

# SAIPAN HIGHER EDUCATION FINANCIAL ASSISTANCE PROGRAM

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# SHEFA

Fiscal Year 2012 Annual Report

Office of the Mayor

Municipality of Saipan

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## Board of Directors

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Josephine T. Sablan	Chairwoman
Jose C. Mafnas	Vice-Chairman
Vina Claire Saures	Secretary
Ursula L. Aldan	
Juan K. Tenorio	

## SHEFA COMMITTEES

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### **Committee Chair**

Jose C. Mafnas	Committee of Awards
Juan K. Tenorio	Committee of Appeals
Ursula L. Aldan	Committee on Policy & Procedure
Vina Claire Saures	Committee on Program & Development

## SHEFA OFFICE STAFF

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Merissa S. Rasa	Administrator
Doreen B. Cruz	Administrative Assistant

## Mission

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The mission of the Saipan Higher Education Financial Assistance (SHEFA) under the Municipality of Saipan, Office of the Mayor is to invest in the limited human capital resources of qualified residents of Saipan (inclusive of the Northern Islands) through a supplementary financial assistance, upon availability of funds pursuant to Saipan Local Law 13-21, for purposes of pursuing post-secondary education on Saipan or abroad, and in recognition of the need for educated citizenry and workforce on Saipan, with the broad expectation of SHEFA and assurance from all applicants and recipients of SHEFA financial assistance to return to Saipan upon a successful completion of a higher education with the necessary and sufficient knowledge, skill, attitude and work ethic in order to provide services on Saipan in the private sector, government, nongovernmental (NGO) organizations as well as not-for-profit organizations.

## Overview

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The Fall 2011 term marks SHEFA's seventh year of operation as the Saipan Higher Education Financial Assistance program since the program was created by the Saipan and Northern Islands Legislative Delegation (SNILD) through Saipan Local Law 13-21 and first implemented in Fall 2004. No person other than residents of the Municipality of Saipan (inclusive of the Northern Islands) shall be eligible for or receive assistance from the Saipan Higher Education Financial Assistance Fund. A resident is a person who is a U. S. citizen or a U.S. permanent resident, who has resided in the Municipality of Saipan for at least a year before applying for financial assistance administered by the Board and who is attending or has been accepted for enrollment at an institution of higher education in the CNMI or outside of the CNMI. Funding for this program is sourced from fees collected from the local license fees for poker and pachinko machines under Saipan Local Law 13-8, as continuously provided by Saipan Local Law 13-21.

The SHEFA Board of Directors is the governing body charged with the implementation of the SHEFA program. The Board is empowered with the authority to promulgate rules and regulations, set administrative guidelines, act on application and hear student appeal(s) as needed and all other duties necessary and convenient to the administration of the municipal postsecondary program for the residents of Saipan.

The SHEFA program mission mirrors the expected knowledge, skill set, attitude and work ethos by employers in their provision of services to clients, consumers and customers in business, local government agencies, private non-profit organizations or non-government establishments, inclusive of self-employed entrepreneurship ventures. In this respect, SHEFA helps prepare recipients to be competitive in the workplace, requiring recipients to obtain or familiarize themselves with available career guidance and counseling, attend job/career fairs, career planning and preparation workshops, work study, on-site development trainings or take full advantage of job internships. The SHEFA program also conducts on-site information sessions for graduating seniors and guidance counselors in all public and private secondary schools on Saipan as a component of SHEFA's outreach portfolio.

When it comes to enforcement of the terms and conditions of SHEFA's memorandum of agreement with recipients, SHEFA does its best to ensure with the resources they have to ensure that graduates do not neglect their responsibilities in rendering their services on Saipan that would commensurate with the term of assistance. Gainful employment in the private sector is preferred to government sector jobs, including working for non-profit organization or other non-government sectors. Working for oneself (self-employment) is recognized and accepted in much the same way as volunteering for government or private sectors.

## Goals

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Our main goal is to continue providing financial assistance to eligible Saipan and Northern Island residents wishing to pursue or continue their education and retaining these scholars after their studies. As part of its mission, the SHEFA governing board provides technical assistance to SHEFA recipients looking for employment on Saipan. SHEFA scholars are required to provide an updated resume and college graduation plan signed by the college adviser and endorsed by the institution of record. Usually during the third year in college, SHEFA scholars are expected to begin the process of searching for a job on Saipan. Some agencies like the Workforce Investment Agency (WIA), provides numerous resources and job vacancy announcements for both government and private sectors. The website it is useful one stop shop where endless resources, even downloadable employment applications much like the CNMI Public School System are available. This tool allows job seekers could send employment applications to prospective employers electronically. Moreover, the SHEFA Office provides assistance upon request in identifying prospective employment, including making employment referral or placement only when the office is provided with the necessary and sufficient information, documentation and authorization by the applicant to act on his / her behalf due to the federal and local privacy restrictions on personal information and data.

We are currently in the process of completing our tracking system that will be used for compliance/repayment purposes. This tool will allow us to keep track of the academic status/post graduate status/non-enrollment status of our recipients. Being able to accomplish this will provide us with the information we need to better assist our recipients, to provide potential employers/agencies with a listing of new graduates or upcoming graduates and to track previous recipients who are in default.

Lastly, another important goal is to focus on program accountability, program policy and administration updates. The SHEFA program and CNMI Scholarship Program are very unique to many other places because the state allows eligible applicants the choice to further their postsecondary education abroad. Our efforts speak one common belief shared by the Saipan Northern Island Legislative Delegation (SNILD), Office of the Mayor and SHEFA Board of Directors, and that is the simple fact that education provides opportunities to improve the quality of intellectual, social, economic, and personal well-being. A mixture only set to bring positive changes and advancements in our community.

## Highlights

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- Presently, SHEFA continues to collaborate with the Office of Personnel Management, Workforce Investment Agency, Public School System, Commonwealth Health Corporation, and the Northern Marianas College to name a few, as part of its recruitment efforts of SHEFA graduates. Of the agencies and avenues for recruiting SHEFA graduates, SHEFA has been most successful with the Public School System and Commonwealth Health Corporation.
- Since 2004, SHEFA continues to provide financial assistance to not only undergraduates pursuing their Associates degree or Baccalaureate degree, but to graduates who wish to pursue their Master's degree or Doctorate.
- SHEFA continues to visit and do presentations at the college, on-island high-schools such as Kagman High School, Marianas High School, Saipan Southern High School (public high schools) and Northern Marianas Academy, Marianas Baptist Academy, Mt. Carmel High School and Grace Christian Academy (private schools), and public and private agencies at their requests, hoping to heighten their interest in continuing their education and successfully obtaining their certification/degrees in order to provide the workforce required for a vibrant economy in the CNMI.

- SHEFA continues to be a part of the Northern Marianas' Cash for College event. An event that assist students interested in continuing their post-secondary education with different financial assistance available on-island and federally.
- As of 2012, SHEFA has provided assistance to over 3,500 eligible students;
- In May 26<sup>th</sup>, 2012, SHEFA Board of Directors hired its first full-time Administrator to oversee the SHEFA program. Currently, SHEFA is staffed with one full-time Administrator and one full-time Administrative Assistant. With the close working relationship between SHEFA and the Office of the Mayor, the Office of the Mayor continues to provide personnel support and assistance upon availability and request.
- In December 2012, the 1<sup>st</sup> phase needed for the tracking system, which was auditing all recipient files and recording all awards made since 2004 electronically, was completed; a new SHEFA website was launched and a Facebook page was created to be used as a networking tool for current and potential scholars, employers, etc.
- As of spring 2010, over 400 scholars have graduated with their Bachelors (B.A.) and Masters (M.A. / M.S.) degrees. The bulk of the college graduates are employed in the Public School System, the Northern Marianas College and the Commonwealth Health Corporation. Many are also employed under Fish and Wildlife, Community and Cultural Affairs, Department of Environment Quality, Coastal Resource Management and the Legislature. The other bulk of graduates are employed in private businesses on Saipan, have joined the United States military, or have remained abroad.
- In 2010, *Promise of SHEFA*, a bi-annual publication prepared by the Office of SHEFA was published. Along with the first SHEFA Chronicle, a quarterly newsletter, that captures life moments of scholars in college and post-college journey in life.
- In 2006 SHEFA took part and participated in the 1<sup>st</sup> Workforce Development Summit in the CNMI and made a rare appearance before the Saipan Chamber of Commerce and Saipan Rotary Club.

# Proposed Amendments to SHEFA Rules and Regulations

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*The following Board approved actions have yet to be registered. Proposed amendments have been highlighted and underlined.*

## **Rules & Regulations Saipan Higher Education Financial Assistance Program (SHEFA)**

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### **SECTION ONE**

#### § 165-20.1-001 Statutory Authority

The Saipan Higher Education Financial Assistance Act of 2003 was signed into law on February 3, 2004, as Saipan Local Law (SLL) 13-21 [10 CMC § 3921-3928], which established the Saipan Higher Education Financial Assistance for the Municipality of Saipan in the Office of the Mayor of Saipan for administrative purposes, and to be administered by the Board of Saipan Higher Education Financial Assistance, hereinafter referred to SHEFA.

### **SECTION TWO**

#### § 165-20.1-005 Mission of SHEFA

The mission of the Saipan Higher Education Financial Assistance (SHEFA) under the Municipality of Saipan, Office of the Mayor is to invest in the limited human capital resources of qualified residents of Saipan (inclusive of the Northern Islands) through a supplementary financial assistance, upon availability of funds pursuant to Saipan Local Law 13-21 [10 CMC §§ 3921-3928], for purposes for pursuing post-secondary education on Saipan

or abroad, and in recognition of the need for educated citizenry and workforce on Saipan, with the broad expectation of **SHEFA** and assurance from all applicants and recipients of **SHEFA** financial assistance to return to Saipan upon successful completion of a higher education with the necessary and sufficient knowledge, skill, attitude and work ethic in order to provide services on Saipan in the private sector, government, non-governmental (NGO) organization as well as not-for-profit organization.

### **SECTION THREE**

§ 165-20.1-010 Priority for Financial Assistance

Qualified residents of the Municipality of Saipan who have been accepted or enrolled in any US accredited institution of higher education and meet all requirements as new or returning student are ranked in the order of priority to receive supplementary financial assistance as follows.

- (a) Undergraduate level in the identified priority of fields of study.
- (b) Graduate level in the identified priority of fields of study.
- (c) Advanced degree level in the identified priority of fields of study.
- (d) All other residents of Saipan who qualify as new or returning students.

### **SECTION FOUR**

§ 165-20.1-015 Funding Source & Budget Authority

Pursuant to Saipan Local Law 13-21, section 5 on page four of the Act [10 CMC § 3925], the funding for this program is sourced from fees collected from the local license fees for poker and pachinko machines under Saipan Local Law 13-8, as continuously appropriated by SLL 13-21. Other funding sources authorized by the Act in section 5(d) on page three [10 CMC § 3924(d)] is to receive and accept from any individual, association or corporation, gifts, grants and donations of money for the purpose of providing higher education financial assistance to be established in a separate special account by the Secretary of Finance to implement the purposes of the Act.

