample Disbursement Checklist)
- for institutions that do not participate in the National Student Clearinghouse (Clearinghouse):
  - notify iLink within 30 days when a student reduces enrollment below half-time status or discontinues enrollment
  - complete and maintain copies of the periodic Enrollment Verification Reports and return reports within two weeks of receipt
- ensure all SELF refunds required by the OHE Refund Calculation are paid within 30 days of the official date of withdrawal
- withhold disbursement if the institutional representative is aware of legal proceedings that may affect a student's enrollment status or academic progress. If the problem is not resolved within 30 days of the disbursement date, the funds must be returned to Aspire/iLink
- provide suggested disbursement dates (up to four) that coincide with the beginning of the term but are not earlier than 10 days before the start of the term. OHE will reschedule disbursement dates when requests are made too early. Additional guidance is provided in [Disbursements for Clock Hour Programs](#)
- maintain documentation related to each student, which explains the SELF Loan amount recommended by the institution. [SELF Loan Certification Worksheet](#) is available; however not required on the [SELF Resources - Financial Aid Administrators \(state.mn.us\)](#) website to assist with determining the recommended amount
- exercise care and diligence in all SELF Loan program required activities
- maintain a student account as described under the section [Student Account Requirement for State Financial Aid](#); and

- notify OHE immediately if there is any suspicion of fraud related to a student. OHE is required to report any suspicion of fraud to the Bureau of Criminal Apprehension (BCA) and the Office of the Legislative Auditor (OLA). The institution is required to assist OHE and law enforcement authorities in any investigation concerning potential fraud.
- maintain accurate and up-to-date information regarding the SELF Loan program that's available on the institution's website.

The institution will not collect any additional fees or charges from students to cover the cost of originating loans under the SELF Loan Program.

## Financial Aid Administrators Web Page

A Financial Aid Administrator's Resource page is available on the Financial Aid Resources page. The Resources page provides helpful materials, including the SELF Programs Manual, CommonLine Certification Guides, and items to print and use in your office or distribute to students. This webpage is only for use by financial aid administrators.

## Aspire School Portal – OASIS

Authorized institutional users can request access to the Application Review System (OASIS) on the Financial Aid Administrator's Resources page. OASIS is an institutional portal provided by Aspire that offers view-only access to the following pages:

- Overview -subset of application, applicant, and co-signer data.
- School Cert -certification details.
- Disbursements- select date ranges and statuses (i.e., disbursed, on hold, pending).
- Other Loans - limited information regarding the grade level and SELF borrowing for students who did not previously attend their institution.

## Administration Overview

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- The institution must certify that the applicant is accepted for enrollment or is currently enrolled, is making Satisfactory Academic Progress (SAP), and has met the Maximum Effort Test. The Cost of Attendance (COA) minus Other Financial Assistance (OFA) must be greater than or equal to the amount of the requested loan.
- The owner of the institution cannot certify loan applications.
- OHE conducts an automated review of the borrower's credit to determine if there are any student loan defaults or bankruptcies. The loan will be denied if these items are found on the credit report.
- OHE conducts an automated review of the co-signer's credit to determine whether it meets the SELF requirements. If the credit is unsatisfactory or insufficient, the loan is denied.

- Borrowers and co-signers will be notified electronically if their application is denied. If the denial occurs after institution certification, institutions using CommonLine will receive a notification if they have requested response files.
- If the co-signer's credit is satisfactory and other eligibility criteria are met, the loan is approved for disbursement.
- Borrowers and co-signers receive an email link to the final disclosure, which indicates the approved amount of the loan.
- For loans approved at a lower amount than certified by the institution, institutions using CommonLine will receive notification of the reduced amount through a response file if they have requested response files.
- If the SELF Loan is disbursed by check, the check will be mailed to the institution and made jointly payable to the student and the institution.
- If the institution wants disbursements sent electronically, the institution should contact iLink.
- Prior to disbursing SELF funds to the student, a representative of the institution must verify that the student's enrollment is at least half-time and the student is maintaining SAP. Included in [Appendix D](#) is a Disbursement Checklist.

## NCHER Loan Codes:

The following NCHER codes are used for SELF 8 certification:

Alt Loans: CV 5

Lender: 825033

Guarantor: 121

## Eligibility to Participate

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### Postsecondary Institutions

Institutions must sign a SELF Loan Participation Agreement to participate in the SELF Program. The SELF Participation Agreement will remain in effect until amended by mutual consent of both parties and until terminated. The agreement can be terminated by either OHE or the institution, with or without cause, upon 30 days' written notice to the other party. All obligations of the institution under the agreement will continue in full force and effect with respect to all SELF Loans then outstanding to the institution's students. A new SELF Participation Agreement will be required if an institution legally changes its name or ownership.

OHE may terminate an agreement with an institution to originate SELF Loans upon determining that the institution is not in compliance with the SELF Program Rules and requirements.

Institutions that participated in state financial aid programs by July 1, 2010, do not need to participate in the federal Pell Grant Program; however, their students need to sign the [Non-Federal School Disclosure form](#). If the institution changes ownership, it remains eligible for six months following the change.

## Eligible Program for SELF

An eligible program is an academic or vocational program that is at least 8 weeks long and at least 12 quarter credits, 8 semester credits, or 300 clock hours, and leads to a degree or a certification. For clock-hour programs, the hours must represent attendance during teaching hours, excluding lunches, holidays, and other closed days. Eligibility for the SELF Program requires students to complete at least 300 hours and make up any missed hours. Attendance policies must require every student, not only those with SELF Loans, to attend and complete at least 300 hours, including approved make-up hours.

Examples:

- A student in a 300-hour program must attend and complete all 300 hours, even if they need to make up missed time before receiving their certificate.
- A program with 320 hours and an institutional attendance policy that allows students to miss up to 10% of the hours and still receive their certificate at the end of the program would need to adjust attendance requirements; otherwise, a student could miss 32 hours and only attend 298 hours, which would be less than the 300-hour minimum SELF requirement.

## Additional Major

A student who has earned a degree and is pursuing an additional major is eligible for a SELF Loan even though another degree will not be awarded. The student must have declared the additional major to be eligible. An additional minor does not qualify. The student is still subject to grade-level and cumulative SELF Loan limits based on the new major. The institution can utilize grade level 5 for the second major.

## Repeat Courses

A student who has earned a degree and decides to repeat courses to improve their grade point average is not eligible for funding under the SELF Loan because no degree or major is being pursued. If a student has not earned a degree and is retaking a class or classes to earn a passing grade or to improve their grade, they are eligible for a SELF Loan if they meet SAP, at least half-time enrollment, and any other SELF requirement outlined in this manual.

## Pre-requisite Coursework

A student taking pre-requisite coursework prior to being admitted to a graduate program is not eligible for funding under the SELF Loan Program.

## Developmental Coursework

Credits or credit equivalencies assigned for developmental coursework may be counted towards the student's enrollment level if the student has been accepted into a degree, diploma, or certificate program and takes developmental coursework within that program. An institution cannot count non-credit developmental hours in a student's enrollment status if the course is part of a program that leads to a high school diploma or GED. There is no limit on the total amount of developmental credits that can be used to determine the student's enrollment level.

## Licensure

A student taking courses leading to licensure is eligible if the courses ultimately lead to a certificate.

## Occupational Skills

Occupational skills certificate programs are eligible for SELF Loans if a certificate is issued and all other eligibility criteria are met. We recommend that institutions provide individual counseling to ensure the borrower and co-signer understand their legal obligation to repay the loan, regardless of whether the borrower is ultimately employed.

## Interim-Term Credits

Loans can be certified for interim-term credits as long as the term is at least 30 days, or the interim-term credits can be combined with fall, spring, or full-year loans.

## Peace Officer Skills Training

For a 12-credit peace officer skills training certificate taken as a stand-alone certificate that will not apply to or transfer toward a degree or diploma, the SELF Loan limit is \$3,500. If the skills training courses are part of the required curriculum for a degree or diploma, the SELF Loan can be certified at the higher limits associated with the degree type. A consortium agreement should be in place regarding the transfer of credits. Either school can certify the SELF Loan. If the student is taking courses at both institutions simultaneously, there should be coordination between the schools regarding the cost of attendance and other aid.

