



Ohio Administrative Code

Rule 113-35-01 Workforce development revolving loan program.

Effective: January 12, 2018

The treasurer of state herein establishes a rule to promote and encourage Ohio's workforce development and job growth through educational training and retraining in programs related to employment opportunities in areas that are in demand. This rule is established by authority conferred upon the treasurer of state by section 111.15 of the Revised Code and section 2 of Amended Substitute Senate Bill 1 of the 130th General Assembly, as amended by section 610.22 of Amended Substitute House Bill 64 of the 131st General Assembly.

(A) Definitions

(1) "EFT" means electronic funds transfer.

(2) "Institution" means any of the following:

(a) A state institution of higher education, as defined in section 3345.011 of the Revised Code;

(b) A private career school, as defined in section 3332.01 of the Revised Code;

(c) A private, nonprofit institution in this state holding a certificate of authorization pursuant to Chapter 1713. of the Revised Code;

(d) A private institution exempt from regulation under Chapter 3332. of the Revised Code as prescribed in section 3333.046 of the Revised Code, if the program has a certificate of authorization pursuant to Chapter 1713. of the Revised Code;

(e) A career-technical center, joint vocational school district, comprehensive career-technical center, or compact career-technical center offering adult training.

(3) "Loan Program" means the OhioMeansJobs workforce development revolving loan program.



- (4) "OAKS" means Ohio administrative knowledge system.
- (5) "Workforce Training Program" includes any of the following:
 - (a) Courses, programs, or a degree from an institution;
 - (b) Vocational education classes offered to adult learners;
 - (c) Any other training program designed to meet the special requirements of a particular employer.
- (B) Loan servicing fees

The treasurer of state established a fee to be charged to loan recipients to offset the cost of servicing the loans, as described in the promissory note, located at: www.tos.ohio.gov. In establishing the fee, the treasurer of state considered the costs associated with originating the loan as well as the costs associated with the ongoing servicing of the loan. The fee charged to a loan recipient to offset the cost of servicing a loan does not exceed the actual cost of servicing that loan.

(C) Loan repayment terms

- (1) The treasurer of state established the terms under which loans made through the loan program are repaid as described in the promissory note, located at: www.tos.ohio.gov. The terms of repayment are set forth in the promissory note that prospective loan recipients must execute as a prerequisite to receiving a loan, and the treasurer of state may, in its discretion, modify the terms of repayment through revisions to the form of promissory note. The payment schedule will not exceed seven years from the date a participant successfully completes a "Workforce Training Program."
- (2) Students are required to make payments during the repayment period, as that term is defined in the form of promissory note, in consecutive, monthly installments until they have paid the principal, interest, fees, and all other charges owed under the promissory note. Payments will be applied first to fees, then to accrued interest, and then to principal.



(D) Interest rate on loans

(1) The treasurer of state will assess a rate of interest of not more than four per cent per annum on any outstanding principal balance of a loan beginning on the earlier of the following:

(a) The date on which the participant withdraws from or ceases to participate in a "Workforce Training Program;"

(b) The last day of the sixth calendar month following a participants completion of a "Workforce Training Program"; or

(c) The date the participant ceases to reside in Ohio.

(2) The treasurer of state may change the rate of interest assessed on outstanding principal balances of new loans by modifying the form of promissory note; however, the treasurer of state will not assess a zero percent interest rate, nor will the treasurer of state assess an interest rate in excess of four per cent per annum.

(E) Loan disbursement

(1) The treasurer of state will, on an individual loan basis, via OAKS, disburse the funds representing an approved loan from the loan program to the appropriate Institution using the following procedures:

(a) Institutions register as a vendor in OAKS with the ability to receive funds via EFT;

(b) Upon receiving confirmation from the loan servicer that it is in possession of a promissory note and self-certification form for an approved student, the treasurer of state will create and approve an OAKS voucher payable via EFT to the institution at which the applicable student is enrolled for the amount of the loan;

(c) The treasurer of state will notify the institution and the loan servicer of the disbursement;



(d) The receiving institution will credit the student's account within five business days of receipt of loan program funds;

(e) The institution will confirm that the student's account has been credited by sending electronic mail confirmation to the treasurer of state within seven business days of receipt of loan program funds.

(2) The treasurer of state will disburse the funds representing approved loans to institutions on an individual loan basis; however, if multiple loans are approved in a similar time frame, or for the same "Workforce Training Program," disbursements to institutions may be sent in batch form, in amounts not to exceed the sum of the approved loans. The treasurer of state will not disburse funds based on the loan award amount.