### **SECTION FIVE**

§ 165-20.1-020 Office of the Mayor of Saipan

The Saipan Higher Education Financial Assistance is established by SLL 13-21 [10 CMC §§ 3921-3928] in the Office of the Mayor of Saipan, and vested the Mayor of Saipan with the authority to appoint members of the board therein, subject to confirmation by the Saipan and Northern Islands Legislative Delegations (SNILD). In addition, the Office of the Mayor of Saipan is required by law to provide the board with administrative, personnel and logistical support subject to the limits of resource availability.

### **SECTION SIX**

§ 165-20.1-025 Saipan Higher Education Financial Assistance Board (**SHEFA**)

The **SHEFA** board is established pursuant to SLL 13-21 [10 CMC §§ 3921-3928] whose members are appointed by the Mayor of Saipan subject to confirmation by the Saipan and Northern Islands Legislative Delegation. The Mayor may remove any member of the board on account of gross neglect of duty, conviction of a felony, or mental or physical incapacity. The duties and power of the board are specifically delineated in section 6 and section 8 of this Act.

### **SECTION SEVEN**

§ 165-20.1-030 Classification of Recipients



**SHEFA** recognizes three types of degree categories, namely, undergraduate degree (associate degree and bachelor's degree); graduate degree (masters degree); and advanced degree (degree higher than a masters degree, e.g., J.D., medical doctor, PH.D, ED.D, etc.).

## **SECTION EIGHT**

§ 165-20.1-035      Types of Financial Assistance

(a) Grant-in-aid is a type of financial assistance available to a student from Saipan pursuing post-secondary education in U.S. accredited college or universities. If a grant recipient does not return to Saipan after completion of his or her studies, the grant automatically becomes a loan and the grant recipient must repay the **SHEFA** fund plus interest in accordance with the terms and conditions of attached promissory note/memorandum of agreement.

(b) Scholarship is a type of financial assistance that is available to a student from Saipan pursuing post-secondary education based on financial need, academic achievement and other established criteria. A second type of assistance under the scholarship program is one in which a student pursues a field of study that has been identified by **SHEFA** as a priority field of study+ for the island of Saipan, and having met other established criteria. The priority field of study award is granted only to Junior and Senior college students. The third type of scholarship is based on academic performance at the end of every semester or quarter, called the merit incentive award. Applicants in their first term of college are not eligible to receive the merit incentive award. Students taking remedial courses or developmental courses in fulfillment of a full-time status are not eligible for the merit incentive award. The fourth type of scholarship is a career prep scholar credit voucher valued at \$200 per voucher for a maximum of two vouchers per recipient. This voucher is for use by the recipient in obtaining career guidance and counseling or in participating in career or job fairs or any other type of training in career planning and preparation. The voucher is non-cash, and will be used toward the cancellation of any loan(s) granted to the recipient by **SHEFA**. Scholarship recipients must work on Saipan either in the private or public sector for as long a period as the duration of the scholarship. If a scholarship recipient does not return to Saipan after completion of his or her studies, the scholarship automatically becomes a loan and the recipient must repay the **SHEFA** fund plus interest in accordance with the terms and conditions of the attached promissory note/memorandum of agreement.

(c)(1) Student loan is a type of financial assistance divided into three components. One is based on financial need on criteria established by the **SHEFA** board. Loan on demand or demand loan is the second type of loan based upon the time of submission, receipt and acceptance of application to **SHEFA**. The third and final type of assistance under this loan program is referred to as a merit loan. A merit loan is strictly to enable a resident from Saipan enrolled in any accredited U. S. institutions of higher education to “challenge” up to two courses on campus in order to:

- (i) Accelerate degree/program completion, or
- (ii) Fulfill a graduation requirement.

(2) These challenges must be taken on campus only, unless otherwise authorized and approved first in writing by **SHEFA**. If a loan recipient does not return to Saipan after completion of his/her studies, he/she must repay the **SHEFA** fund plus interest in accordance with the terms and conditions of the attached promissory note/memorandum of agreement.

(d) All recipients of any **SHEFA** loan pursuant to subsection (c) made available to a student from Saipan in pursuit of post-secondary education at any U.S. accredited institution of higher education shall have a legal obligation of paying back twenty-five percent of the total loan amount received and providing a minimum of three years of service in either the private or public sector on Saipan on all loan amounts received while in school. However, for purposes of entering into a promissory note/memorandum of agreement with **SHEFA** and the recipient, the recipient will be deemed and classified as a debtor of **SHEFA** funds unless all conditions, requirements and stipulations of the note and **SHEFA** rules and regulations in this subchapter are abided to at all

times during the term or life of the agreement, and after completion of his/her studies, or non-enrollment from school or termination from the institution of record.

+Priority Field of Study for Saipan includes accounting; nursing; teaching/specialized special education/early childhood ed./ library science/counseling/bilingual ed.; business management and administration; hospitality & information technology, anthropology/sociology for teaching; biology (science) for teaching; criminal justice leading to forensic science; lab technology; psychology other than leading to counseling; human resources development/personnel management; social worker; mathematics for teaching; engineering/architect (A&E); medical and allied fields, including psychiatry; environmental studies/conservation (e.g., natural resources, volcanology, marine biology, fish & wildlife, meteorology & archaeology); and computer graphics, including technical or specialized trades such as journalism, management information, computer programming and other fields of study sanctioned by the board in accordance with the Administrative Procedure Act ‘1 CMC §§ 9101 et seq.].

Note: Applicant enrolled in a U.S. accredited online program are allowed to apply for SHEFA financial assistance. However, students enrolled online, regardless of their physical location, will receive the same amount as an on-island student. Block 1/Term 1 for fall term classes must start by August or September and end by December. Block 2/Term 2 for spring classes must start by January and end by June.

## **SECTION NINE**

### § 165-20.1-110 Qualification Requirements

Section 7 of SLL 13-21 [10 CMC § 3927] reads: “No person other than residents of the Municipality of Saipan as defined under section 2 of this Act shall be eligible for or receive assistance from the Saipan Higher Education Financial Assistance Fund.” A resident in section 2 is a person who is a United States citizen or United States permanent resident, who has resided in the Municipality of Saipan for at least a year before applying for financial assistance administered by the Board and who is attending or has been accepted for enrollment at an institution of higher education in the CNMI or outside the CNMI. Proof of resident by a parent residing the Municipality of Saipan for the requisite period, or other acceptable evidence of residency of the applicant or recipient of **SHEFA** financial assistance such as the Saipan municipal identification card, CNMI driver’s license, etc. must be submitted to the **SHEFA** office.

Note: Eligible SHEFA applicants new and ongoing are required to register to vote in the 3<sup>rd</sup> Senatorial District (Saipan/Northern Islands).

## **SECTION TEN**

### § 165-20.1-115 Eligibility for **SHEFA** Fund Financial Assistance

Eligibility for **SHEFA** Fund Financial Assistance:

- (a) All applicants must meet the requirements in § 165-20.1-110 and the following additional requirements:
- (1) Graduate from high school with a high school diploma or high school equivalent diploma; Except for applicants under the Early Admission Program or 2+2 program+.
  - (2) Have a cumulative high school grade point average of at least 2.5 upon graduation;
  - (3) Be accepted to or enrolled on full-time status as required by **SHEFA**, which does not include a developmental or remedial course(s) or a course taken as non-credit course(s) in a U.S. accredited college or university. [Exception to fulltime enrollment status of certified disabled applicants may be granted on a case-by-case basis.]
  - (4) If awarded financial assistance, a recipient must sign a promissory note/memorandum of agreement providing that all financial assistance received from the **SHEFA** fund be subject to debt conversion and debt convertible and that future assistance be contingent on funds availability pursuant to law;

- (5) Meet all conditions for continuing assistance from SHEFA as provided in these Rules and Regulations;
- (6) Provide all required documents and documentation of eligibility as required by these Rules and Regulations, including but not limited to those specifically identified in § 165-20.1-125; and
- (7) Maintain at least the Minimum Grade Point Average as a condition and prerequisite for continuing assistance, which for Undergraduate students is 2.5 Cumulative GPA; for Performance-Based Scholarship students is 3.5 term++; for Graduate and Advanced students is 3.0 Cumulative GPA eligibility is based on a Pass or No Pass Grading; Institution's grading system will be accepted as long as the student is still enrolled in the program with compliance to full-time requirement; Priority field of study for Juniors and Seniors in college is 2.5 Cumulative GPA; and for loan is 2.5 Cumulative GPA.

+Early Admission Program and 2+2 program apply to students still in high school that are simultaneously enrolled at the Northern Marianas College as full-time college students taking college level courses.

++Term refers to Fall Term and Spring Term per academic year for applicant or recipient on a semester system; Fall Term, Winter Term and Spring Term for applicant or recipient on a quarter system; Winter and Spring Term GPA may be combined in computing the higher of the term GPA for purposes of GPA scholarship. GPA scholarship for semester term is awarded on the fall and spring semester and fall and spring for the quarter term.

(b) Eligibility for SHEFA Fund Financial Assistance shall be limited to the following maximum time periods: Be eligible for financial assistance for the limited times as follows:

- (1) For an Associate Degree (AA/AS), a maximum of two academic years not including summer;
- (2) For a Bachelor's Degree (BA/BS), a maximum of four academic years, with a provision for one additional academic year for specialized majors and/or content-area certification by the institution, not including summer;
- (3) For a graduate degree (MA/MS), a maximum of two academic years not including summer for a graduate degree (MA/MS);
- (4) For an advanced degree, a maximum of three academic years not including summer, with a provision for up to three additional academic years for dissertation writing, dissertation defense, and internship or medical degree training requirements, and up to two years for Jurisprudence work or related residency, internship or related training requirements.

Note: Financial Scholarship Request (FSR) to Department of Finance must be made on or before November 15<sup>th</sup>, for fall term and on or before April 15<sup>th</sup> for spring term. Other request will be accommodated on a case-by-case basis.

## SECTION ELEVEN

### § 165-20.1-120 Conditions for Continuing Assistance

- (a) Any new applicant and recipient of **SHEFA** financial assistance must qualify and be eligible for the assistance as provided for in § 165-20.1-105 at all times and must adhere to all other rules and regulations in this subchapter, including the provisions of the promissory note/memorandum of agreement incorporated herein as a necessary and sufficient condition to receiving and continuing to receive financial assistance from the **SHEFA** Board pursuant to law submit to availability of funds.
- (b) The Board may consider an exception to the applicable regulations and provisions in the existing promissory note/memorandum of agreement, and grant a one-time continuing financial assistance to a currently enrolled full-time undergraduate, graduate or advanced student upon signing a supplemental agreement to the existing promissory note/memorandum of agreement, thereby allowing the Board to grant a one-time deferment on the automatic default provisions based on the most current cumulative GPA.
- (c) A written request by the recipient to the Board for an exception to § 165-20.1-115 and the existing promissory note/memorandum of agreement must be received by **SHEFA** not more than ten working days

following the end of the most recent semester or quarter of the academic year in which the recipient failed to meet **SHEFA**'s minimum cumulative GPA.

