

**TITLE 5 POST-SECONDARY EDUCATION**  
**CHAPTER 7 TUITION AND FINANCIAL AID**  
**PART 5 TEACHER LOAN REPAYMENT PROGRAM**

**5.7.5.1 ISSUING AGENCY:** State of New Mexico Higher Education Department  
[5.7.5.1 NMAC - N, 10/31/2013]

**5.7.5.2 SCOPE:** Provisions for 5.7.5 NMAC apply to certain education professionals teachers that are selected to participate in the loan repayment program described in this rule.  
[5.7.5.2 NMAC - N, 10/31/2013; A, 7/30/2019]

**5.7.5.3 STATUTORY AUTHORITY:** Sections 9-25-8, 21-1-26 and 21-22H-1 through 21-22H-9, NMSA 1978.  
[5.7.5.3 NMAC - N, 10/31/2013]

**5.7.5.4 DURATION:** Permanent.  
[5.7.5.4 NMAC - N, 10/31/2013]

**5.7.5.5 EFFECTIVE DATE:** October 31, 2013, unless a later date is cited at the end of a section.  
[5.7.5.5 NMAC - N, 10/31/2013]

**5.7.5.6 OBJECTIVE:** The objective and purpose of 5.7.5 NMAC is to increase the number of teachers in designated high-risk high-need teacher positions in public schools through an educational loan repayment program. The program provides for repayment of the principal and reasonable interest accrued on loans obtained from the federal government for teacher education purposes.  
[5.7.5.6 NMAC - N, 10/31/2013; A, 7/30/2019]

**5.7.5.7 DEFINITIONS:**

**A.** “**Department**” means the New Mexico higher education department.

**B.** [~~“**Designated high-risk teacher positions**” means teacher positions in specific public schools that;~~ **“Designated high-need teacher position”** means a teaching position in a public school that is low-performing or serves a high percentage of economically disadvantaged students and is for:

(1) have been designated by the public education department as schools with a high percentage of students who are not meeting acceptable academic proficiency levels; and a teacher who is endorsed and teaches bilingual education;

(2) are located in geographic areas with a high rate of poverty; a teacher who is endorsed and teaches early childhood education or special education; or

(3) a teacher who is endorsed and teaches science, technology, engineering, mathematics or career technical education courses.

**C.** “**Loan**” means a grant of funds to defray the educational expenses incidental to a teacher education, under a contract between the federal government and a teacher, requiring repayment of principal and interest.

[5.7.5.7 NMAC - N, 10/31/2013; A, 7/30/2019]

**5.7.5.8 HIGHER EDUCATION DEPARTMENT - POWERS AND DUTIES:**

**A.** The department may grant a loan repayment award to repay loans obtained for the teacher educational expenses of a teacher upon such terms and conditions as may be imposed by rules of the department.

**B.** The department and the public education department shall jointly make a full and careful investigation of the ability and qualifications of each applicant and determine the fitness of a teacher to participate in the teacher loan repayment program.

[5.7.5.8 NMAC - N, 10/31/2013]

**5.7.5.9 TEACHER ELIGIBILITY:**

**A.** Applicants shall be To be considered for the program an applicant must:

(1) be a licensed New Mexico teachers and shall be bona fide citizens; and teacher;

(2) ~~[shall be bona fide citizens and residents]~~ be a bona fide citizen and resident of the United States and New Mexico; and

(3) have taught at least three school-years in New Mexico.

B. ~~[Applicants]~~ The applicant shall declare their intent to practice as ~~[teachers]~~ a teacher in a designated ~~[high-risk] high-need~~ teacher ~~[positions]~~ position in the state.  
[5.7.5.9 NMAC - N, 10/31/2013; A, 7/30/2019]

#### 5.7.5.10 LOAN REPAYMENT AWARD CRITERIA; CONTRACT TERMS; PAYMENT:

A. Loan repayment award criteria shall provide that:

(1) for ~~high-priority applicants,~~ award amounts shall be dependent upon a specific public school's need for the designated ~~[high-risk] high-need~~ teacher position, as determined by the public education department, the teacher's total teacher education indebtedness and available balances in the teacher loan repayment fund;

(2) award amounts for other teachers shall be based on the need for a teacher position that can be filled by the applicant, as determined by the public education department, the teacher's total teacher education indebtedness and available balances in the teacher loan repayment fund;

~~(2)~~ (3) preference in making awards shall be to teachers ~~who are historically underrepresented minorities in New Mexico's teaching profession or teachers~~ who have graduated from a New Mexico public postsecondary educational institution;

~~(3)~~ awards shall be made to eligible teachers who fill a designated high risk teacher position;

(4) award amounts shall not exceed six thousand dollars (\$6,000) per year and may be modified based upon funding availability or other special circumstances; and

(5) the total amount of awards made to any one teacher shall not exceed the total teacher education indebtedness ~~[of] remaining for~~ that teacher.

