

WEST VIRGINIA CODE: §18-22D-7

§18-22D-7. Rate of loan; repayment.

(a) Upon placement of a linked deposit with an eligible lending institution, such institution is required to lend such funds to each approved eligible student listed in the linked deposit loan package required in subsection (c), section five of this article, and in accordance with the deposit agreement required by subsection (b), section six of this article. The loan shall be at three percent below the present borrowing rate applicable to each eligible student.

(b) Upon request therefor and approval thereof, the loan agreement may require repayment of interest only, until such time as the eligible student commences repayment of the principal. Such repayment of the principal shall commence at or before such time as the eligible student is no longer enrolled in the approved institution of higher education for which the loan proceeds were paid or within five years of receipt of the loan, whichever is sooner: Provided, That an eligible student who enrolls in graduate or professional school subsequent to the enrollment for which a loan or loans were received pursuant to this section may defer such repayment time until completion or withdrawal from the graduate or professional school.

(c) Notwithstanding the time in which the eligible lending institution may provide for the repayment of the loan, the linked deposit shall be terminated at the maturity date next succeeding complete repayment or ten and one-half years after cessation of enrollment, whichever is sooner. The amount of interest on the loan shall revert to the market rate originally determined at such time as the linked deposit is withdrawn.