- (d) A show cause hearing may be held or in the alternative a written request may be submitted to the Board along with evidence based on substantiated compelling reasons or extenuating circumstances on account of medical, health, or psychological reasons, and other credible and verifiable information provided by a first-time recipient enrolled on full-time status.
- (e) Provided, however, that no course repeat or below-level course shall be considered in meeting **SHEFA**'s full-time and cumulative GPA requirements for an undergraduate, graduate or advanced student.
- (f) Furthermore, if the Board decides to approve a one-time deferral, then it shall be deemed a conditional eligibility for a period not to exceed a semester or quarter immediately thereafter, and such eligibility shall not include eligibility for the academic performance scholarship which requires a 3.5 cumulative GPA for an undergraduate, graduate or advanced student enrolled on full-time status.

## **SECTION TWELVE**

### § 165-20.1-125 Application Policy & Procedure; Required Documents/Deadlines

- (a) All new and continuing applicants for **SHEFA** financial assistance are required to submit the following documents as a condition for consideration for assistance. These are:
  - (1) Original and completed application indicating whether for new or renewal.
  - (2) Latest sealed official transcript from high school or institution of higher education mailed directly to the **SHEFA** office or an unofficial copy faxed directly to the office by the school or college/university. Scholarship award(s) will be based on a student's timely submission of transcripts and class schedules and meeting the full-time credit requirements and other pertinent datelines and/or requirements
  - (3) Letter of acceptance or proof of admission or enrollment.
  - (4) Proof of citizenship (e.g., Saipan municipal identification card, United States passport, birth certificate, or CNMI driver's license).
  - (5) Proof of residency on Saipan as indicated by an annual tax return or other acceptable evidence such as Saipan municipal identification card or a CNMI driver's license.
- (b) In addition, all application forms for new or continuing **SHEFA** assistance must be filed together with the required documents indicated herein on July 1<sup>st</sup> unless the date falls on a weekend in which case the deadline is the first Monday of the following week for the fall semester/quarter and December 1<sup>st</sup> for the spring semester/quarter annually unless the date falls on a weekend in which case the deadline is the first Monday of the following week. Failure to submit a complete application form and the requisite supporting documents to the **SHEFA** office on the deadline will be cause for not considering the application until the next financial assistance cycle.

## **SECTION THIRTEEN**

### § 165-20.130 Truth-in-lending Policy and Confidentiality

The information provided to **SHEFA** for purposes of determining qualification and eligibility is considered confidential, and will only be released upon written authorization from the applicant/recipient. All information contained in the completed application or renewal form, qualification and eligibility documents, person(s) used as reference(s), letter of acceptance, enrollment documents from institution of record, grade reports and transcripts, and other forms of supporting documents are considered true and complete to the best of the applicant/recipients' knowledge, and the applicant further agrees to provide proof of information stated in the application or renewal form or supporting documents submitted to **SHEFA**. Falsification of information and any documents(s) submitted by the applicant or recipient of **SHEFA** assistance may result in the immediate discontinuation of financial assistance and automatic suspension and/or disqualification for any future financial assistance. Therefore, every applicant for **SHEFA** financial assistance and ever recipient of **SHEFA** financial assistance is required to authorize **SHEFA** to request and obtain any and all information necessary and sufficient from relevant agencies or institutions of higher education related to the application or renewal of application for financial assistance from

**SHEFA**. Financial assistance from the **SHEFA** fund is contingent on availability of funds as provided in Saipan Local Law 13-21 [10 CMC §§ 3921-3928].

#### **SECTION FOURTEEN**

§ 165-20.135 Appeal Policy & Procedure

Any qualified and eligible applicant and recipient of **SHEFA** financial assistance may address and present any grievance in writing first to the **SHEFA** administrator with a copy directly to the **SHEFA** board. If the applicant or recipient of **SHEFA** financial assistance is not satisfied with the written official response from the **SHEFA** administration, then the applicant and recipient may appeal the decision of the **SHEFA** administration directly to the Chairperson of the **SHEFA** board within ten working days of issuance of a decision by the **SHEFA** administration. The appeal to the **SHEFA** board shall be in accordance with the Administrative Procedure Act, 1 CMC §§ 9101, et seq. To this end, all decision made by and entered into record by the board shall be final agency decision and order on the administrative level of appeal or review process and procedure.

#### **SECTION FIFTEEN**

§ 165-20.201 Availability of Supplementary Financial Assistance; Effective Date

The rules and regulations in this subchapter governing the administration of the **SHEFA** financial assistance shall take effect upon its publication and adoption in accordance with the administrative procedure act.

#### **SECTION SIXTEEN**

§ 165-20.205 Promissory Note/Memorandum of Agreement Form; Repayment Term

As a condition of receiving Saipan Higher Education Financial Assistance, the recipient of any type of financial assistance shall agree in writing to the terms and conditions of such financial assistance and to repay such financial assistance in accordance with Saipan Local Law No. 13-21 and any amendments thereto and the applicable Rules and Regulations. Said agreement shall be in writing and be in the form approved by the Board and incorporated herein as part of this regulation by reference.

**THIS PROMISSORY NOTE/ MEMORANDUM OF AGREEMENT** made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by and between the Board of **SHEFA** for the Municipality of Saipan within the Office of the Mayor of Saipan and \_\_\_\_\_, and / or with his/her parent, \_\_\_\_\_, if below 18 years, hereinafter referred to as the “Debtor” at address: \_\_\_\_\_( permanent & current postal address) residing in \_\_\_\_\_(village) of SAIPAN.

#### **WITNESSETH**

**WHEREAS**, Saipan Local Law (SLL) 13-21 established the Saipan Higher Education Financial Assistance within the Office of the Mayor of Saipan to be governed by the Saipan Higher Education Financial Assistance Board (**SHEFA**);

**WHEREAS**, the **SHEFA** Board, in administering the **SHEFA** fund, will enter into a legally binding and enforceable Promissory Note / Memorandum of Agreement with a qualified and eligible resident of Saipan together with a parent, if recipient of **SHEFA** financial assistance is below 18 years, prior to the disbursement of any **SHEFA** fund. In entering into a mutually binding promissory note / memorandum of understanding, the **SHEFA** board becomes the “Lender” of record for **SHEFA** fund and the recipient of **SHEFA** financial assistance together with the parent, if recipient is below 18 years, become severally and collectively the

“Debtor” of any and all type and amount of **SHEFA** financial assistance received and acknowledged herein pursuant to § 165-20.1-105 including;

1. Grant-in-Aid,
2. Scholarship, and
3. Loan.

**WHEREAS**, the Saipan Higher Education Financial Assistance (**SHEFA**) is established as a supplementary financial assistance to eligible residents of the Municipality of Saipan, inclusive of the Northern Islands who desire to pursue post-secondary education at a U.S. accredited institution of higher learning on Saipan or abroad on the condition that a recipient of **SHEFA** fund shall return to Saipan pursuant to **SHEFA** rules and regulations for purposes of employment, and to provide services to the private or public sector or both, in recognition of the need for educated citizenry and workforce on Saipan.

**NOW, THEREFORE**, in consideration of **SHEFA** financial assistance including grant-in-aid, scholarship and loan which recipient / debtor received and acknowledged by signing this promissory note / memorandum of understanding between the Debtor AND the Lender, the Debtor agrees, covenants and represents as follows:

1. The Debtor is admitted to or enrolled in \_\_\_\_\_(name of institution), a U.S. accredited post-secondary institution of higher learning in pursuit of a degree in \_\_\_\_\_(specify type of degree or e.g., A.A., B.A., M.A., PH.D., J.D. M.D., etc. and field of study).

2. The Debtor shall utilize all financial assistance for educational expenses directly related or incidental to attendance and continued attendance at an institution of record and shall take at least a minimum of 12 credits for undergraduate; full-time status as defined by the institution for graduate; and full-time status as defined by the institution for advanced standing and maintain the minimum or higher grade point average (GPA) in accordance with the **SHEFA** Rules and Regulations.

3. The Debtor shall complete the required credits at each academic term for the financial assistance received (mark one):

i. Undergraduate Full-Time: Twelve (12) or more credits

ii. Graduate Full-Time: As defined by the institution  
~~Nine or more credits~~

iii. Advanced Full-Time: As defined by the institution  
~~Nine or more credits~~

4. The Debtor shall maintain at the end of each academic term the required cumulative grade point average and term grade point average as it applies below by marking the appropriate category:

i. Undergraduate: 2.5 Cumulative GPA  
Twelve (12) or more credits

ii. Performance-Based Scholarship 3.5 Term+  
Twelve (12) or more credits for undergraduates

~~Nine or more credits for graduate and advanced degree~~

- iii. Graduate: ~~3.0 Cumulative GPA~~ Pass or No Pass Grading  
~~Nine or more credits~~ As defined by the Institution
- iv. Advanced: ~~3.0 Cumulative GPA~~ Pass or No Pass Grading  
~~Nine or more credits~~ As defined by the institution
- v. Priority Field of Study: 2.5 Cumulative GPA
- vi. Loan Applicant / Recipient: 2.5 Cumulative GPA

+Term refers to Fall Term and Spring Term per academic year for applicant or recipient on semester system; Fall Term, Winter Term and Spring Term for applicant or recipient on quarter system; Winter and Spring Term GPA may be combined in computing the higher of the term GPA for purposes of GPA scholarship. GPA scholarship for semester term is awarded on the fall and spring semester and fall and spring for quarter term.

5. The Debtor shall submit a copy of his/her official grade report / transcript promptly after the conclusion of each academic term directly from the institution of record to the **SHEFA** Office. The grade report submittal will determine the eligibility for continued assistance on every subsequent term. Within ninety days upon matriculation from the institution of record, the Debtor shall submit a copy of his/her college degree and proof of employment on Saipan or Northern Islands. The Debtor also fully understands and agrees to his/her legal obligations pursuant to the explicit and implicit terms and conditions set forth in this promissory note/memorandum of agreement.

6. The Debtor understands, acknowledges and accepts the maximum duration of eligibility for financial assistance from the **SHEFA** fund:

- 2 Academic Years - Associate Degree
- 4 Academic Years - Bachelors' Degree++
- 2 Academic Years - Graduate Degree
- 3 Academic Years - Advanced Degree+++

++maximum of five (5) academic years for specialized majors and/or specialized certification by the institution of record.

+++ maximum of three (3) academic years not including summer, with a provision for up to three (3) additional academic years for dissertation writing, dissertation defense, and internship requirements or medical degree training requirement, and up to two (2) years for Jurisprudence work or related residency, internship or related training requirements.

7. The Debtor hereby declares that he/she is not pursuing an academic program that leads to a religious studies degree, and shall not take religion courses not specifically prescribed in the Individualized Degree Plan (IDP).