## Look back Loans

The SELF Loan cannot be used as a look back loan to cover balances owed for terms that ended. There is a short window after the end of the loan period for the student to apply, provided the application is completed and certified, with disbursement to the school within 30 days after the end of the term.

## Residency

The student must either be enrolled at an eligible institution in Minnesota or be a Minnesota resident student enrolled at an eligible institution in another state. Residents of Colorado, Connecticut, Maine, and Puerto Rico are not eligible.

**Minnesota resident student who meets one of the following conditions:**

- a student who has resided in Minnesota for purposes other than postsecondary education for at least 12 months without being enrolled at a postsecondary educational institution for more than five credits in any term; or
- a dependent student whose parent or legal guardian resided in Minnesota at the time the student applied for the SELF Loan

**Nonresidents:**

- To be eligible to participate in the SELF Loan Program, students who are not Minnesota residents must be enrolled on at least a half-time basis and must have a minimum of one course of at least 30 days in length during the academic year that requires physical attendance at an eligible institution located in Minnesota. Nonresidents cannot take out a SELF Loan at an out-of-state branch of a Minnesota institution.
- If a nonresident takes out the SELF Loan at a Minnesota institution and transfers to an out-of-state or online institution, the student is no longer eligible to borrow future loans from the SELF Loan Program.

## Co-signer Requirements

The borrower must have a creditworthy co-signer as defined by SELF Rules. The SELF Loan does not permit the substitution or release of co-signers.

### Citizenship/Residency/Eligibility

The co-signer must be:

- at least the age of majority in the co-signer's state of residence;
- either a U.S. citizen or a permanent resident;
- residing in the U.S.
- If the co-signer is in the U.S. military and temporarily assigned outside the U.S., a U.S. or APO address must be provided for mailing to the co-signer.
- Residents of Colorado, Connecticut, Maine, and Puerto Rico are not eligible.

### Creditworthy

A creditworthy co-signer is one who, based on credit information available to OHE, has:

- no account balances discharged through bankruptcy;
- no garnishments, attachments, foreclosures, repossessions, or suits;
- no more than \$300 combined total in unsatisfied credit or unsatisfied payment obligations, including, but not limited to, charged-off loans, credit, utility accounts, collection items, and tax or mechanics liens;
- no more than five percent of total credit bureau balances past due, unless the amount past due is \$300 or less;
- no SELF program Loan in forbearance; and

- a minimum FICO score of 670.

## Responsibility

The co-signer is jointly and separately responsible for making loan payments (principal, interest, and other charges). The co-signer is relieved of this financial responsibility only in the event of death or total and permanent disability of either the borrower or co-signer.

## Enrollment Status

The student must be enrolled at least half-time in an eligible program leading to a certificate, associate, or baccalaureate degree. Refer to the previous section on [Eligible Program](#) for additional information on acceptable programs. Each institution must have written definitions of “full-time” and “half-time” to support program administration, avoid confusion, and meet state audit requirements. Written definitions must be provided to institution staff responsible for certifying SELF applications and disbursing SELF funds. OHE auditors verify that the institution has written definitions for half-time and full-time, and cite institutions that are not in compliance with this requirement. According to the SELF Rules, a half-time student must carry at least one-half the workload of a full-time student. All institutions, whether or not they participate in federal aid programs, should use the federal definitions of full-time and half-time status for undergraduate programs. A full-time definition would be at least 12 credits, and a half-time definition would be at least six undergraduate semester/quarter hours. Students enrolled in clock-hour programs are always considered full-time.

To be eligible for a SELF Loan, the student must be enrolled in courses that will be credited toward the student’s degree. If a student chooses to take courses at another institution and those courses will not be credited toward their degree, the institution cannot include the cost of those courses in the COA, nor can it count them toward determining enrollment level.

For students enrolled in two institutions, each institution may certify a SELF Loan if the student is enrolled at least half-time at both institutions and all courses will be credited toward a degree or certificate. The combined loans are subject to the annual grade-level maximums of \$20,000 or \$40,000, as well as the cumulative limits. Living and miscellaneous expenses can only be included in the COA of one of the loan requests. It is up to the two institutions to determine which one will include living and miscellaneous expenses.

If only one SELF Loan is certified for students taking courses at multiple institutions, the certifying institution must verify that the courses covered by the SELF Loan will count toward a degree program at the primary institution. Verification can be done through a consortium or contractual agreement, email confirmation between institutions, or documentation on the transcript verifying enrollment in a degree-seeking program. If the student has not yet declared a major, the institution certifying the SELF Loan should confirm that the courses will be accepted by the primary institution.

High school students taking college courses under the Postsecondary Enrollment Options Program (PSEO) are not eligible for a SELF Loan.

## Satisfactory Academic Progress (SAP)

The student must be making SAP, as defined in Minnesota Statutes, [section 136A.101](#) subdivision 10. The institution should base the satisfactory progress determination on the last review conducted prior to the current term. If the funds arrive after the current term has ended and a review determines that the student is not making SAP, the institution should still disburse the SELF Loan if the student completed the term and would have been considered eligible at the beginning of the term. Based on the determination of unsatisfactory progress, the student may not be eligible for a SELF Loan for the next term. Satisfactory progress includes terms/payment periods during which a student retains eligibility for federal Title IV aid while in a status of either financial aid warning, financial aid probation, or meeting the terms of an academic plan.

The financial aid administrator must verify the SAP requirement before certifying the loan and disbursing loan funds to the student.

The institution may certify a loan or make a disbursement to a student during a term of financial aid warning or probation. A student is also eligible for SELF Loan funds if they meet the terms of their academic plan, even if they do not meet cumulative SAP requirements.

## International Students or Undocumented Students

International students on student visas or undocumented students attending an eligible institution located in Minnesota are eligible to apply for SELF Loans. The student is required to have a creditworthy co-signer who is a U.S. citizen or a permanent resident. Undocumented Minnesota resident students must complete the Minnesota Alternative State Aid Application (MASAA), formerly known as the Minnesota Dream Act Application, before receiving a SELF Loan, unless they have already earned a baccalaureate degree. If the student does not have a Social Security number or tax identification number, the student can request a student identification number for the SELF Loan during the application process.

International students are not required to complete the FAFSA. This should be documented in the student's file. During the application process, the student can request a SELF Loan student identification number.

## Financial Eligibility

Students applying for a SELF Loan must demonstrate financial eligibility by meeting the Maximum Effort Test. To meet the Maximum Effort Test, students who may be eligible for federal financial aid must complete the FAFSA, and the institution must have awarded all available federal, state, institutional, and outside grant aid before the student applies for the SELF Loan. Students not required to complete the FAFSA are those who have earned a bachelor's degree, international students, and undocumented students. Undocumented Minnesota resident students must complete the MASAA the first time they are applying for a SELF Loan.

Students are not required to accept other loans or work study before applying for SELF. It is up to the institution to decide how to handle veterans' benefits, military benefits, or ROTC benefits when determining SELF eligibility. A policy consistent for all students should be established regarding the handling of those benefits in relation to

the SELF Loan certification. We recommend including all education-related benefits, including those paid directly to students for the loan period, as OFA to minimize the amount the student is eligible to borrow.

The FAFSA must be completed for the first year at each institution, except for international students and undocumented Minnesota resident students. The reason for not completing the FAFSA should be documented in the student's file.

Included in Appendix E is a copy of the Waiver of SELF Maximum Effort Test. This waiver can be used if the student previously applied for financial aid and was found to have little or no financial need, and their financial situation has not improved significantly since applying. This waiver cannot be utilized if parents of a dependent student refuse to complete the FAFSA; as a result, the student will not be eligible for a SELF Loan.

The SELF Loan is not subject to child support holds.

