

§ 17C-23. Terms of forgivable loans; receipt and disbursement of funds; default.

(a) Forgivable Loans. – All forgivable loans shall be evidenced by notes made payable to the Program that bear interest at a rate not to exceed ten percent (10%) per year as set by the Committee and beginning on the first day of September after the completion of the Program or 60 days after termination of the forgivable loan, whichever is earlier. The forgivable loan may be terminated upon the recipient's withdrawal from school, by the recipient's failure to meet the standards set by the Committee, or by the recipient's default based on conditions set by the Committee. The Committee may only disburse funds to the community college where the recipient is enrolled and may not disburse funds directly to a recipient.

(b) Forgiveness. – The Committee shall forgive the loan and any interest accrued on the loan if, within five years after obtaining an Applied Associate Degree in Criminal Justice or Committee-approved field of study, the recipient is employed on a full-time basis for a period of at least four years in an eligible county in an eligible criminal justice profession. The recipient shall provide the Committee within 60 days of completion of the Program verification of the recipient's intent to seek employment as a criminal justice professional in an eligible county. The recipient shall provide verification of employment to the Committee each year until the obligation is satisfied. The Committee shall also forgive the loan if it finds that it is impossible for the recipient to meet the terms of the loan, after or before graduation, due to death or permanent disability of the recipient.

(c) Extension. – The Committee may extend repayment of the loan for up to two years on a year-to-year basis for each year if (i) the recipient is on active duty with the Armed Forces of the United States or (ii) the Committee, in its sole discretion, determines that circumstances warrant an extension.

(d) Repayment. – If the recipient notifies the Committee that the recipient intends to forego forgiveness of the loan after completion of the Program, the Committee shall provide the recipient with the conditions of repayment and the recipient will have 60 days to begin repayment of all funds distributed, including interest. The recipient will have up to 60 months to repay all funds distributed, including interest.

(e) Default. – The Committee shall determine the events that constitute a default during the Program, including, but not limited to, failure by the recipient to comply with the obligations set out in G.S. 17C-22(h). In the event of default during the Program, the Committee may declare the entire unpaid amount of indebtedness evidenced by the note, including interest, immediately due and payable. A default shall preclude further participation by the recipient in the Program. Upon default, the Committee shall notify the recipient, in writing, by certified mail, return receipt requested, addressed to the recipient at the last address on file with the Committee. Refusal or nondelivery at that address will be deemed delivered after seven days. The Committee may allow a recipient who is in default to repay all funds distributed, including interest. If the Committee approves repayment, the recipient will receive the conditions of repayment and will have 60 days to begin repayment of all funds distributed, including interest. The recipient will have up to 60 months to repay all funds distributed, including interest. (2018-5, s. 17.1(b).)