8. The Debtor shall agree to return to Saipan within three (3) months after the completion of his/her degree plan or termination of or non-enrollment from the institution of record, and provide services by working on Saipan for any employer—whether in the private or public sector or both. The Debtor further agrees to perform services in the private or public sector or both on Saipan for a period equal to the period for which the Debtor received financial assistance under § 165-20.1-105 (a)(b) from the Lender. The Debtor agrees to pay back twenty-five (25%) of the total amount of loan received under § 165-20.1-105(c) and a minimum of three (3) years of service to either in the private or public sector or both on Saipan. If the recipient of **SHEFA** financial assistance does not return back to Saipan after completion of his/her studies, or non-enrollment from school or termination from the institution of record, he / she must repay the entire debt back on all **SHEFA** funds received under § 165-20.1-105(a)(b)(c) with interest in accordance with this Promissory Note / Memorandum of Agreement.

9. The Debtor understand and hereby agree that failure to comply with any part of sections 1-8 of this Promissory Note / Memorandum of Agreement and the **SHEFA** rules and regulations will constitute a material breach of the promissory note / memorandum of agreement and a default, and will require the Debtor to pay the entire award received. If such a default occurs, the Debtor must repay their entire debt to the Lender with equal monthly payments within (6) years of the default. The Debtor may repay according to any of the following repayment options as shown below.

<b>Total Debt for repayment</b>	<b>Per Month 12 months</b>	<b>Per Month 24 months</b>	<b>Per Month 36 months</b>	<b>Per Month 48 months</b>	<b>Per Month 60 months</b>	<b>Per Month 72 months</b>
\$1,000 - \$4,999	\$84 - \$417	\$42 - \$209	\$28 - \$139	\$121 - \$104	\$17 - \$84	\$14 - \$70
\$5,000 - \$9,999	\$417 - \$834	\$209 - \$417	\$139 - \$278	\$104 - \$209	\$84 - \$167	\$70 - \$139
\$10,000 - \$14,999	\$834 - \$1,250	\$417 - \$625	\$278 - \$417	\$209 - \$313	\$167 - \$250	\$139 - \$209
\$15,000 - \$19,999	\$1,250 - \$1,667	\$625 - \$834	\$417 - \$556	\$313 - \$417	\$250 - \$334	\$209 - \$278
\$20,000 - \$24,999	\$1,667 - \$2,084	\$834 - \$1,042	\$556 - \$694	\$417 - \$521	\$334 - \$417	\$278 - \$348
\$25,000 - \$29,999	\$2,084 - \$2,500	\$1,042 - \$1,250	\$694 - \$834	\$521 - \$625	\$417 - \$500	\$348 - \$417
\$30,000 - \$34,999	\$2,500 - \$2,917	\$1,250 - \$1,459	\$834 - \$973	\$625 - \$730	\$500 - \$584	\$417 - \$487
\$35,000 - \$40,999	\$2,917 - \$3,334	\$1,459 - \$1,667	\$973 - \$1,111	\$730 - \$834	\$584 - \$667	\$487 - \$556

The Debtor must inform the Lender of which repayment schedule he or she has accepted within thirty (30) days of the default. If the Debtor does not select a repayment schedule within thirty (30) days, the Debtor will be deemed to have selected the “Per Month 72 Months” repayment schedule listed above. The Debtor(s)’s first monthly payment shall be due on the first of the month following the default, but at least thirty (30) days after the default. All subsequent payments will be due on the first of each following month until the Debtor repays the entire debt to the Lender. Note: The Debtor may pay the balance in full at any time within the schedule plan.

10. If the Debtor fails to pay any monthly payment, or of any part of any monthly payment, (“Payment Default”) then the whole principal sum shall become immediately due and payable at the option of the Lender, without notice, and interest shall accrue at the rate of five percent (5%) per annum on the total amount outstanding. Interest shall accrue until Debtor fully cures the Payment Default by paying all past due monthly payments and all



accrued interest. Payments received shall be applied first to the accrued interest and then the balance thereof to the principal.

11. Military Deferral. The time for the Debtor to comply with the requirements of Section 8, above, shall be extended upon request if the Debtor enlists in the armed forces of the United States of America. Specifically, the Debtor's obligation to comply with the requirements of Section 8 shall be deferred, upon request, until the Debtor's service in the armed forces ends. The Debtor may take advantage of this deferral for a maximum of three years after the termination or completion of his/her degree plan or non-enrollment from an institution of higher education of record. Once the Debtor's service in the armed forces ends or three years passes from the termination or completion of his/her degree plan or non-enrollment from institution of higher education of record, whichever event occurs first, the Debtor shall have to comply with the requirements of section 8. All deferrals granted under this section are not valid unless approved in writing by **SHEFA**. The Debtor must renew his or her deferral annually.

12. In the event of commencement of suit to enforce payment of this Promissory Note / Memorandum of Agreement, the undersigned agree(s) to pay to the Lender for attorney's fees as the Court in the Commonwealth of the Northern Mariana Islands may deem reasonable.

13. The recipient of **SHEFA** financial assistance together with the parent, if applicant is below 18 years, fully understands and agrees that compliance with the provisions in this Promissory Note / Memorandum of Agreement and all provisions of the **SHEFA** rules and regulations shall constitute a condition for any and all financial assistance herein by **SHEFA** as hereby acknowledged and attested to by both the recipient and parent, if recipient is below 18 years. Moreover, this agreement shall authorize **SHEFA** to request and obtain any and all necessary information from other agencies related to the application for financial assistance, and shall further authorize the **SHEFA** Office to provide essential information and data such as resume, diploma or degree, name and contact mailing or e-mail addresses to potential employer(s) on Saipan, including posting such information and data on **SHEFA**'s website or its affiliate on Saipan.

14. The parties agree that the courts of the Commonwealth of the Northern Mariana Islands (Superior Court and Supreme Court) shall have exclusive jurisdiction over any Action involving this Promissory Note/Memorandum of Agreement.

This Agreement shall be interpreted using the laws of the Commonwealth of the Northern Mariana Islands.

IN WITNESS WHEREOF, the recipient (Debtor) and / or parent, if recipient is below 18 years, have hereunto set his / her or their hand(s) on the date first above written.

\_\_\_\_\_  
Print Recipient Name / Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Parent Name / Signature, (if Recipient is below 18 yrs. of age)

\_\_\_\_\_  
Date

**NOTARY PUBLIC:**

On this \_\_\_\_ day \_\_\_\_\_ of 20\_\_\_\_, before me appeared \_\_\_\_\_ and \_\_\_\_\_(recipient parent, if recipient is below 18 years), who executed the agreement contained herein, and duly acknowledge to me that he/she and parent, if recipient is below 18 years, executed the same freely and voluntarily for the uses and purposes therein mentioned.

\_\_\_\_\_ My Commission expires: \_\_\_\_\_  
Notary Public (Print & Sign)

For **SHEFA**:

\_\_\_\_\_  
**Chairman, Board of SHEFA**

\_\_\_\_\_  
**Date**

~~For the Municipality of Saipan:~~

\_\_\_\_\_  
**MAYOR DONALD FLORES**

\_\_\_\_\_  
**Date**

**SECTION SEVENTEEN**

§ 165-20.1-210 Career Counseling and Guidance & College Life Orientation

All new applicants to the **SHEFA** fund must undergo a career orientation, assessment, and counseling and guidance as a condition to receiving any financial assistance at the outset. **SHEFA** will coordinate the career sessions with participating government agencies, including the schools on Saipan. An orientation to college life is also a prerequisite to receiving **SHEFA** assistance. Both the career counseling and college life orientation must be undertaken on island prior to check disbursement, unless authorized in advanced to do so in writing by **SHEFA** at a location or institution acceptable to **SHEFA**.

**SECTION EIGHTEEN**

§ 165-20.1-215 Notification to **SHEFA** Board

Any recipient of **SHEFA** financial assistance who withdraws or drops out of any class or on less-than-full-time status must immediately notify the **SHEFA** board in writing, as a change in status may affect future financial assistance. Failure to inform the **SHEFA** board may be deemed as a material breach of the **SHEFA** rules and regulations, and more specifically section § 165-20.1-130. A change in a field of study must be immediately reported in writing to the **SHEFA** board with reasons for the change, especially for **SHEFA** recipients having a declared major in the **SHEFA** priority field of study and/or admitted by the institution of record in to the program field of study. Under no circumstances will any applicant or recipient of **SHEFA** funds be authorized to satisfy any fulltime status and GPA requirements of **SHEFA** with any remedial course, except on account of a requirement by the institution of record based on a placement test. This exception on non-acceptance of remedial courses is limited to one two academic years for incoming freshmen and sophomores only for English and Math. Any recipient of performance-based scholarship assistance is not authorized to take any remedial courses at all. Use of **SHEFA** financial assistance is strictly for on-campus study requiring student residency.

**SECTION NINETEEN**

§ 165-20.1-220 **SHEFA** Application Form. Terms

(a) Incorporated as part of the rules and regulations governing the **SHEFA** financial assistance is the **SHEFA** Application Form for both new applicants and on-going applicants. No application, either new or on-going, for **SHEFA** financial assistance, will be received, considered or reviewed by **SHEFA** unless the application is completed, signed and accompanied by all required documents in support of the application. The required documents include, but not limited to information indicated on the application form and / or by other written

directive or public announcement. Effective spring 2013, applicants and previous recipients may submit a one-time application and promissory note/memorandum of agreement. Students are responsible to provide accurate substantial/significant information regarding their current data. Falsification of information of document will be submitted to the Office of the Attorney General for legal action.

(b) The words and terms used in these rules and regulations shall have the meanings indicated and shall include the plural unless the context clearly indicates otherwise. The definitions herein provided shall supplement the definitions provided in Saipan Local Law 13-21.

(c) "U.S. Accredited Institution of Higher Education/Learning" means an institution of higher learning which has the approval of the United States Department of Education. Such institution may be located in the United States of America, its commonwealths, possessions or territories or in foreign countries.

(d) "Institution of Record" means the U.S. Accredited Institution of Higher Education/Learning from which the **SHEFA** applicant or recipient is seeking a degree and which the **SHEFA** applicant or recipient has identified in the application for financial assistance and/or the promissory note and memorandum of agreement between **SHEFA** and the recipient of financial assistance.

(e) "Fulltime Status" means the registration and enrollment at the student's Institution of Record from the beginning and throughout the entire academic period (i.e., semester or quarter term) for which **SHEFA** financial aid is provided and shall require the following: a. Undergraduate Degree students: Twelve (12) semester or quarter credits taken concurrently throughout an entire academic term, i.e., Fall Semester, Fall Quarter, Spring Semester, or Spring or Winter Quarter;

(1) Undergraduate degree students: twelve semester or quarter credits taken concurrently throughout an entire academic term i.e., fall semester, fall quarter, spring semester or spring or winter quarter;

(2) Graduate Degree and Advanced Degree students: Given amount of credits as defined by the institution as full-time taken concurrently throughout an entire academic term, i.e., Fall Semester, Fall Quarter, Spring Semester, or Spring or Winter Quarter, unless the student is working on a dissertation, engaged in a mandatory internship required by the program, or engaged in other related required field work or studies outside of a formal didactic setting; and

(3) Sequential Class Program: Students enrolled in degree program in a U.S. Accredited Institute of Higher Learning that provides classes on a sequential instead of on a concurrent basis may be considered in fulltime status and be eligible for financial assistance on a pro rata basis depending on the number of credit hours in which the student is enrolled at a given term (i.e., Fall semester/quarter or Winter/Spring semester/ quarter).