### **Default**

The student must not be currently in default, as defined by each program, of any student educational loan [e.g., FFEL, Direct Loan, Federal Perkins (NDSL), HPL, HEAL, Federal SLS, SELF, or other state supplemental loan program, institutional loan program, or any private educational loan program, etc.] at the current or any previous institution. A student loan discharged in bankruptcy is considered to be in default. The SELF Loan application process will prevent students from applying if they have a loan from any SELF Program in default. If a defaulted student loan appears on the student's credit report, the application will be denied.

### **Delinquency**

To apply for a SELF Loan, the borrower and co-signer must not be currently delinquent for 15 days or more on any outstanding loan from any of the SELF Programs. Subsequent disbursements will be put on hold if any loan from the SELF Programs is delinquent. Aspire will notify the borrower and co-signer of the delinquency by postal mail and allow 15 days from the letter date to bring the delinquent loan current to remove the hold. Students need to reapply if the loan(s) are not brought current in the required timeframe.

The institution and any personnel associated with it are not permitted to make payments on behalf of borrowers to enable them to receive additional disbursements or loans.

### **Forbearance**

The borrower is not eligible to apply if they have any SELF Program Loan in forbearance.

## **Institutional Responsibilities**

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The financial aid administrator at each postsecondary institution participating in the SELF Loan Program is responsible for ensuring that the following requirements are met.

## Certification

Each institution agrees to certify SELF Loans by verifying and documenting the student's identity, eligible enrollment, SAP, COA, and OFA; verifying the Maximum Effort Test; and calculating the maximum allowable SELF Loan eligibility. Three items must be aligned when certifying the SELF Loan: loan period, COA, and OFA. If the financial aid administrator determines that the student selected the incorrect term, they can change the dates to the correct ones. However, if the term needs to be changed, the administrator needs to contact iLink.

## Cost of Attendance (COA)

The financial aid administrator must determine the maximum amount a student can borrow in the SELF Loan Program. The student does not need to borrow the full amount they are eligible for; however, the minimum loan is \$1,001. The loan amount cannot exceed the COA minus OFA that the student will receive for the term(s) covered by the loan period. The following items can be included in the COA and must be restricted to charges for the loan period:

- Tuition and fees
- Books, course materials, supplies, and equipment (including computers and specialty tools)
- Transportation
- Living expenses (food and housing)
- Dependent care costs (childcare expenses)
- Costs of obtaining a license, certification, or first professional credential
- Costs for study abroad programs
- Disability-related expenses
- Fees for federal student loans
- Other unusual charges, such as aviation course flight fees

For additional information regarding COA expenses, refer to the Federal Student Aid (FSA) Handbook.

The student must complete the FAFSA, unless a [Waiver of SELF Maximum Effort Test](#) has been completed, and the institution must have awarded all available federal, state, institutional, and outside grant aid (including veterans, military, and ROTC benefits, depending on the institution's policy) before the institution certifies the SELF Loan. Students are not required to apply for loans or work study before applying for SELF. International or undocumented students do not need to complete the FAFSA. Undocumented Minnesota resident undergraduate students who have not earned a baccalaureate degree are required to complete the MASAA.

If the student receives a scholarship after the loan is fully disbursed, the institution is not required to make any adjustments to the SELF Loan; however, it is encouraged to do so to reduce student debt. If there are pending disbursements and the SELF disbursement would exceed the COA, the institution must cancel or reduce pending disbursements.

## Loan Period

Loan periods utilized must match FAFSA aid years and not cross aid years. Any exceptions must be requested and approved by OHE. Institutions are to certify the SELF Loan only after it has a “clean” Institutional Student Information Record (ISIR) or FAFSA Submission Summary with verification completed and C-codes resolved.

The loan period always starts on the first day of a term/payment period and ends on the last day of a term/payment period. It is not based on the day the student applies or when the institution certifies the loan.

## Other Financial Assistance (OFA)

In general, OFA includes all scholarships, grants, loans, or other assistance known to the institution at the time the determination of the student’s need is made, including national service educational awards or post-service benefits under Title I of the National and Community Service Act of 1990 (42 U.S.C. 12511 et seq.). Students are not required to accept other loans or work study before applying for SELF.

If the student has federal student loans, the OFA includes the gross loan amount, and the COA includes the origination/guarantee fees.

## Certification for Clock Hour Programs

In addition to the requirements cited above, Clock Hour Programs must use a loan period start date that matches the first day of the payment period. You may need to estimate the end of the loan period based on your estimation of the end of the payment period/academic year for which the loan is being taken out. The COA and OFA need to match the loan period.

## Enrollment Verification Reports (EVR)

Institutions that do not participate in the Clearinghouse must complete and return the periodic EVR’s issued by Aspire. These reports request information on borrowers’ enrollment statuses and expected graduation dates. These reports must be returned to Aspire within two weeks of receipt. The institution should maintain copies of the EVR reports for audit purposes. The SELF Loan Program may suspend an institution from the program if it fails to complete these reports.

## Notification of Student Enrollment Changes

Institutions that do not participate in the Clearinghouse must notify iLink within 30 days of becoming aware of any changes to the student’s status that may affect their program eligibility. Examples of status changes affecting SELF eligibility include dropping below half-time status, withdrawal, or graduation.

## Admission and Registration Records

Each institution must maintain admission and registration records that support each student's eligibility. The financial aid administrator should refer to these records when certifying the loan and when disbursing SELF funds to the student.

## Disbursement Scheduling

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Institutions cannot request funds more than 10 days before the start of the loan period. Checks are made jointly payable to the borrower and the eligible institution. If the loan period covers more than one academic term or payment period and processing time permits, the loan will be disbursed in installments during each academic term or payment period. For example, if an eligible institution's academic year is divided into two semesters and the student requests a loan for the academic year, the loan amount must be scheduled for two disbursements.

The loan period should match the State Grant academic year. For programs shorter than the academic year, the program length would serve as the loan period. For loan periods that are a full academic year, the disbursements should match the number of terms/payment periods within the academic year. OHE reserves the right to determine a more restrictive disbursement schedule on an individual institution basis.

If there are special circumstances warranting the student receiving the entire loan in a single disbursement or uneven disbursement amounts, please document them in the student's file. Examples of special circumstances include study abroad expenses, the purchase of specialized tools, and flight training.

## Disbursement of Loan Funds

EFT encompasses the direct electronic transfer of funds between iLink and the institution's bank account, as well as the utilization of central disbursing through ScholarNet, iLink, or ELM. With central disbursing, funds are transferred in one lump sum to the institution's designated bank account, and a roster is sent electronically. If you are interested in EFT, contact iLink. Checks are jointly payable to the student and the institution. The loan check(s) or EFT amount(s) will be sent to the institution on the scheduled disbursement date(s). Interest accrues from the disbursement date.

If the student does not want the loan, they can request that the institution return the funds to Aspire within 30 days. If it has been more than 30 days, the borrower can make a payment to Aspire if they no longer want all or part of the loan, so that appropriate interest charges can be assessed. The student can contact Aspire, or the institution can contact iLink or submit a CommonLine change file to cancel future disbursements. If the student is no longer enrolled at least half-time when the institution receives the loan funds and the loan period covers more than one term, the institution can disburse a portion of the loan proceeds to cover prior term(s) within the loan period. The institution could disburse the funds if the student maintained at least half-time enrollment during the entire previous term(s) and was making SAP. The institution should disburse funds only to cover amounts owed to the institution for completed terms and requested living and miscellaneous expenses for the completed terms. Refer to the example in this section under [Disbursement After the Borrower Withdraws](#).

All SELF funds must be disbursed to the student or the student's account within 30 days of the check or funds transfer date, or the funds must be returned to Aspire/iLink.