B. The following teacher education debts are not eligible for repayment pursuant to the Teacher Loan Repayment Act:

(1) amounts incurred as a result of participation in state loan-for-service programs or other state programs whose purpose states that service be provided in exchange for financial assistance;

(2) scholarships that have a service component or obligation;

(3) loans from a commercial lender;

(4) personal loans from friends or relatives; and

(5) loans that exceed individual standard school expense levels.

C. Every loan repayment award shall be evidenced by a contract between the teacher and the department acting on behalf of the state. The contract shall provide for the ~~annual~~ payment by the state of a stated sum to the teacher's federal government lender and shall state the obligations of the teacher under the program, including a minimum two-school year period of service in a designated ~~[high-risk] high-need~~ teacher position, quarterly ~~employment~~ reporting requirements and other obligations established by the department.

D. ~~[Teachers who serve a complete school year in a designated high risk teacher position shall receive credit for one year for the purpose of calculating any loan repayment award amounts. The minimum loan repayment award amount to be paid for each school year completed shall be established by the department.]~~ Execution of the contracts shall occur prior to the start of a school year and the two school year period of service starts at the execution of the contract. Each contract shall be for an initial two school year period. Following completion of the contract a teacher may reapply for consideration of an additional contract. Teachers may receive a maximum of three additional two-year contracts. Contracts between a teacher and the department shall not provide for more than a total of eight years of repayment.

E. ~~[The contract between a teacher and the department shall provide that, if the teacher does not comply with the terms of the contract, the teacher shall reimburse the department for all loan payments made on the teacher's behalf, plus reasonable interest at a rate to be determined by the department, unless the department finds acceptable extenuating circumstances for why the teacher cannot serve or comply with the terms of the contract.]~~ The department shall make an annual payment pursuant to the contract only after the teacher provides verification of satisfactory completion of a full year of teaching as certified by the public education department. If a teacher does not complete the first full year of teaching, the teacher shall forfeit any right to that year's payment under the contract.

F. Loan repayment awards shall be in the form of payments from the teacher loan repayment fund directly to the federal government lender of a teacher who has received the award and shall be considered a payment

on behalf of the teacher pursuant to the contract between the department and the teacher. A loan repayment award shall not obligate the state or the department to the teacher's federal government lender for any other payment and shall not be considered to create any privity of contract between the state or the department and the lender.

**[G.]** The department, after consulting with the public education department, shall adopt rules to implement the provisions of the Teacher Loan Repayment Act. The rules:

**(1)** shall provide a procedure for determining the amount of a loan that will be repaid for each year of service in a designated high risk teacher position; and

**(2)** may provide for the disbursement of loan repayment awards to a teacher's federal government lender in annual or other periodic installments.]

[5.7.5.10 NMAC - N, 10/31/2013; A, 7/30/2019]

#### **5.7.5.11 CONTRACTS [AND ENFORCEMENT]**

**[A.]** The general form of a contract required pursuant to the Teacher Loan Repayment Act shall be prepared and approved by the attorney general, and each contract shall be signed by the teacher and the designated representative of the department on behalf of the state.

**[B.]** The department is vested with full and complete authority and power to sue in its own name for any balance due the state from a teacher under any such contract.]

[5.7.5.11 NMAC - N, 10/31/2013; A, 7/30/2019]

#### **5.7.5.12 TEACHER LOAN REPAYMENT FUND CREATED AND METHOD OF PAYMENT**

**A.** The "teacher loan repayment fund" is created in the state treasury. All money appropriated for the teacher loan repayment program shall be credited to the fund ~~[-, and any repayment of awards and interest received by the department shall be credited to the fund].~~ Income from the fund shall be credited to the fund, and balances in the fund shall not revert to any other fund. Money in the fund is ~~[appropriated]~~ **subject to appropriation by the legislature** to the department for making loan repayment awards pursuant to the Teacher Loan Repayment Act.

**B.** All payments for loan repayment awards shall be made upon vouchers signed by the designated representative of the department and upon a warrant issued by the secretary of finance and administration.

[5.7.5.12 NMAC - N, 10/31/2013; A, 7/30/2019]

**5.7.5.13 CANCELLATION:** The department may cancel any contract made between it and a teacher pursuant to the Teacher Loan Repayment Act for any reasonable cause deemed sufficient by the department.

[5.7.5.13 NMAC - N, 10/31/2013]

**5.7.5.14 REPORTS:** Prior to each regular session of the legislature, the department shall make annual reports to the governor and the legislature of the department's activities pertaining to the Teacher Loan Repayment Act; the loan repayment awards granted; the names and addresses of teachers who received loan repayment awards; the names and locations of the positions filled by those teachers; ~~[and] the name of each teacher who received a loan repayment award who is not serving in a designated [high-risk] high-need teacher position~~ ~~[-, the reason the teacher is not serving in a designated high-risk teacher position,];~~ the amount owed on ~~[the] each~~ teacher's loan and the amount paid on ~~[the] each~~ teacher's loan by ~~[any]~~ loan repayment awards; **and the number of teachers who did not complete a full year of teaching.**

[5.7.5.14 NMAC - N, 10/31/2013; A, 7/30/2019]

**HISTORY OF 5.7.5 NMAC: [RESERVED]**