(4) Provided, however, that no credit shall be counted toward fulltime status for a class from which the student withdraws, for a religion course (unless it is a mandatory prerequisite for a program major field of study or general education requirement), for repetition of a class for which credit has previously been counted; for audit of a class; for a class for which the student receives a grade of incomplete; for a class for which the student receives a failing grade; or for a class unrelated to a declared field of study and not included in the student's individualized degree plan (IDP).

(5) Provided further that, in the event a student does not meet the requirement of full-time status because of withdrawal from a class or because of receiving a grade of incomplete or failing grade, the student shall immediately cure the credit deficiency the following semester by taking and completing sufficient credits to constitute fulltime status plus credits sufficient to make up the credit deficiency during the previous Fall or Spring semester/quarter. A repeat course is in addition to a fulltime status and not counted toward fulltime status.

(f) "Cumulative Grade Point Average" ("GPA") means the cumulative grade point average at the student's Institute of Record as determined by the student's Institute of Record; and, if the student has not yet attended the student's Institute of Record, then the cumulative grade point average at the U.S. Accredited Institution of Higher

Education/Learning last and most recently attended by the student as determined by that institution; and, if the student has not yet attended a U.S. Accredited Institution of Higher Education/Learning, then the cumulative grade point average at the high school from which the student graduated. In other words, Cumulative Grade Point Average means the student's cumulative grade point average at the student's most recent and latest institution of learning, regardless of any grade point average previously attained in any other institute of higher learning.

(g) "Minimum Grade Point Average" means the Cumulative or Term Grade Point Average required to be attained prior to receiving Saipan Higher Education Financial Assistance and required to be attained at the end of each academic period for which Saipan Higher Education Financial Assistance has been provided. The Minimum Grade Point Average required is to meet the following:

- (1) Undergraduate students: 2.5 Cumulative GPA;
- (2) Performance-Based Scholarship students: 3.5 Term+ GPA;
- (3) Graduate and Advanced students: Pass or No Pass Grading;
- (4) Priority field of study students: 2.5 cumulative GPA; and
- (5) Loan students: 2.5 cumulative GPA

+Term refers to Fall Term and Spring Term per academic year for applicant or recipient on semester system; Fall Term, Winter Term and Spring Term for applicant or recipient on quarter system; Winter and Spring Term GPA may be combined in computing the higher of the term GPA for purposes of GPA scholarship. GPA scholarship for semester term is awarded on the fall and spring semester and fall and spring for quarter term.

(h) "Residence" means that place where that person has lived on account of birth, parental residence or established (i.e., not casual) physical dwelling on Saipan or the Northern Islands, which that person makes Saipan or the Northern Islands home by a credible and verifiable information or data.

(1) As a legitimate, established and bona fide resident, the individual and / or parent for and on whom the individual is economically dependent for financial support and is in fact claimed by either or both parent(s) as a dependent, regularly files taxes at his/her place of residence; maintains an established street and / or postal address, home telephone number and a Saipan driver's license, including but not limited to, maintaining affiliation with recognized and identifiable professional, religious or fraternal life or association at his/her place of residence and registered to vote and has in fact exercised the right to vote on Saipan or the Northern Islands.

(2) Moreover, residency as operationally applied by **SHEFA** is a place where a person's presence or residence is well established beyond mere physical presence on Saipan or the Northern Islands. It is not transitory residence in nature, in fact or in deed. A person's presence or residence is not on account of a temporary absence from his/her other established or legitimate residence elsewhere in the Commonwealth or outside of the Commonwealth, either on a short-term or long-term basis, or whose presence on Saipan or the Northern Islands is for other temporary purposes such as private or public employment, school, medical, or other temporary needs, temporary permit or guest or any other acts or intent, where a person's presence or residence on Saipan or the Northern Islands is deemed unequivocal or raises a specter of reasonable doubt and more than a casual presence, and thus makes Saipan or the Northern Islands home.

(3) Also, the person's presence or residence on Saipan or the Northern Islands is not on account of a person for and on whom he/she is economically dependent on for financial support (i.e., more than half of his/her support from parent(s)) and / or claimed as a dependent on tax filing.

(i) “Individualized Degree Plan (I.D.P.)” means a prescribed course of study by major field of study of an institution delineating the core course requirements, electives, field work and thesis or dissertation requirements which leads to a degree within a prescribed timeframe for matriculation.

## SECTION TWENTY

§ 165-20.1-225 Welcome Home; Your Expected Return to Saipan Within three months of a successful completion or thirty days of termination or non-enrollment from the institution of record, whichever event occurs first, the recipient of financial assistance from the **SHEFA** fund is required to return to Saipan for employment and/or to provide services in the private or public sector, in recognition of the need for educated citizenry and workforce on Saipan.

As of 9/14/2012

### Types of Financial Assistance for Academic Year 2011-2012

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1. **Grant-in-Aid:** This type of financial assistance is available to eligible students from Saipan pursuing post-secondary education in U.S. accredited colleges or universities. Among its requirements include for recipients to register, attend and earn 12 credits or more for fall and spring terms for undergraduates and 9 credits or more for applicants in graduate or advance programs; They must also have a cumulative grade point average of 2.5 on a 4.0 scale for undergraduates and 3.0 on a 4.0 scale for graduates and advance students.

If the recipient decides to remain and work abroad after completion or termination of his or her college studies, the grant assistance converts in to a loan in accordance with the provisions in the memorandum of agreement signed between SHEFA and the award recipient. When this happens, the grant recipient must re-pay SHEFA the amount award with interest.

2. **Priority Field of Study:** The priority scholarship is not only an incentive for students to maintain a high grade point average, but is also used to guide SHEFA scholars at home and abroad to enter into a specialty area of employment that is urgently needed and in high demand on Saipan. Freshman’s and sophomores are not eligible for this award. Though the grade point average requirement is maintained at a minimum of 2.5, the priority of field study scholar must formally declare a major in accordance with the range of studies listed in the SHEFA regulations and listed below:

Listing of SHEFA priority fields: Accounting; nursing; teaching /specialized special education/early childhood ed./library science/counseling/bilingual ed.; business management and administration; hospitality & information technology, anthropology/sociology for teaching; biology (science) for teaching; criminal justice leading to forensic science; lab technology; psychology other than leading to counseling; human resources development/personal management; social worker; mathematics for teaching; engineering/architect (A&E); medical and allied files, including psychiatry; environmental studies/conservation (e.g., natural resources, volcanology, marine biology, fish & wildlife, meteorology & archeology); and computer graphics, including technical or specialized trades such as journalism, management information, computer programming and other fields of study sanctioned by the Board in accordance with the Administrative Procedure Act [1 CMC §§ 9101 et seq.].

Like the grant-in-aid, the priority field of study recipient must enroll fulltime and complete within a given term a minimum course load of twelve (12) credits for undergraduates and 9 credits for graduate and advance students.

3. Performance-Base Scholarship: First time applicants cannot avail to this award. However, after their first term they are eligible to receive this award if they meet the 3.5 grade point average requirement from the previous term. Remedial courses are not authorized, irrespective of the outcome of the student's placement test in Math or English (which is allowed for freshman and sophomores on grant-in-aid and priority field of study awards). SHEFA regulations disallow students from taking remedial courses or below level course. The only exception to the rule applies to recipients in freshman and sophomore standing who are required to take remedial Math or English based on the placement test score in Math or English. SHEFA's merit scholarship is both a driving force to excel and a challenge to perform well in college among the SHEFA scholars.

*No SHEFA recipient is allowed to repeat the same course previously taken and paid for by SHEFA. No religion classes or related courses, not specifically prescribed in the student's individualized degree plan (IDP), is allowed.*

Types of Awards	On-Island and On-Line recipients	Off-Island	Required CGPA	Number of Credits Required
1. Grant-in-Aid	\$800	\$1200	2.5	12 credits for Undergraduates; Full-time as defined by the institution for eligible graduate and advance applicants
2. Priority Field of Study	\$1,000	\$1,000	2.5	Same as above
3. Merit Incentive Award (first time applicants are not eligible and CGPA will not apply to remedial courses or non-development units taken within that term)	\$1,000	\$1,500	3.5	Same as above

*All three types of assistance are awarded twice a year. One award is during the fall term and the other is during the spring term.*

<b>ANNUAL AWARD AMOUNT PER TERM</b>							
<b><u>ON-ISLAND</u></b>				<b><u>OFF-ISLAND</u></b>			
<b><u>TERM</u></b>	<b><u>GIA</u></b>	<b><u>FOS</u></b>	<b><u>MIA</u></b>	<b><u>TERM</u></b>	<b><u>GIA</u></b>	<b><u>FOS</u></b>	<b><u>MIA</u></b>
2004 FALL	\$ 600	\$ 1,500	\$ 2,000	2004 FALL	\$ 1,000	\$ 1,500	\$ 2,000
2005 SPRING	\$ 600	\$ 1,500	\$ 2,000	2005 SPRING	\$ 1,000	\$ 1,500	\$ 2,000
2005 FALL	\$ 600	\$ 1,500	\$ 2,000	2005 FALL	\$ 1,000	\$ 1,500	\$ 2,000
2006 SPRING	\$ 600	\$ 1,500	\$ 2,000	2006 SPRING	\$ 1,000	\$ 1,500	\$ 2,000
2006 FALL	\$ 600	\$ 1,500	\$ 2,000	2006 FALL	\$ 1,000	\$ 1,500	\$ 2,000
2007 SPRING	\$ 600	\$ 1,500	\$ 2,000	2007 SPRING	\$ 1,000	\$ 1,500	\$ 2,000
2007 FALL	\$ 600	\$ 1,500	\$ 2,000	2007 FALL	\$ 1,000	\$ 1,500	\$ 2,000
2008 SPRING	\$ 600	\$ 1,500	\$ 2,000	2008 SPRING	\$ 1,000	\$ 1,500	\$ 2,000
2008 FALL	\$ 1,200	\$ 1,500	\$ 2,000	2008 FALL	\$ 2,000	\$ 1,500	\$ 2,000
2009 SPRING	\$ 1,200	\$ 1,500	\$ 2,000	2009 SPRING	\$ 2,000	\$ 1,500	\$ 2,000
2009 FALL	\$ 1,200	\$ 1,500	\$ 2,000	2009 FALL	\$ 2,000	\$ 1,500	\$ 2,000
2010 SPRING	\$ 1,200	\$ 1,500	\$ 2,000	2010 SPRING	\$ 2,000	\$ 1,500	\$ 2,000
2010 FALL	\$ 1,200	\$ 1,500	\$ 2,000	2010 FALL	\$ 2,000	\$ 1,500	\$ 2,000
2011 SPRING	\$ 800	\$ 1,000	\$ 1,000	2011 SPRING	\$ 1,200	\$ 1,000	\$ 1,500
2011 FALL	\$ 800	\$ 1,000	\$ 1,000	2011 FALL	\$ 1,200	\$ 1,000	\$ 1,500
2012 SPRING	\$ 800	\$ 1,000	\$ 1,000	2012 SPRING	\$ 1,200	\$ 1,000	\$ 1,500
2012 FALL	\$ 800	\$ 1,000	\$ 1,000	2012 FALL	\$ 1,200	\$ 1,000	\$ 1,500
2013 SPRING	\$ 800	\$ 1,000	\$ 1,000	2013 SPRING	\$ 1,200	\$ 1,000	\$ 1,500