## Disbursements for Clock-Hour Programs

Institutions should schedule SELF Loan disbursements to students at the start of each payment period. If a student's program is less than the hours in a full academic year, the hours are split into two equal payment periods. In this case, the institution should make one disbursement at the beginning of the first payment period and another at the start of the second payment period once the student has completed the first half of the program's hours and weeks. Institutions that offer clock-hour programs may disburse the first disbursement of a SELF Loan up to 10 days prior to the student's enrollment in a program. If the student fails to begin classes, the SELF Loan disbursement must be returned in full to Aspire/iLink. For second and subsequent SELF Loan disbursements, a clock-hour institution may not disburse funds to the student's account until the student has successfully completed both the clock hours and weeks of instructional time of the previous payment period. If it becomes clear the student will not successfully complete the hours and weeks in the first payment period by the subsequent scheduled disbursement date, the institution may either receive and hold the funds if it believes the student will reach the required hours and weeks of instructional time within 30 days OR the institution may place a hold on the disbursement and release the hold after the student successfully completes the required hours and weeks. Institutions can place and remove disbursement holds through CommonLine. Schools that don't utilize CommonLine can contact iLink.

### Scheduling Examples:

- A student in a 600-hour program at an institution with a 900-hour academic year would have scheduled two disbursements, one at the beginning of the program and the second after the student completed 300 clock hours and half of the program's weeks.
- A student in a 1,550-clock-hour program with 45 weeks of instructional time at an institution with a 900-hour academic year and 450-clock-hour payment periods would have scheduled two 450-clock-hour payment periods in academic year one and two 325-clock-hour payment periods in academic year two.

### Disbursement Example:

- A student begins a 900-hour program that is 26 weeks of instructional time on September 1. The institution uses a 900-hour academic year, with payment periods of 450 hours and 13 weeks of instructional time for each term. The student applied for and was approved for a \$10,000 SELF Loan. The institution certified the loan and asked for two disbursements of \$5,000 each. The first disbursement is scheduled for August 25, and the second for December 13, by which time the student should have completed the first 450 hours and 13 weeks of instructional time in the program.

## Disbursement When Funds Arrive Before the Loan Period

SELF Loan funds cannot be requested earlier than 10 days before the start of the loan period. The institution must verify that the student is enrolled at least half-time and making SAP. A jointly payable check must be endorsed by both the student and the institution. The institution must subtract from the proceeds the amount

owed for the payment period and arrange with the student for the use of any remaining funds. The remaining funds will be returned to the student in a timely manner or retained on the student's account with their permission. The institution may not keep on account any more money than it charges for the payment period without the student's written permission. If the student does not sign the SELF check within 30 days of the date on the check, the SELF disbursement must be returned to Aspire/iLink.

SELF funds must be disbursed to the student or their account within 30 days of the check or funds transfer date, or the funds must be returned to Aspire/iLink. To meet that deadline, we recommend that institutions follow up with students who need to endorse checks within 20 days of the check date. If the student officially withdraws before the beginning of the loan period or does not start attending classes, the institution is responsible for returning the entire SELF disbursement to Aspire/iLink within 30 days.

## **Disbursement When Funds Arrive During the Loan Period**

When SELF Loan funds arrive during the loan period, the institution must verify the student's enrollment and SAP; endorse the check along with the student, if a check is used, and subtract from the proceeds the amount owed to the institution for the payment period; and arrange with the student for the use of any remaining funds. The student must be attending at least half-time at the time of disbursement. The student has the same options for receiving any remaining funds as described in the section of this manual titled [Disbursement When Funds Arrive Before the Loan Period](#).

If the student is on an institution- approved leave of absence (LOA), refer to the section of this manual titled [Leave of Absence \(LOA\)](#).

If the check or EFT payment covers two or more terms within the loan period, the institution can disburse funds only for completed terms, and the current term the student is enrolled in after SAP, and the enrollment level has been verified. The remaining balance can be held for up to 30 days or returned to Aspire/iLink.

SELF funds must be disbursed to the student or their account within 30 days of the check or funds transfer, or the funds must be returned to Aspire/iLink. To meet that deadline, we recommend that institutions follow up with students to endorse checks no later than 20 days from the check date.

## **Disbursement When Funds Arrive After the Loan Period**

When SELF Loan funds arrive after the loan period, the institution must verify that the student was enrolled at least half-time and making SAP. The funds must be disbursed within 30 days of the check or funds transfer, and no later than 45 days after the end of the loan period. The institution will subtract from the proceeds the amount owed to the institution for the payment period and arrange with the student for the use of the remaining funds. The student has the same options for receiving any remaining funds as described in the section of this manual entitled [Disbursement When Funds Arrive Before the Loan Period](#).

Institutions can disburse SELF funds to graduates as long as the funds are disbursed within 30 days of the check or funds transfer and not later than 45 days from the end of the loan period.

## Disbursement Requiring Power of Attorney Endorsement

If the student is in an approved off-campus program and is not available to personally endorse a disbursement check, the institution may mail the check to the student to obtain their signature, or the student may provide the institution with a notarized Power of Attorney form. The Power of Attorney authorization empowers an individual (e.g., the co-signer, parent, or spouse—it cannot be an employee of the institution) to sign the check on behalf of the borrower so it can be endorsed by the institution and cashed.

The borrower's signature on the Power of Attorney form must be notarized, and a copy of the Power of Attorney form should be stapled to each check when the institution sends it to the bank for payment. The original should be filed in the financial aid office and be available to an OHE auditor upon request. A sample Power of Attorney form for endorsing SELF checks is included in [Appendix F](#).

## Return of Loan Funds

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Institutions receiving funds electronically through ScholarNet, iLink, or ELM should follow the CommonLine procedures for returning funds. Refer to [Appendix C](#) for Aspire's address to return SELF Loan funds by check.

When returning funds by check, include:

- borrower name
- last four digits of the SSN
- loan program
- disbursement date
- reason for return if needed, request to reissue later, or cancel future disbursements.

Listed below are some common reasons to return funds and actions that will result:

- Withdrawal – the loan will be taken out of the School Period and placed in the Transition Period. Future disbursements will be canceled.
- Borrower does not want the funds – loan will remain in the School Period. Future disbursements will not be canceled unless requested by the institution or the borrower.
- Enrollment has dropped below half-time – loan will be taken out of the School Period and placed in the Transition Period. Future disbursements will be canceled.
- Not making SAP, the loan will remain in the School Period. Future disbursements will not be canceled unless requested by the institution or the borrower.
- Over awarded – additional aid came in. Future disbursements will not be canceled unless requested by the institution or the borrower.

## Student Account Balances

Unless otherwise authorized by the student, if the institution applies any OHE program fund disbursements to a student's account and determines those disbursements exceed the allowable charges assessed to the student,

the institution must pay that balance directly to the student as soon as possible, but within 14 days of the later of the:

- date that balance occurs,
- first day of classes of a payment period/period of enrollment as applicable, or
- date the student rescinds his or her authorization to hold funds; however, no later than 45 days after the end of the loan period.

If an institution attempts to disburse funds by check or EFT to the student and is unable to locate a valid address or bank account, the funds must be returned to Aspire/iLink within 45 days after the institution's inability to locate the student.

The institution may retain interest earned on the student's credit balance.

## Student Authorization

An institution must obtain written authorization from the student allowing the institution to:

- disburse SELF payments via EFT;
- hold excess funds in the student's account; or
- return excess funds to the SELF Program, if it is money the student is entitled to.

An institution must allow the student to rescind authorization at any time.

The authorization is valid for the award year or the period of enrollment during which the institution obtains it. The initial authorization remains valid if the institution notifies the student in subsequent periods/years of its provisions, including an explanation of any interest the institution earns on the student's funds and whether the institution pays interest to the student. The notice must be in plain and conspicuous language and provide the student with the opportunity to cancel or modify provisions.

## Leave of Absence (LOA)

A LOA is a temporary interruption in a student's program of study approved by the institution during which the student is not in attendance but remains enrolled. Each institution that offers a LOA must have an official LOA policy. We recommend that the institution follow the definition of federal financial aid programs in 34 CFR 668.22(d). The student must follow that policy when requesting a LOA, and the institution must have approved the student's request in accordance with its policy. The total length of all LOAs cannot exceed 180 days in any 12-month period.

