

# RHODE ISLAND STUDENT LOAN AUTHORITY

## INTERNSHIP REWARDS PROGRAM GUIDANCE DOCUMENT

The Rhode Island Student Loan Authority (“RISLA”), pursuant to Chapter 62 of Title 16 of the General Laws of Rhode Island, as amended, and GLRI §42-35-2.12 of the Administrative Procedures Act hereby promulgates the following Guidance Document for the Loan Forgiveness Program for Internships.

### **A. PURPOSE**

RISLA’s Loan Forgiveness for Internships program aims to help reduce student loan indebtedness while helping students improve their marketability to employers after college.

According to a study by the National Association of Colleges and Employers, among 2013 graduates who had applied for a job, those who took part in paid internships enjoyed a distinct advantage over their peers who undertook an unpaid experience or who didn’t do an internship.

Internships are a great way for students to make professional connections, learn skills needed in the workplace and add relevant work experience to their resumes.

### **B. ELIGIBILITY**

If eligible, students can earn loan forgiveness on their RISLA Student Loans up to \$2,000 by completing an eligible internship and applying for RISLA's Loan Forgiveness for Internships program within one year of graduation.

Applicants must meet the following minimum requirements:

1. Applicant must be a Rhode Island resident or must attend a RI institution of higher education.
2. Applicants must have a RISLA Student Loan or Applicant’s parent or legal guardian must have a RISLA Parent Loan for the benefit of the Applicant at the time of the application for loan forgiveness.
3. Only internships served on or after May 1, 2013 qualify for the program.
4. Internship can be served either in Rhode Island or out of state.
5. Internship may be paid or unpaid.

6. Internship must be for 3 credits and be on transcript, validated by an institution of higher education.
7. Students must graduate from their program of study and earn a degree or certificate in order to receive loan forgiveness. Forgiveness shall be awarded after graduation.
8. For the purpose of this program, internships, independent studies and practicums that are required for a particular major do not qualify.

### **C. APPLICATION**

Students must submit an application to RISLA in order to be considered for this Program.

### **D. AWARDS**

If eligible, applicants will be awarded loan forgiveness on their outstanding student loan up to \$2,000 per 3 credit internship (limited to one \$2,000 forgiveness per student) after graduation. In cases where the outstanding RISLA Student Loan balance is less than \$2,000 at the time which the student becomes eligible for this program, the student shall receive a credit on their outstanding balance only.

### **E. APPEALS**

Any applicant who is aggrieved by any application of the provisions hereof or any determination with respect to his or her eligibility for loan forgiveness may appeal such application or determination in writing to the Executive Director of the Rhode Island Student Loan Authority, 935 Jefferson Boulevard, Suite 3000, Warwick, RI 02886 within twenty (20) days of said application or determination. The decision of the Deputy Director on all appeals shall be final.

### **F. TERMINATION AND SUSPENSION OF THE PROGRAM**

Notwithstanding anything herein to the contrary, loan forgiveness benefits under the Program shall cease after December 31, 2020. The Program may be suspended by RISLA at any time if RISLA determines there is not available funding.

## **G. TAX CONSIDERATIONS**

At this time, the loan forgiveness is taxable income. A 1099 would be issued for the tax year in which the student becomes eligible.