**TYPES OF AWARDS**

1. GIA-Grant-In Aid
2. FOS-Field of Study
3. Merit Incentive Award

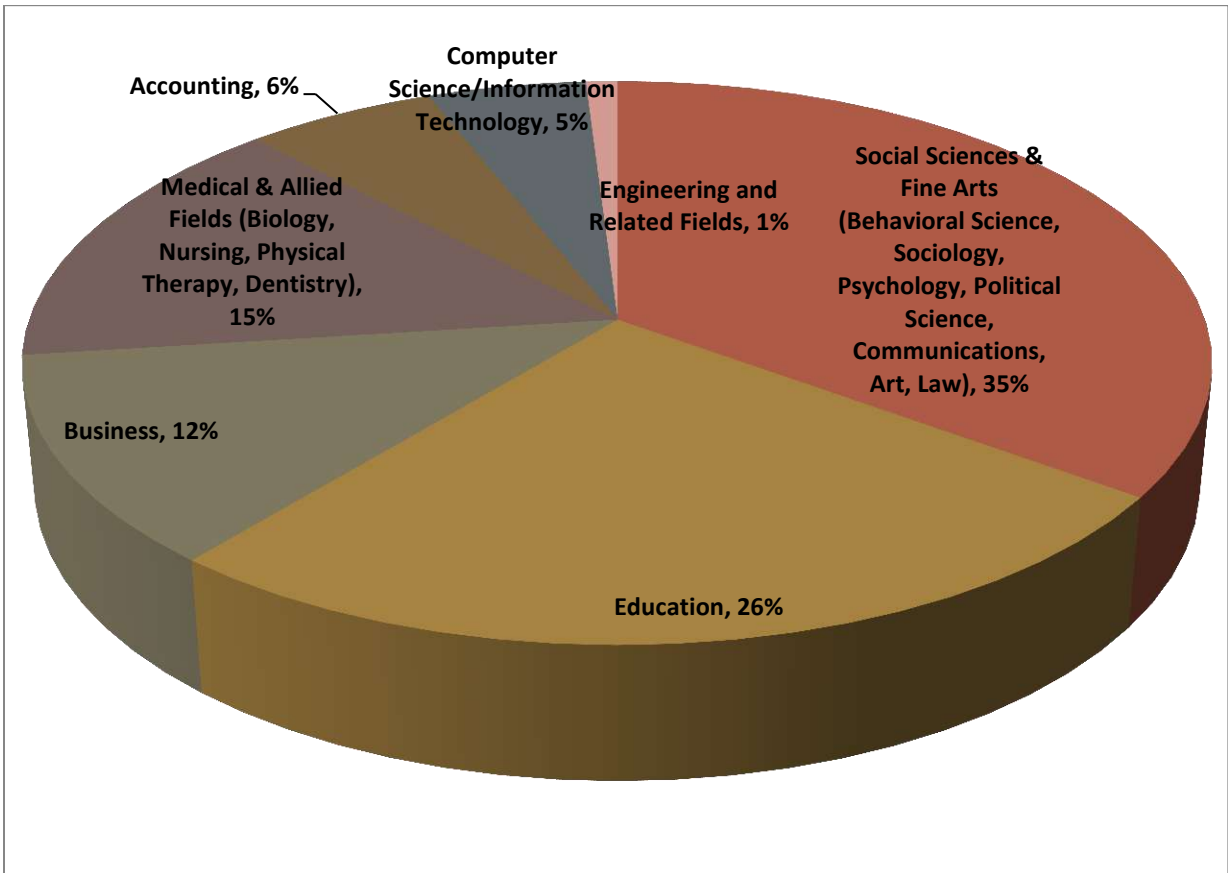
## Snapshot of Student Profile

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Top areas chosen by SHEFA applicants:

<b><u>Majors/Field of Study</u></b>	<b><u>Percentage</u></b>
Social Sciences & Fine Arts (Behavioral Science, Sociology, Psychology, Political Science, Communications, Art, Law)	35%
Education	26%
Business	12%
Medical & Allied Fields (Biology, Nursing, Physical Therapy, Dentistry)	15%

Accounting	6%
Computer Science/Information Technology	5%
Engineering and Related Fields	1%
Total:	100%



1. Top five colleges/universities being attended by SHEFA applicants:

- Northern Marianas College
- University of Guam/Guam Community College
- Chaminade University
- Portland Community College
- Boise State University

2. Top five common application deficiencies:

- Incomplete application packages or not supporting document deadlines
- Repeated courses originally paid for by SHEFA
- Less than full-time credits
- Failed to meet or maintain required 2.5 cumulative grade point average (CGPA) for undergraduates or 3.0 cumulative grade point average for graduate or professional applicants
- Duration of award has been maximized



3. Scholarship Employment Profile:

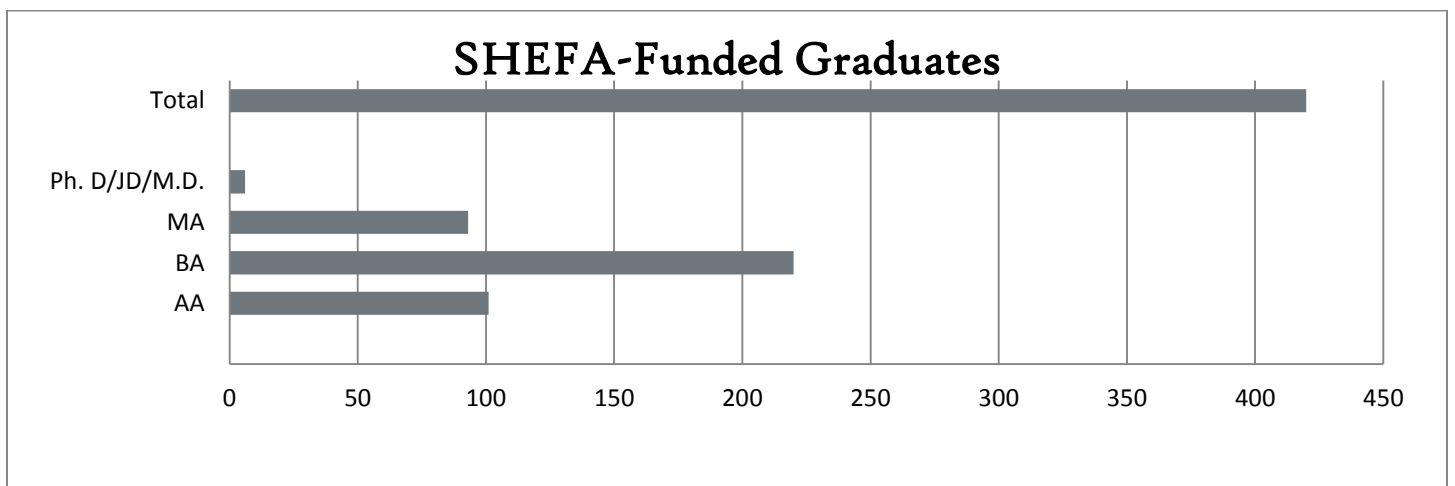
- Local Government
- CNMI Public School System (PSS)
- Northern Marianas College (NMC)
- Commonwealth Health Corporation/Department of Public Health (CHC/DPH)
- Private Sector

## Completion by Degree

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2005-2010 SHEFA-Funded Graduates  
As of August 18, 2010

Type of Degree	No. of Graduates
AA	101
BA	220
MA	93
Ph.D./JD/M.D	6
<b>Total:</b>	<b>420</b>



## 2004-2012 Application Status

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Fall 2004: 222 Applicants

Status	Denied	Approved
On-Island	34	94
Off-Island		94
<b>Sub-Total:</b>		<b>188</b>

Spring 2005: 320 Applicants

Status	Denied	Approved
On-Island	60	127
Off-Island		133
<b>Sub-Total:</b>		<b>260</b>

Fall 2005: 605 Applicants

Status	Denied	Approved
On-Island	122	232
Off-Island		251
<b>Sub-Total:</b>		<b>483</b>

Spring 2006: 647 Applicants

Status	Denied	Approved
On-Island	141	249
Off-Island		257
<b>Sub-Total:</b>		<b>506</b>

Fall 2006: 600 Applicants

Status	Denied	Approved
On-Island	136	236
Off-Island		228
<b>Sub-Total:</b>		<b>464</b>

Spring 2007: 517 Applicants

Status	Denied	Approved
On-Island	83	219
Off-Island		215
<b>Sub-Total:</b>		<b>434</b>

Fall 2007: 596 Applicants

Status	Denied	Approved
On-Island	125	231
Off-Island		240
<b>Sub-Total:</b>		<b>471</b>

Spring 2008: 568 Applicants

Status	Denied	Approved
On-Island	149	204
Off-Island		215
<b>Sub-Total:</b>		<b>419</b>

Fall 2008: 598 Applicants

Status	Denied	Approved
On-Island	131	225
Off-Island		242
<b>Sub-Total:</b>		<b>467</b>

Spring 2009: 542 Applicants

Status	Denied	Approved
On-Island	137	180
Off-Island		225
<b>Sub-Total:</b>		<b>405</b>

Fall 2009: 837 Applicants

Status	Denied	Approved
On-Island	217	325
Off-Island		295
<b>Sub-Total:</b>		<b>620</b>

Spring 2010: Applicants

Status	Denied	Approved
On-Island	201	247
Off-Island		259
<b>Sub-Total:</b>		<b>506</b>

Fall 2010: 776 Applicants

Status	Denied	Approved
On-Island	253	301
Off-Island		222
<b>Sub-Total:</b>		<b>523</b>

Spring 2011: 734 Applicants

Status	Denied	Approved
Both	242	<b>492</b>

Fall 2011 Awards

Place of Study	No. of Applications	Approved	Denied
*On and Off-Island	666	510	156

<u>Academic Level</u>	<u>No. of Recipients Awarded</u>
Freshman recipients:	143
Sophomore recipients:	134
Junior recipients:	102
Senior recipients:	110
Graduate recipients:	19
Advance recipients:	2