If the student is on an institution-approved LOA when funds arrive, the institution can disburse funds for any completed terms included in the disbursement. If the student is due to return to School status within 30 days from the date on the check/EFT funds, the institution may hold undisbursed funds until the student returns. If the student fails to return or the student does not sign the check, the funds must be returned to Aspire/iLink within 30 days from the date on the check/EFT transfer. To meet that deadline, institutions are recommended to follow up with students who need to endorse checks within 20 days of the check date.

If a student does not return at the end of an approved LOA, the student is considered to have withdrawn on the day the LOA began and will be moved to the Transition Period.

## Non-Enrollment

If a student fails to enroll, the institution must return the funds to Aspire/iLink within 30 days of the check/EFT date.

## Withdrawal and Transfer to Another Eligible Institution

If the student fails to complete the loan period at the institution where the application was certified and transfers to another eligible institution, any pending loan disbursement to the student must be canceled. Institutions that are not participating in the Clearinghouse must notify iLink within 30 days of any borrower who withdraws. If there is a refund due to the student, the institution should return funds to Aspire/iLink in accordance with OHE's requirements using the appropriate [Refund Calculation Worksheets](#). If adequate time and minimum loan eligibility (\$1,001) remain, the borrower may apply for a new loan if the new institution participates in the SELF Loan Program.

For the student to remain in the School Period, the new institution must participate in the SELF Loan Program either by signing an agreement with OHE or by participating in the Clearinghouse. A list of institutions with signed agreements is available on the SELF Participating Schools page. If the borrower transfers to an institution that does not participate in the SELF Loan Program or the Clearinghouse, the borrower must enter the Transition Period.

## Disbursement After the Borrower Withdraws

If the student is no longer enrolled at least half-time when the loan funds are received and the loan period covers more than one term, the institution may disburse a portion of the loan proceeds to cover prior term(s) within the loan period, if enrollment was at least half-time during those terms. The student must have maintained at least half-time enrollment throughout the previous term(s) and made satisfactory progress. The institution should disburse funds only to cover completed terms.

If one check or EFT is received that covers more than one term, the funds are divided by the number of terms, and the maximum amount the institution can disburse is for the completed term(s). The institution cannot use the full disbursed amount to cover one term. For example, a student enrolled at least half-time in a semester institution, applies on January 22, 2027, with a loan period of September 6, 2026, to May 31, 2027, and the second semester started January 22, 2027. The funds arrive at the institution on February 14, 2027, and have not been disbursed when the student withdraws on February 18, 2027. The institution can disburse up to half of the amount, since there are two terms, to cover amounts owed to the institution from the first semester. However, no funds can be retained for second-semester charges because the student withdrew before the institution disbursed the funds. Enrollment is determined on the date the institution is ready to disburse funds. If the student requests funds to cover miscellaneous living expenses for the first semester, those funds can be disbursed to the student.

If the check/EFT covers only the one term from which the student withdrew, the institution cannot disburse the funds and must return the check/EFT to Aspire/iLink.

## Loan Cancellation

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If a student wishes to cancel their SELF Loan, the student should contact Aspire, or the institution can contact iLink. If the loan is not canceled prior to disbursement, the student or institution should return the funds to Aspire/iLink within 30 days of the check/EFT date with an explanation of the cancellation. If the student wants to return only the first disbursement and still receive subsequent disbursements, that information must be provided to iLink.

## Reinstatement of a Canceled Loan

Reinstatement of a canceled loan is possible if the student still qualifies. Reinstatements can be submitted via CommonLine or requested through iLink.

- Pre-disbursement, full-loan reinstatements can be submitted with CommonLine @1-08 records.
  - If a loan is canceled before the first disbursement is released, it can be fully or partially reinstated using the @1-08 Detail Record. The reinstated loan amount must not exceed the original guarantee (loan) amount.
  - Pre-disbursement reinstatements can be submitted with CommonLine @1-09 records. The Disbursement Cancellation/Change (@1-09) Detail Record is used to submit full or partial disbursement cancellations prior to the release of funds for the disbursement.
  - If a disbursement cancellation is made prior to the release of funds, the disbursement can be either fully or partially reinstated using this record. The sum of all scheduled disbursements, including those that have been reinstated, must not exceed the original guarantee (loan) amount.
- Post-disbursement reinstatements can be submitted with CommonLine @1-10 records.
  - The Disbursement Notification/Change (@1-10) Detail Record is used to submit full or partial disbursement cancellations after the issue of funds.
  - If you previously canceled a disbursement in full using @1-10 Detail Record, you can later use @1-10 Detail Record to request full or partial reinstatement of the disbursement.
  - Reissue requests can also be submitted using @1-10 Detail Record. A full reissue is requested when an institution returns the original disbursement amount to the disbursing agent and requests that the same amount be disbursed later. A partial reissue is requested when an institution returns the original disbursement amount to the disbursing agent and requests that a reduced amount be disbursed later.

# SELF Loan Terms and Requirements

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## Maximum Loan Amount

The Loan Limits Table below provides information on the annual and cumulative SELF Loan limits. For institutions offering programs that qualify for different loan limits, it is up to the institution to determine the eligibility of individual students based on which program the student is enrolled in. If an institution certifies a loan for more than \$20,000 and the student is not enrolled in a bachelor's or graduate program, the institution will be liable for any amount over \$20,000 and the interest on the excess amount.

Veterans, military, and ROTC benefits are handled in the certification process as prescribed by the institution's policy. A student who advances a grade level in the middle of an academic year may borrow at that new grade level if the cumulative SELF Loan debt maximum for that new grade level is not exceeded.

**SELF Loan Limit Table**

Program Type	Grade Level	Application Limit	Grade Level Limit	Cumulative Grade Level Limit	Cumulative Degree Type Limit
4 Year	(1) Freshman	\$40,000	\$40,000	\$40,000	\$140,000
4 Year	(2) Sophomore	\$40,000	\$80,000	\$80,000	\$140,000
4 Year	(3) Junior	\$40,000	\$80,000	\$120,000	\$140,000
4 Year	(4) Senior	\$40,000	\$80,000	\$140,000	\$140,000
5 Year (must be 5-year program; not someone taking five years to complete a 4-year program) or an additional major	(5) 5th Year Senior	\$40,000	\$80,000	\$140,000	\$140,000
1-3 Year Programs (at least 8-9 months or 900 hours)	(1) Freshman	\$20,000	\$20,000	\$20,000	\$60,000
1-3 Year Programs (at least 8-9 months or 900 hours)	(2) Sophomore	\$20,000	\$40,000	\$40,000	\$60,000
1-3 Year Programs (at least 8-9 months or 900 hours)	(3) Junior	\$20,000	\$40,000	\$60,000	\$60,000
Programs Shorter than 1 year (less than 8-9 months or 900 hours)	(1) Freshman	\$3,500	\$3,500	\$7,000	\$7,000

The minimum loan amount is \$1,001.

## Grade Level

Grade level indicates the relative status of an eligible student in a degree or certificate-granting program, as it relates to an academic year. When indicating the student's grade level, the financial aid administrator should use the student's grade level as determined by the institution's registrar or a comparable official, or the grade-level definition listed in the institutional catalog.

The following numerical levels are the only codes to be used for SELF 8 Loan certification:

Grade Level 1- Freshman, or first year for clock-hour schools

Grade Level 2- Sophomore, or 2<sup>nd</sup> year for clock-hour schools

Grade Level 3- Junior

Grade Level 4- Senior

Grade Level 5- 5<sup>th</sup> Year Senior – for programs over four years or an additional major

A student cannot be classified at a higher grade level simply because they are taking longer to complete a program. For instance, a student in their fifth year of a four-year program is still only considered grade level 4

The institution must have written definitions of grade-level classifications that specify which standards are used to qualify a student's movement from one grade level to the next for SELF Loan eligibility. OHE auditors will verify that the institution has written definitions for grade-level classifications and will cite institutions not in compliance with this requirement.

