

§ 674.52

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counties as are recognized in a State as an administrative agency for its public elementary or secondary schools.

(2) Any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(k) *Low-income communities*: Communities in which there is a high concentration of children eligible to be counted under title I of the Elementary and Secondary Education Act of 1965, as amended.

(l) *Medical technician*: An allied health professional (working in fields such as therapy, dental hygiene, medical technology, or nutrition) who is certified, registered, or licensed by the appropriate State agency in the State in which he or she provides health care services. An allied health professional is someone who assists, facilitates, or complements the work of physicians and other specialists in the health care system.

(m) *Nurse*: A licensed practical nurse, a registered nurse, or other individual who is licensed by the appropriate State agency to provide nursing services.

(n) *Qualified professional provider of early intervention services*: A provider of services as defined in section 672(2) of the Individuals with Disabilities Education Act.

(o) *Secondary school*: (1) A school that provides secondary education, as determined by—

- (i) State law; or
- (ii) The Secretary, if the school is not in a State.

(2) However, State laws notwithstanding, secondary education does not include any education beyond grade 12.

(p) *State education agency*: (1) The State board of education; or

(2) An agency or official designated by the Governor or by State law as being primarily responsible for the State supervision of public elementary and secondary schools.

(q) *Teacher*: (1) A teacher is a person who provides—

- (i) Direct classroom teaching;
- (ii) Classroom-type teaching in a non-classroom setting; or
- (iii) Educational services to students directly related to classroom teaching

such as school librarians or school guidance counselors.

(2) A supervisor, administrator, researcher, or curriculum specialist is not a teacher unless he or she primarily provides direct and personal educational services to students.

(3) An individual who provides one of the following services does not qualify as a teacher unless that individual is licensed, certified, or registered by the appropriate State education agency for that area in which he or she is providing related special educational services, and the services provided by the individual are part of the educational curriculum for handicapped children:

- (i) Speech and language pathology and audiology;
- (ii) Physical therapy;
- (iii) Occupational therapy;
- (iv) Psychological and counseling services; or
- (v) Recreational therapy.

(r) *Teaching in a field of expertise*: The majority of classes taught are in the borrower's field of expertise.

(s) *Total and permanent disability*: The condition of an individual who is unable to work and earn money because of an injury or illness that is expected to continue indefinitely or result in death.

(Authority: 20 U.S.C. 425, 1087ee, 1141, and 1401(1))

[52 FR 45758, Dec. 1, 1987, as amended at 59 FR 61412, Nov. 30, 1994; 65 FR 65690, Nov. 1, 2000]

§ 674.52 Cancellation procedures.

(a) *Application for cancellation*. To qualify for cancellation of a loan, a borrower shall submit to the institution to which the loan is owed, by the date that the institution establishes, both a written request for cancellation and any documentation required by the institution to demonstrate that the borrower meets the conditions for the cancellation requested.

(b) *Part-time employment*. (1)(i) An institution may refuse a request for cancellation based on a claim of simultaneously teaching in two or more schools or institutions if it cannot determine easily from the documentation supplied by the borrower that the teaching is full-time. However, it shall

grant the cancellation if one school official certifies that a teacher worked full-time for a full academic year.

(ii) An institution may refuse a request for cancellation based on a claim of simultaneous employment as a nurse or medical technician in two or more facilities if it cannot determine easily from the documentation supplied by the borrower that the combined employment is full-time. However, it shall grant the cancellation if one facility official certifies that a nurse or medical technician worked full-time for a full year.

(2) If the borrower is unable due to illness or pregnancy to complete the academic year, the borrower still qualifies for the cancellation if—

(i) The borrower completes the first half of the academic year, and has begun teaching the second half; and

(ii) The borrower's employer considers the borrower to have fulfilled his or her contract for the academic year for purposes of salary increment, tenure, and retirement.

(c) *Cancellation of a defaulted loan.* (1) Except with regard to cancellation on account of the death or disability of the borrower, a borrower whose defaulted loan has not been accelerated may qualify for a cancellation by complying with the requirements of paragraph (a) of this section.

(2) A borrower whose defaulted loan has been accelerated—

(i) May qualify for a loan cancellation for services performed before the date of acceleration; and

(ii) Cannot qualify for a cancellation for services performed on or after the date of acceleration.

(3) An institution shall grant a request for discharge on account of the death or disability of the borrower, or, if the borrower is the spouse of an eligible public servant as defined in §674.64(a)(1), on account of the death or disability of the borrower's spouse, without regard to the repayment status of the loan.

(d) *Concurrent deferment period.* The Secretary considers a Perkins Loan, NDSL or Defense Loan borrower's loan deferment under §674.34(c) to run concurrently with any period for which cancellation under §§674.53, 674.54,

674.55, 674.56, 674.57, 674.58, 674.59, and 674.60 is granted.

(2) For loans made on or after July 1, 1993, the Secretary considers a borrower's loan deferment under §674.34 to run concurrently with any period for which a cancellation under §§674.53, 674.56, 674.57, or 674.58 is granted.

(e) *National community service.* No borrower who has received a benefit under subtitle D of title I of the National and Community Service Act of 1990 may receive a cancellation under this subpart.

(Approved by the Office of Management and Budget under control number 1845-0019)

(Authority: 20 U.S.C. 425, 1087ee)

[52 FR 45758, Dec. 1, 1987, as amended at 53 FR 49147, Dec. 6, 1988; 59 FR 61413, Nov. 30, 1994; 62 FR 50848, Sept. 26, 1997; 64 FR 58313, Oct. 28, 1999; 72 FR 55053, Sept. 28, 2007]

**§ 674.53 Teacher cancellation—Federal Perkins, NDSL and Defense loans.**

(a) *Cancellation for full-time teaching in an elementary or secondary school serving low-income students.* (1)(i) An institution must cancel up to 100 percent of the outstanding loan balance on a Federal Perkins loan or an NDSL made on or after July 23, 1992, for full-time teaching in a public or other nonprofit elementary or secondary school.

(ii) An institution must cancel up to 100 percent of the outstanding loan balance on a Federal Perkins, NDSL or Defense loan made prior to July 23, 1992, for teaching service performed on or after October 7, 1998, if the cancellation benefits provided under this section are not included in the terms of the borrower's promissory note.

(2) The borrower must be teaching full-time in a public or other nonprofit elementary or secondary school that—

(i) Is in a school district that qualified for funds, in that year, under title I of the Elementary and Secondary Education Act of 1965, as amended; and

(ii) Has been selected by the Secretary based on a determination that more than 30 percent of the school's total enrollment is made up of title I children.

(3) For each academic year, the Secretary notifies participating institutions of the schools selected under paragraph (a) of this section.

(4) (i) The Secretary selects schools under paragraph (a)(1) of this section