Spring 2012 Awards

Place of Study	No. of Applications	Approved	Denied
*On and Off-Island	527	393	134

<u>Academic Level</u>	<u>No. of Recipients Awarded</u>
Freshman recipients:	93
Sophomore recipients:	110
Junior recipients:	86
Senior recipients:	88
Graduate recipients:	12
Advance recipients:	4

## 2011-2012 Awards by Term & Program

<b>1. Freshman</b>	<b>Grant In Aid</b>	<b>Priority Field of Study</b>	<b>Performance–Base Scholarship</b>	<b>Total per term</b>
Fall 2012 Term	\$ 234,500.00		\$ 39,500.00	\$ 274,000.00
Spring 2012 Term	\$ 86,800.00		\$ 28,500.00	\$ 115,300.00
Fall 2011 Term	\$ 134,000.00		\$ 1,500.00	\$ 135,500.00
<b>2. Sophomore</b>	<b>Grant In Aid</b>	<b>Priority Field of Study</b>	<b>Performance–Base Scholarship</b>	<b>Total per term</b>
Fall 2012 Term	\$ 81,200.00		\$ 35,000.00	\$ 116,200.00
Spring 2012 Term	\$ 100,400.00		\$ 40,000.00	\$ 140,400.00
Fall 2011 Term	\$ 126,800.00		\$ 42,000.00	\$ 168,800.00
<b>3. Junior</b>	<b>Grant In Aid</b>	<b>Priority Field of Study</b>	<b>Performance–Base Scholarship</b>	<b>Total per term</b>
Fall 2012 Term	\$ 90,000.00	\$ 81,000.00	\$ 44,000.00	\$ 215,000.00
Spring 2012 Term	\$ 86,800.00	\$ 43,000.00	\$ 44,500.00	\$ 174,300.00
Fall 2011 Term	\$ 104,400.00	\$ 37,000.00	\$ 56,500.00	\$ 197,900.00
<b>4. Senior</b>	<b>Grant In Aid</b>	<b>Priority Field of Study</b>	<b>Performance–Base Scholarship</b>	<b>Total per term</b>
Fall 2012 Term	\$ 59,200.00	\$ 55,000.00	\$ 40,500.00	\$ 154,700.00
Spring 2012 Term	\$ 88,000.00	\$ 86,000.00	\$ 56,000.00	\$ 230,000.00
Fall 2011 Term	\$ 110,800.00	\$ 92,000.00	\$ 70,500.00	\$ 273,300.00
<b>5. Graduate</b>	<b>Grant In Aid</b>	<b>Priority Field of Study</b>	<b>Performance–Base Scholarship</b>	<b>Total per term</b>
Fall 2012 Term	\$ 12,400.00	\$ 9,000.00	\$ 9,000.00	\$ 30,400.00
Spring 2012 Term	\$ 12,400.00	\$ 8,000.00	\$ 12,000.00	\$ 32,400.00
Fall 2011 Term	\$ 20,000.00	\$ 16,000.00	\$ 18,500.00	\$ 54,500.00
<b>6. Advance</b>	<b>Grant In Aid</b>	<b>Priority Field of Study</b>	<b>Performance–Base Scholarship</b>	<b>Total per Term</b>
Fall 2012 Term	\$ 4,400.00	\$ 4,000.00	\$ 2,500.00	\$ 10,900.00
Spring 2012 Term	\$ 4,400.00	\$ 4,000.00	\$ 2,500.00	\$ 10,900.00
Fall 2011 Term	\$ 2,400.00	\$ 2,000.00	\$ 3,000.00	\$ 7,400.00

## Fiscal Year 2004-2012 Expenditure Report

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<b><u>Fiscal Year</u></b>	<b><u>Appropriation</u></b>	<b><u>Academic Year</u></b>	<b><u>Award Total</u></b>
2004	\$ 1,029,400.00	2003/2004	\$ 170,600.00
2005	\$ 2,400,002.00	2004/2005	\$ 1,925,900.00
2006	\$ 3,000,000.00	2005/2006	\$ 2,782,200.00
2007	\$ 2,895,984.00	2006/2007	\$ 2,302,750.00
2008	\$ 2,764,425.00	2007/2008	\$ 3,026,000.00
2009	\$ 2,762,048.18	2008/2009	\$ 3,078,050.00
2010	\$ 3,000,000.00	2009/2010	\$ 3,654,200.00
2011	\$ 3,000,000.00	2011/2012	\$ 2,810,700.00
2012	\$ 1,288,599.00	2012/2013	\$ 1,540,700.00
<b>Appropriation Total:</b>	\$ 22,140,458.18	<b>Award Total:</b>	\$ 21,291,100.00

*Table 1: Figures provided by the Department of Finance*

# SHEFA Operations & Personnel

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## Saipan Higher Education Financial Assistance FY 2012 Budget

<b>Department</b>	
<b>Activity</b>	
<b>Bus. Unit</b>	
<b>3386</b>	<b>Saipan Higher Education Financial Assistance</b>

Class Code	Object Classification	FY 2012
61090	Wages/Salaries - CSC	
61100	Wages/Salaries - Ung	\$ 38,000.00
61195	401k DC Ret. Emplr. Contr	\$ 1,520.00
61210	Health Insurance Premium	\$ 608.00
61220	Medicare Contribution	\$ 552.00
61230	Lump Sum Payment of A/L	
61260	Holiday Pay	
	<b>Total Personnel Costs</b>	<b>\$ 40,680.00</b>
	Number of FTEs            2	
62050	Official Representation	0
62060	Professional Services	0
62070	1% Auditor's Fee	
62080	Advertising	\$ 2,500.00
62100	Boards and Other Comp.	\$ 1,000.00
62250	Communications	\$ 1,800.00
62300	Printing and Photocopying	\$ 1,000.00
62440	Rental Offices	\$ 760.00
62460	Rental Office Equipment	\$ 2,000.00
62660	Repair & Maintenance	\$ 15,000.00
62710	Utilities - Power	\$ 8,000.00
63010	Books and Library Materials	\$ 1,400.00
63040	Supplies Office	\$ 2,000.00
63050	Supplies Operations	\$ 860.00
64550	Computer Systems & Equip.	\$ 10,000.00
64560	Office Equipment	\$ 10,000.00
64570	Office Furniture and Fixtures	\$ 3,000.00
	<b>Total All Others</b>	<b>\$ 59,320.00</b>
	<b>Total Personnel</b>	<b>\$ 40,680.00</b>
	<b>Total Personnel &amp; All Others</b>	<b>\$ 100,000.00</b>

*\*Former Adminstator's salary was paid directly under the Office of the Mayor. This figure only accounts for one office clerk position from October thru September 30, 2012 and the Administrator position from May 26, 2012 thru September 30, 2012.*

**SHEFA**

**Account No. 3386**

**Operations Account**

**FY 2011**

**\$100,000.00**

<u>Account</u>	<u>Sub-Account</u>	<u>Description</u>	<u>Total as of 9/19/12</u>
3386	62060	Professional Services	\$ 6,499.50
3386	62080	Advertising	\$ 600.00
3386	62100	Boards & Other Comp.	\$ 510.00
3386	62250	Communications	\$ 4,252.10
3386	62260	Dues & Subscriptions	\$ 180.00
3386	62300	Printing and Photocopying	\$ 2,450.00
3386	62440	Rental Office	\$ 300.00
3386	62660	Repair & Maintenance	\$ 7,866.30
3386	63040	Office Supplies	\$ 3,946.07
3386	63050	Operations Supplies	\$ 65.00
3386	63120	Computer Equipment	\$ 4,930.86
3386	64570	Office Furniture & Fixtures	\$ 235.00
<b>Total for Operations:</b>			<b>\$ 31,834.83</b>

**FY 2010**

<u>Account</u>	<u>Sub-Account</u>	<u>Description</u>	<u>Total as of 9/19/12</u>
3386	62060	Professional Services	\$ 81,996.00
3386	62100	Boards & Other Comp.	\$ 90.00
3386	62250	Communications	\$ 3,667.66
3386	62260	Dues & Subscriptions	\$ 180.00
3386	62300	Printing and Photocopying	\$ 1,100.00
3386	62440	Rental Office	\$ 1,200.00
3386	62480	Rental Others (Hyatt Conference Room)	\$ 182.00
3386	62500	Travel (SPN/GU/SPN)	\$ 480.00
3386	62660	Repair & Maintenance	\$ 3,519.80
3386	63050	Operations Supplies	\$ 638.90
3386	63120	Computer/Office Equipment	\$ 408.50
3386	64570	Office Furniture & Fixtures	\$ 1,944.00
<b>Total for Operations:</b>			<b>\$ 95,406.86</b>

**FY 2009**

<u>Account</u>	<u>Sub-Account</u>	<u>Description</u>	<u>Total as of 9/19/12</u>
3386	62060	Professional Services	\$ 29,449.99
3386	62100	Boards & Other Comp.	\$ 570.00
3386	62250	Communications	\$ 5,855.86
3386	62260	Dues & Subscriptions	\$ 492.00
3386	62300	Printing and Photocopying	\$ 630.00
3386	62500	Travel (SPN/TIQ/SPN)	\$ 228.00

3386	62660	Repair & Maintenance	\$ 269.94
3386	62690	Personnel Training Cost	\$ 400.00
3386	62750	Cleaning Services	\$ 700.00
3386	63010	Books & Library Materials	\$ 525.00
3386	63040	Office Supplies	\$ 4,295.80
3386	63050	Operations Supplies	\$ 535.00
3386	63120	Computer/Office Equipment	\$ 896.00
3386	64570	Office Furniture & Fixtures	\$ 209.00
<b>Total for Operations:</b>			<b>\$ 45,056.59</b>

**FY 2008**

<u>Account</u>	<u>Sub-Account</u>	<u>Description</u>	<u>Total as of 9/19/12</u>
3386	62060	Professional Services	\$ 79,049.96
3386	62080	Advertising	\$ 194.00
3386	62100	Board & Other Comp.	\$ 1,040.00
3386	62250	Communications	\$ 10,010.00
3386	62260	Dues & Subscriptions	\$ 180.00
3386	62300	Printing & Photocopying	\$ 1,675.00
3386	62660	Repair & Maintenance	\$ 388.42
3386	62750	Cleaning Services	\$ 895.00
3386	63040	Office Supplies	\$ 2,251.07
3386	63050	Operations Supplies	\$ 646.00
3386	64570	Office Furniture & Fixtures	\$ 440.00
<b>Total for Operations:</b>			<b>\$ 96,769.45</b>