For the SELF Loan application, this can be the grade level as of the date of the application, or, for a SELF Loan with a loan period equal to the institution's academic year, it can be the grade level the student is expected to complete at the end of the first term of the loan period. On an individual-student basis, the institution can determine which grade level to use. Example: an institution classifies a student as a grade level 2 if the student satisfactorily completes 36 credits. If the student had completed 34 credits and was applying for a SELF Loan for the next academic year, the institution could, at its option, classify the student as grade level 2 if the student is expected to earn sufficient credits to be grade level 2. If, at the end of the first term, the student did not achieve grade level 2, the institution should cancel or return future disbursements until the higher level is earned. Refer to [New Grade Level: Middle of Academic Year](#) for additional examples.

For clock hour institutions, if you have a program that is 1,000 hours and your policy indicates 900 hours is grade level 1 and 901-1,800 hours is grade level 2, you can certify a grade level 1 application to cover the 900 hours and then later submit a grade level 2 application for 100 hours as long as the minimum loan amount is \$1,001, the loan period is at least 30 days and your COA and OFA cover only the 100 hours. Program classifications should match those used for State Grant purposes.

Note: All new students at an institution are assigned grade level 1 regardless of the number of years of prior postsecondary education, unless credits are transferred to move the student to a higher grade level, according to the institution's grade-level definition.

## Grade Level Three in an Associate's or Certificate Program

If an associate's or certificate program is longer than six quarters or four semesters for full-time students, the student can be classified as grade level 3. When students start the fifth semester or seventh quarter, they can be considered grade level 3. If the program is seven quarters or five semesters, the COA for those terms is based on one semester or quarter, not a full year. Students who take seven quarters to complete a normal six-quarter program or five semesters to complete a four-semester program are not considered to be at grade level 3.

## Pre-Requisite Coursework for Transfer Students

A student is eligible for a SELF Loan at a two-year college after earning an associate's degree if the loan will be used to cover courses required for a four-year degree program. This provision applies even if the student has exceeded the maximum time frame for SAP at the two-year college, since coursework transferred to the four-year college will count against the maximum time frame for SAP at the four-year college. If the student has already been accepted into a four-year degree program, the SELF Loan may be certified by the two-year or four-year college, provided the college is eligible to participate in the SELF Loan program. If the loan is certified by the two-year college, the 1-3- year program limits apply.

Whichever college awards the SELF Loan for this type of coursework must have documentation from the student verifying that the coursework taken at the two-year college is required for entry into, or will be applied to, a four-year degree program at the four-year college. Documentation should include a copy of the four-year college's catalog or course schedule specifying pre-requisite or required coursework needed for the four-year degree program, and a statement of intent from the student that the coursework is being taken for this purpose. SELF Loans for this type of coursework are limited to no more than 30 semester or 45 quarter credits.

## New Grade Level: Middle of Academic Year

A student who advances a grade level in the middle of an academic year may borrow at that new grade level if the cumulative SELF Loan debt maximum for that new grade level is not exceeded. In calculating SELF eligibility, include OFA for the new grade level and any SELF Loans that were already approved for the loan period, even if the previous applications were for a lower grade level.

For students who you expect to change grade level mid-year, we suggest one of the following options:

- Complete the application using the anticipated grade level for the end of the first term of the loan period. Refer to the example under [SELF Loan Terms and Requirements: Grade Level](#).
- Do two loan applications for the year: one for the existing grade level and one for the new, higher grade level when it is achieved. For semester institutions, you would restrict the student's loan period to a half-year or a single semester on the first application. If, for example, you think the student will advance a grade level in the spring term, you could limit the loan period and accompanying costs and OFA to the first semester. Then, in the spring semester, if the student advances to a higher grade level, you can submit a second SELF Loan application at the new grade level, using spring-semester costs and OFA.
- Institutions using quarters need to determine when a student advances to a new grade level, apply for a

short loan period, and then apply again at the new grade level with a different loan period. This option allows the student to exhaust eligibility at the lower grade level before borrowing at the higher grade level. Taking out two SELF Loans for the same year will result in two monthly in-school payments.

- Wait until the student advances to the next grade level. Then do a single SELF application for the whole year at the new, higher grade level. The disadvantages are that the student will have to wait for the money and will exhaust their eligibility sooner at the higher grade level.

## **SELF 8 Interest Rate**

The borrower selects either a fixed or variable interest rate and a repayment term of 10, 15, or 20 years. Loans enter Repayment no later than nine years after the first disbursement.

SELF 8 variable rates can change quarterly and are based on an index using the three-month term SOFR plus a margin to cover program administrative costs. The variable interest rate will not increase by more than 3% during any 12-month period.

## **SELF 4, 5, 6, and 7**

All SELF 4, 5, and 6 Loans have been fully disbursed. SELF 7 Loans will continue to be disbursed; however, no new applications are being accepted.

The number of years for the Repayment Period (starting from graduation/termination or enrollment less than half-time) is based on the cumulative total of all SELF 4, 5, and 6 Loans:

- 10 years if the total balance is less than \$20,000
- 15 years if the total balance is \$20,000 to \$40,000
- 20 years if the total balance is \$40,000 or greater

Loans must enter Repayment no later than nine years after the first disbursement. A \$50 minimum monthly payment per borrower is required.

Current and historical interest rate information is available in the [SELF Loan Frequently Asked Questions](#).

## **No Guarantee Origination/Fees**

There are no guarantee or origination fees charged.

## **SELF Loan Payment Requirements**

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There are four different SELF Loan payment periods:

## School Period

During the School Period, the borrower is required to make monthly payments of up to \$25 (currently \$15) for each SELF 6, 7, and 8 Loan.

The School Period is when the borrower is enrolled at least half-time in a qualifying postsecondary institution that has signed a SELF Institutional Participation Agreement or participates in the Clearinghouse. The loan can return to the School Period if it has not entered Mandatory Repayment. The borrower does not need to request the change if the institution participates in the Clearinghouse. Aspire updates the status based on Clearinghouse information. If the borrower attends a non-Clearinghouse SELF participating institution, the borrower needs to contact Aspire to request a return to the School Period, and Aspire will confirm the enrollment status with the institution.

## Transition Period

During the Transition Period (up to 12 months), the borrower is required to make monthly payments of up to \$25 (currently \$15) for each SELF 6, 7, and 8 Loan.

The Transition Period begins:

- upon graduation,
- if a borrower's enrollment drops to below half-time, or
- if the borrower transfers to an institution that hasn't signed a SELF Institutional Participation Agreement or doesn't participate in the Clearinghouse.

Any unpaid interest from the School and Transition Periods will be capitalized - added to the principal balance at the end of a Transition Period.

If the borrower returns to the School Period from an Extension (see below) or a Repayment Period, the Transition Period is reduced to up to six months after the borrower is no longer in the School Period, and during this time, the Repayment Period is paused. The loan is still subject to the Mandatory Repayment Period.

## Extension Period

During the Extension Period (up to 24 months), the borrower must pay the monthly accrued interest. The Extension Period is optional after the Transition Period.

If the borrower returns to the School Period from an Extension or Repayment Period, there is a reduced Extension Period of up to 12 months after the borrower leaves the School Period, during which the Repayment Period is paused. The loan is still subject to the Mandatory Repayment Period.

## Repayment Period

During the Repayment Period, the borrower must make monthly payments of principal and interest.

The Repayment Period begins:

- at the end of the Transition or Extension Period, or
- nine years after the borrower took out the loan if the borrower is still in School, Transition, or Extension (Mandatory Repayment).

There are no grace periods or deferment options.

## Combined Billing

All of the borrower's loans are due on the same day of the month, unless transferred from the previous Servicer with a different due date, or the borrower has requested different dates. The first billing due date will be the month after disbursement. All loans in interest-only or minimum payment status (School, Transition, and Extension) are due on the last calendar day of the month.

## Late Payments

Aspire begins diligence activities when the account is 16 days past due. Approximately every 15 days, there is a letter and/or phone attempt to contact the borrower and co-signer. Diligence activities continue until the loan defaults, which occurs when the loan is 142 days delinquent. If a SELF Loan is 60 days or more past due at the month-end reporting cut-off, the delinquency is reported to the credit bureau for both the borrower and co-signer. Late fees are not currently being charged.

