

WEST VIRGINIA CODE: §18-22D-5

§18-22D-5. Applications for loans; loan package.

(a) An eligible lending institution that desires to receive a linked deposit shall accept and review applications for loans from applicants certified as eligible students. The lending institution shall apply all usual lending standards to determine the credit worthiness of each eligible student. In no case shall the applicant request, nor the eligible lending institution approve, an annual loan amount in excess of the maximum amount indicated on the form certifying such applicant as an eligible student.

(b) An eligible student shall certify on the loan application that the reduced rate loan will be used exclusively to attend an approved institution of higher education in this state. Whoever knowingly makes a false statement concerning such application shall be prohibited from entering into the West Virginia higher education student assistance loan program. Whoever knowingly uses loan proceeds received pursuant to this article for reasons other than attendance at an approved institution of higher education shall be prohibited from benefitting from the linked deposit, which deposit shall be withdrawn upon maturity, and the loan shall revert to the rate of market interest originally determined.

(c) Upon approval of all or any portion of the loan amount requested for which a linked deposit is sought, the eligible lending institution shall forward to the board a linked deposit loan package, in such form and manner as shall be prescribed by the state Board of Investments in cooperation with the board. The package shall include such information as may be needed by the board or the state Board of Investments including the certification form and the amount of the loan requested by the eligible student. The eligible lending institution shall certify, for each eligible student, the present borrowing rate applicable to such student.