## Forbearance

A borrower may be granted up to 24 months of forbearance in monthly increments over the life of each loan. OHE will grant forbearance upon receipt of a signed request from both the borrower and co-signer. The signature requirement can be waived in certain circumstances. New loans are not approved if the borrower or co-signer has any loans in forbearance.

## Institution Payments on Behalf of Students

Institutions and institution personnel are prohibited from making payments on a student's loan unless they pay interest that resulted from a late return of funds by the institution. Institutional payments would artificially delay default, potentially allowing the borrower and co-signer to obtain other financial benefits they are not entitled to.

## Default

If the borrower is delinquent in payments for 142 days or has failed to meet any of the other conditions of the loan, the loan will default in accordance with established processing requirements. If a loan goes into default, OHE will take one or more of the following actions:

- file a revenue recapture claim to intercept the borrower's and co-signer's Minnesota state income tax refunds, property tax refunds, special rebates or refunds, and lottery winnings;
- take legal action against the borrower and co-signer for repayment;
- report the borrower's and co-signer's default to the credit bureau;
- use the Minnesota Department of Revenue collection entity;
- add collection fees to the defaulted balance; and
- withhold Minnesota state grant awards and certain other types of aid.

## Bankruptcy

Federal bankruptcy laws exclude student loans made by a state agency from discharge, except in cases of court-approved hardship. If a borrower is adjudicated bankrupt and has liability discharged for the SELF Loan, the co-signer, if not part of the bankruptcy, remains liable for unpaid principal and interest.

## Death and Disability Provisions

If the borrower dies, the borrower's and the co-signer's obligation to pay principal and interest is canceled as of the date of the death. If an institution becomes aware of a borrower's death, please contact OHE immediately so a hold can be placed on the account to prevent any collection letters or phone calls.

If the borrower becomes totally and permanently disabled after the loan is fully disbursed, the borrower and co-signer's obligation to make any further payment of principal and interest on a SELF Loan is canceled as of the date medical documentation is received and approved by OHE.

Totally and permanently disabled means the inability to engage in any gainful employment activity because of a medically determinable impairment expected to continue for a long and indefinite period or to result in death.

If, after loan disbursement, the borrower becomes temporarily totally disabled, the borrower may be eligible for temporary disability status. Upon receipt of acceptable medical documentation, no interest will accrue, and no payments will be required for a limited period. The disability must be anticipated to last at least four months. The status can be renewed for up to one year at a time, for a maximum of three years. At the end of the nonaccrual period for interest, payments resume in an amount sufficient to repay the loan within the time period required by the promissory note, unless the borrower negotiates a payment extension agreement with OHE. If the co-signer dies, or if, after full disbursement of the loan, the co-signer becomes totally and permanently disabled, the co-signer's obligations are canceled as of the date medical documentation is received and approved by OHE or the date of death. The borrower is still responsible for repayment.

# State Audits

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## General Requirements

OHE auditors or auditors designated under Minnesota Statute 136A.1313 will periodically review records of participating institutions to conduct a compliance audit. All pertinent books, documents, papers, and records for audit and examination must be available to auditors for three years after the last day of a fiscal year or until audit exceptions for the period are resolved.

## Student Eligibility

The institution must have written documentation to support the students' eligibility, including the following:

- each student borrower attending an out-of-state institution was an eligible Minnesota resident;
- the student borrower was enrolled at least half-time from the date of the loan application through the disbursement of SELF funds;
- the student was properly enrolled and making SAP as defined by the institution at the time of loan application and disbursement of SELF funds. The SAP determination should be based on the last review done prior to the current term. Institutions participating in federal financial aid programs are required to use the federal definitions of SAP, as found in Title 34 of the Code of Federal Regulations, Sections 668.16(e), 668.32(f), and 668.34. The federal definitions are recommended for use by institutions that do not participate in federal financial aid programs.
- the estimated OFA and a reasonable COA were documented for each student for the loan period requested (the institution may use a documented, standardized COA if it wishes); and
- the borrower was eligible for the loan amount recommended by the institution.

The institution must document how the COA was determined. Copying the certification screen is not sufficient, as it does not document how the cost was determined.

Within 30 days of receipt of the loan funds, the financial aid office must:

- verify the enrollment and SAP of the borrower (the institution is liable to the SELF Loan Program for funds delivered to students who were not properly enrolled). The SAP determination should be based on the last review done prior to the current term.
- deliver a loan check or transfer funds electronically to the borrower if the student is eligible.
- reconcile each EFT roster to make sure funds are posted to the student's account; and
- return SELF Loan funds to Aspire/iLink for those borrowers not currently eligible.

Refer to [Appendix D](#) for a Disbursement Checklist that institutions can use to ensure all required steps have been taken prior to disbursing the SELF Loan.

## Refunds

The proper refund amount must be calculated according to OHE regulations governing refunds and returned to Aspire/iLink within 30 days. Written documentation of the refund calculation must be retained in the student's file at the institution, refer to the appropriate [Refund Calculation Worksheet](#).

If additional aid results in a refund, the school is encouraged to return funds to the SELF Loan Program if the student's total aid exceeds the COA. If the student's total aid does not exceed the COA, the refund should go to the student, unless the student has requested in writing that the excess be refunded to the SELF Loan. If there are pending disbursements and the SELF disbursement would exceed the COA, the institution must cancel or reduce pending disbursements.

If, after the Drop/Add period, you determine the student never attended classes, you would need to refund the entire SELF Loan.

Note: How institutions calculate refunds depends on the institution's policy for handling ROTC and VA benefits.

## Withdrawal Date

For institutions participating in federal financial aid programs, the withdrawal date is defined in 668.22 of the Code of Federal Regulations (CFR). Institutions not participating in federal aid programs are subject to any definition of withdrawal date that exists in state law or, if none exists, institutional policy.

## Student Account Requirements for State Financial Aid

Institutions must maintain a student account for each student. Unless otherwise authorized by the student, whenever an institution applies state financial aid disbursements to a student's account and determines that the amount of those disbursements exceeds the amount of allowable charges the institution assessed the student for the payment period, the institution must pay that balance directly to the student as soon as possible, but within 14 days of the later of:

- the date that the balance occurs,
- the first day of classes of a payment period/period of enrollment as applicable, or
- the date the student rescinds his or her authorization to hold funds.

If an institution receives authorization to hold excess funds, the institution must identify the student and the amount of funds held for the student in a subsidiary ledger account designated for that purpose. The institution must also maintain, at all times, cash in its bank account equal to or greater than the amount it holds for students. Because state financial aid funds are awarded to students to pay current year charges, notwithstanding any authorization obtained by an institution from a student or parent, the institution must pay any remaining state credit balance by:

- the end of the loan period for state loans, and

- the end of the last payment period in the award year for which they were awarded, for any other remaining balance of state financial aid disbursements.

If an institution attempts to disburse funds by check or EFT transaction to the student and the check is returned to the institution or the EFT transaction is rejected, the institution may make additional attempts to disburse the funds to the student, provided those attempts take place within 45 days after the funds were returned or rejected. If no additional attempts to disburse funds are made, the funds must be returned to the program within that 45-day period. If an institution attempts to disburse funds by check to the student, and the check is not cashed, the institution must return funds to the program within 240 days of the check being issued.

If an institution cannot locate a student to whom a state financial aid credit balance must be paid, the institution must return the credit balance to the SELF Loan, if appropriate. The institution is permitted to retain any interest earned on the student's credit balance funds.

## Document Requirements for State Audits for the SELF Programs

Each institution must be able to produce the following for auditors:

- individual student financial aid files for SELF borrowers and related student account records, which identify disbursements as “MN SELF Loan”, “SELF Loan”, “MN SELF” or other clear designation;
- documentation on the student's account record or ledger of the disbursement date;
- written definition of full-time student;
- written definition of half-time student;
- written definitions of grade level classifications to identify what standards are used to qualify a student's movement from one grade level to the next for SELF eligibility;
- written documentation/verification of student's enrollment status on at least a half-time basis;
- written documentation/verification supporting budgetary attendance costs of borrowers and estimated OFA;
- written documentation of each student's SELF disbursement, including the date of disbursement and a dollar amount disbursed (refer to [Appendix D](#) for Disbursement Checklist that may be used);
- copies of EVR's sent by Aspire to institutions that do not participate in the Clearinghouse (keep for three years after the last day of a fiscal year or until audit exceptions for the period are resolved); and
- written documentation of refund calculations for individual SELF recipients (e.g. copy of [Refund Calculation Worksheet](#)).

## Clearinghouse Information

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If your institution is interested in joining the Clearinghouse, please call 703.742.7791 for more information. There is no charge for institutions to join the Clearinghouse.

## Student Success Coaching

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The SELF [Student Success Coaching Program](#) offers free, personalized support to help SELF borrowers stay on track academically and plan for their future careers. Outreach begins shortly after loan approval, and students can connect with a coach whenever they need flexible, proactive support via phone, video, email, or text, all at no cost.

Coaches work one-on-one with students to build skills for degree completion and long-term success, including goal setting, time management, financial literacy, and career planning. They also help students navigate campus and community resources, complementing the support provided by their institutions.

## Award Advisor™ - Clear, simple award letter comparisons

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SELF Loan has joined the Award Advisor Partner Network to offer families free access to an AI-powered mobile app that makes financial aid easier to understand. Award Advisor™ provides a standardized, side-by-side comparison of financial aid offers so you can clearly see the total cost of attendance, grants and scholarships, loans, and any remaining balance. Learn more and download the app at <https://awardadvisor.org/>

# Appendices

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## Appendix A: 2025 Minnesota Statutes

<https://www.revisor.mn.gov/statutes/cite/136a>

### Student Loan Programs

Statute	Title
136A.15	DEFINITIONS.
136A.155	ADDITIONAL INSTITUTION ELIGIBILITY REQUIREMENTS.
136A.16	POWERS AND DUTIES OF OFFICE.
136A.162	CLASSIFICATION OF DATA.
136A.1701	SUPPLEMENTAL AND ADDITIONAL LOANS.

## Appendix B: Minnesota Administrative Rules

<https://www.revisor.mn.gov/rules/4850/>

### Chapter 4850, Supplemental Student Loans Minnesota Office of Higher Education

Statute	Title
4850.0010	PURPOSE.
4850.0011	DEFINITIONS.
4850.0012	SCHOOL AGREEMENTS AND STUDENT APPLICATIONS.
4850.0013	CREDIT SCORE.
4850.0014	AMOUNT AND TERMS.
4850.0015	LOAN DISBURSEMENTS.
4850.0016	NONENROLLMENT, TRANSFER, AND WITHDRAWAL.
4850.0017	REPAYMENT PROCEDURES.
4850.0018	CLAIMS.
4850.0020	LOAN FORGIVENESS.
4850.0021	NONACCRUAL OF INTEREST PERIOD DURING A TEMPORARY TOTAL DISABILITY.
4850.0022	ACTIVE MILITARY DUTY; INTEREST REDUCTION BENEFIT.
4850.0024	DEFAULTED LOAN REHABILITATION.
4850.0025	“TRANSITION PERIOD”.
4850.0026	CO-SIGNER.
4850.0027	CERTIFYING DISABILITY.

## Appendix C: SELF Loan Contacts

### Minnesota Office of Higher Education SELF Program Contact Information

Type	Contact Details
Borrower and School	651.642.0567 or 800.657.3866 Staff are available Monday through Friday, from 8:00 a.m. to 4:30 p.m. Central Time.
Physical Address	Office of Higher Education 1450 Energy Park Drive, Suite 350 St. Paul, MN 55108-5227
SELF email address	<a href="mailto:selfloan.ohe@state.mn.us">selfloan.ohe@state.mn.us</a>
SELF Loan website	<a href="http://www.selfloan.mn.gov">www.selfloan.mn.gov</a>
Financial Aid Administrators SELF Resources website	<a href="#">SELF Resources   MN Office of Higher Education</a>
SELF Loan Manager	Marilyn Kosir 651.355.0600   <a href="mailto:Marilyn.kosir@state.mn.us">Marilyn.kosir@state.mn.us</a>
SELF Loan Assistant Manager	Sarah Linehan 651.355.0602   <a href="mailto:Sarah.linehan@state.mn.us">Sarah.linehan@state.mn.us</a>

### Aspire Contact Information

Type	Contact Details
Borrower Services	800.243.7552 Representatives are available Monday through Friday from 8:00 a.m. to 6:00 p.m. Central Time
Fax Number	515.471.3983
Borrower Payment Address for SELF Loans	Aspire Servicing Center PO Box 659701, West Des Moines, IA 50265-0970
Website Access	SELF borrower and co-signer information is available at: <a href="http://www.aspireresourcesinc.com">www.aspireresourcesinc.com</a>
Address For Returning Disbursement Checks and Other School Correspondence	Aspire Servicing Center PO Box 659701, West Des Moines, IA 50265-0970  Overnight Address: Aspire Servicing Center   Attn Payment Processing 6805 Vista Drive, West Des Moines, IA 50266-9307
School Disbursement Processing	iLink Department 800.833.4876   <a href="mailto:iLink@AspireResourcesInc.com">iLink@AspireResourcesInc.com</a> 7:30 a.m. to 4:30 p.m. Central Time

## Appendix D: Disbursement Checklist

<b>Paper Checks:</b>	
Date of Check:	
Amount of Check:	
Date check endorsed by institution:	
Date check endorsed by student:	
Was student enrolled at least half-time on date check was endorsed by student?	
Is the student maintaining Satisfactory Academic Progress?	

<b>EFT Funds:</b>	
Date of EFT:	
Amount of EFT:	
Date funds posted to the student's account:	
Was the student enrolled at least half-time on the date funds were posted to the student's account?	
Is the student maintaining Satisfactory Academic Progress?	

## Appendix E: Waiver of SELF Maximum Effort Test

Minnesota Office of Higher Education  
1450 Energy Park Drive, Suite 350, St Paul, MN 55108-5227

### Waiver of SELF Maximum Effort Test

(Form cannot be used for families who will not complete the FAFSA). If the student meets the following requirements, a FAFSA is not needed.

- Student applied for financial aid last year and was found to demonstrate little or no financial need. The FAFSA must be completed the first year unless the student is an international or undocumented student who would not be eligible for aid. Undocumented Minnesota residents are required to complete the Minnesota Alternative State Aid Application (MASAA) State Financial Aid Application for the first year.
- The student's family financial situation has not changed or deteriorated since last year.

I, the Financial Aid Administrator, believe that little or no financial need would be found if an application were to be filed this year.

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Financial Aid Administrator's Signature

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Date Signed

When completed, please place this form in the applicant's financial aid file.

## Appendix F: Power of Attorney – SELF Programs

Because I will not be present to sign disbursement checks for a SELF Program through the Minnesota Office of Higher Education,

I, \_\_\_\_\_

(Print Borrower's Name)

(Address)

(City)

(State)

(Zip)

do hereby appoint:

\_\_\_\_\_  
(Print Name) (Address) (City) (State) (Zip)

to act on my behalf. In my absence, I want the above-named individual to:

1. Endorse SELF Program check(s) made payable to me and to the institution;
2. Make sure my institution account, if any, is credited with the proceeds of the loan;
3. If any proceeds remain after paying institution charges, make sure the institution either (check one):
  - keeps any remaining proceeds on account at the institution for me, or
  - forwards any remaining proceeds to me.

This power of attorney shall end in the event of my disability.

This power of attorney does not authorize the above-named individual to whom I have given power to act on my behalf to transfer my SELF Program proceeds to himself or herself.

This power of attorney shall end with the disbursement of my last SELF Program disbursement for the loan period used on the application, or one calendar year after the date written above my signature below, whichever comes first.

In witness of the above statement, I sign my name, this \_\_\_\_\_ day of \_

\_\_\_\_\_  
(Borrower's Signature) (Signature of Person Given Power)

Subscribed and sworn before me this \_\_\_\_\_ day of \_

\_\_\_\_\_  
(Signature of Notary Public)