**FY 2007**

<u>Account</u>	<u>Sub-Account</u>	<u>Description</u>	<u>Total as of 9/19/12</u>
3386	62060	Professional Services	\$ 56,799.96
3386	62080	Advertising	\$ 352.00
3386	62100	Board & Other Comp.	\$ 780.00
3386	62250	Communications	\$ 3,725.00
3386	62260	Dues & Subscriptions	\$ 962.00
3386	62300	Printing & Photocopying	\$ 1,590.00
3386	62440	Office Rental	\$ 600.00
3386	62660	Repair & Maintenance	\$ 180.00
3386	62690	Personnel Training Cost	\$ 60.00
3386	62750	Cleaning Services	\$ 720.00
3386	63040	Office Supplies	\$ 763.17
3386	63050	Operations Supplies	\$ 5,274.05
3386	64570	Office Furniture & Fixtures	\$ 199.00
<b>Total for Operations:</b>			<b>\$ 72,005.18</b>

**FY 2006**

<u>Account</u>	<u>Sub-Account</u>	<u>Description</u>	<u>Total as of 9/19/12</u>
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3386	62060	Professional Services	\$ 115,249.98
3386	62080	Advertising	\$ 1,350.00
3386	62100	Board & Other Comp.	\$ 2,460.00
3386	62250	Communications	\$ 7,536.33
3386	62260	Dues & Subscriptions	\$ 440.00
3386	62300	Printing & Photocopying	\$ 8,340.00
3386	62660	Repair & Maintenance	\$ 2,525.00
3386	63040	Office Supplies	\$ 775.56
3386	63050	Operations Supplies	\$ 3,466.43
3386	64560	Office Equipment	\$ 99.50
<b>Total for Operations:</b>			<b>\$ 142,242.80</b>

**FY 2005**

<u>Account</u>	<u>Sub-Account</u>	<u>Description</u>	<u>Total as of 9/19/12</u>
3386	61100	Wages/Salaries-Ung	\$ 8,538.25
3386	61190	Retirement Contr. DB Plan	\$ 2,219.94
3386	61220	Medicare Contr.	\$ 134.12
3386	61260	Holiday Pay	\$ 711.51
3386	62060	Professional Services	\$ 33,511.67
3386	62080	Advertising	\$ 2,513.75
3386	62100	Boards & Other Comp.	\$ 360.00
3386	62250	Communications	\$ 3,850.30
3386	62300	Printing & Photocopying	\$ 1,569.80
3386	62440	Office Rental	\$ 300.00
3386	62480	Rental Others	\$ 90.00
3386	62660	Repair & Maintenance	\$ 3,224.98
3386	63020	Food Items	\$ 2,850.00
3386	63040	Office Supplies	\$ 2,258.54
3386	63050	Operations Supplies	\$ 3,966.89
3386	64550	Computer Systems & Equipment	\$ 3,798.00
3386	64560	Office Equipment	\$ 4,193.95
3386	64570	Office Furniture & Fixtures	\$ 6,259.99
<b>Total for Operations:</b>			<b>\$ 80,351.69</b>

## Loan Collections/Repayment

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Within three months of successful completion or thirty days of termination or non-enrollment from the institution of record, whichever event occurs first, the recipient of financial assistance from the SHEFA fund is required to return to Saipan for employment and/or to provide services in the private or public section, in recognition of the need for educated citizenry and workforce on Saipan. If a former recipient decides to remain and work abroad three months after completion or termination of his or her college studies, the grant assistance converts into a loan in accordance with the provisions in the memorandum of agreement signed between SHEFA and the award recipient. When this happens, the grant recipient must re-pay SHEFA the amount awarded with interest.

<b>Year</b>	<b>Business Unit</b>	<b>Sub-Acct.</b>	<b>Description</b>	<b>Amount</b>
<b>2004</b>	3359	45541	Scholarship Loan Payment	\$ -
<b>2005</b>	3359	45541	Scholarship Loan Payment	\$ -
<b>2006</b>	3359	45541	Scholarship Loan Payment	\$ 553.84
<b>2007</b>	3359	45541	Scholarship Loan Payment	\$ 3,525.71
<b>2008</b>	3359	45541	Scholarship Loan Payment	\$ 2,538.80
<b>2009</b>	3359	45541	Scholarship Loan Payment	\$ 2,325.71
<b>2010</b>	3359	45541	Scholarship Loan Payment	\$ 2,000.04
<b>2011</b>	3359	45541	Scholarship Loan Payment	\$ 5,745.37
<b>2012</b>	3359	45541	Scholarship Loan Payment	\$ 666.68
			<b>Total to date:</b>	<b>\$ 17,356.15</b>

# Memorandum of Agreement

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**SAIPAN HIGH EDUCATION FINANCIAL ASSISTANCE PROGRAM  
(SHEFA)  
MUNICIPALITY OF SAIPAN, OFFICE OF THE MAYOR  
PMB 3648, P.O. BOX 10001, SAIPAN, MP 96950**

**THIS PROMISSORY NOTE/ MEMORANDUM OF AGREEMENT** made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by and between the Board of SHEFA for the Municipality of Saipan within the Office of the Mayor of Saipan and \_\_\_\_\_, and/or with his/her parent, \_\_\_\_\_, if below 18 years, hereinafter referred to as the “Debtor” at address: \_\_\_\_\_ (permanent & current postal address) residing in \_\_\_\_\_(village) of SAIPAN.

**WITNESSETH**

**WHEREAS**, Saipan Local Law (SLL) 13-21 established the Saipan Higher Education Financial Assistance within the Office of the Mayor of Saipan to be governed by the Saipan Higher Education Financial Assistance Board (SHEFA);

**WHEREAS**, the SHEFA Board, in administering the SHEFA fund, will enter into a legally binding and enforceable Promissory Note / Memorandum of Agreement with a qualified and eligible resident of Saipan together with a parent, if recipient of SHEFA financial assistance is below 18 years, prior to the disbursement of any SHEFA fund. In entering into a mutually binding promissory note / memorandum of understanding, the SHEFA board becomes the “Lender” of record for SHEFA fund and the recipient of SHEFA financial assistance together with the parent, if recipient is below 18 years, become severally and collectively the “Debtor” of any and all type and amount of SHEFA financial assistance received and acknowledged herein pursuant to Section Eight (8) of the SHEFA rules and regulations including: 1. Grant in-  
Aid 2. Scholarship and 3. Loan

**WHEREAS**, the Saipan Higher Education Financial Assistance (SHEFA) is established as a supplementary financial assistance to eligible residents of the Municipality of Saipan, inclusive of the Northern Islands who desire to pursue post-secondary education at a U.S. accredited institution of higher learning on Saipan or abroad on the condition that a recipient of SHEFA fund shall return to Saipan pursuant to SHEFA rules and regulations for purposes of employment, and to provide services to the private or public sector or both, in recognition of the need for educated citizenry and workforce on Saipan.

**NOW, THEREFORE**, in consideration of SHEFA financial assistance including grant-in-aid, scholarship and loan which recipient / debtor received and acknowledged by signing this promissory note / memorandum of understanding between the Debtor AND the Lender, the Debtor agrees, covenants and represents as follows:

1. The Debtor is admitted to or enrolled in \_\_\_\_\_ (name of institution), a U.S. accredited post-secondary institution of higher learning in pursuit of a degree in \_\_\_\_\_ (specify type of degree or certificate, e.g., A.A., B.A., M.A., PH.D., J.D. M.D., etc. and field of study).

2. The Debtor shall utilize all financial assistance for educational expenses directly related or incidental to attendance and continued attendance at said an institution of record and shall take full-time load of credits at least a minimum of 12 credits for undergraduate; 9 credits for graduate; and 9 credits for advanced standing and maintains the minimum or higher grade point average (GPA) in accordance with the SHEFA Rules and Regulations.

3. The Debtor shall complete the required credits at each academic term for the financial assistance received (mark one):

- i. Undergraduate Full-Time: Twelve (12) or more credits

- ii. Graduate Full-Time: Nine (9) or more credits
- iii. Advanced Full-Time: Nine (9) or more credits

4. The Debtor shall maintain at the end of each academic term the required cumulative grade point average and term grade point average as it applies below by marking the appropriate category:

- i. Undergraduate: 2.5 Cumulative GPA Full-Time Twelve (12) or more credits
- ii. Performance-Based 3.5 Term \*\*GPA Full-Time Scholarship Twelve (12) or more credits

\*\* Term refers to Fall Term and Spring Term per academic year for applicant or recipient on semester system; Fall Term, Winter Term and Spring Term for applicant or recipient on quarter system; Winter and Spring Term GPA may be combined in computing the higher of the term GPA for purposes of GPA scholarship. GPA scholarship for semester term is awarded on the fall and spring semester and fall and spring for quarter term.

- iii. Graduate: 3.0 Cumulative GPA Full-Time Nine (9) or more credits
- iv. Advanced: 3.0 Cumulative GPA Full-Time Nine (9) or more credits
- v. Priority Field of Study: 2.5 Cumulative GPA
- vi. Loan Applicant / Recipient: 2.5 Cumulative GPA

5. The Debtor shall submit a copy of his/her official grade report / transcript promptly after the conclusion of each academic term directly from the institution to the SHEFA Office. The grade report submittal will determine the eligibility for continued assistance on every subsequent term. At the end of each academic year, however, an official transcript must be sent directly from the school to the SHEFA office. Within ninety (90) days upon matriculation from the institution of record, the Debtor shall submit a copy of his/her college degree and proof of employment on Saipan or the Northern Islands. The Debtor also fully understands and agrees to his / her legal obligations pursuant to the explicit and implicit terms and conditions set forth in this promissory note / memorandum of agreement.

6. The Debtor understands, acknowledges and accepts the following maximum duration of eligibility for financial assistance from the SHEFA fund:

- 2 Academic Years - Associate Degree
- 4 Academic Years - Bachelors' Degree\*
- 2 Academic Years - Graduate Degree
- 3 Academic Years - Advanced Degree\*\*

\* *maximum of five (5) academic years for specialized majors and / or specialized certification by the institution of higher education of record.*

\*\* *maximum of four(4) three (3) academic years not including summer, with a provision for up to three (3) additional academic years for dissertation writing, dissertation defense, and internship requirements or medical degree training requirement, or specialized J.D. training requirement and up to two (2) years for Jurisprudence work or related residency, internship or related training requirements.*

7. The Debtor hereby declares that he/she is not pursuing an academic program that leads to a religious studies degree, and shall not take religion courses not specifically prescribed in the Individualized Degree Plan (IDP).

8. The Debtor shall agree to return to Saipan within three (3) months after the completion of his/her degree plan or termination of or non-enrollment from the institution of record, and provide services by working on Saipan for any employer—whether in the private or public sector or both. The Debtor further agrees to perform services in the private or public sector or both on Saipan for a period equal to the period for which the Debtor received financial assistance under Section 8(1)(2) of these rules and regulations from the Lender. The Debtor agrees to pay back twenty-five (25%) of the total

amount of loan received under Section 8(3) of these rules and regulations and a minimum of three (3) years of service to either the private or public sector or both on Saipan. If the recipient of SHEFA financial assistance does not return back to Saipan after completion of his/her studies, or non-enrollment from school or termination from the institution of record, he / she must repay the entire debt back on all SHEFA funds received under Section 8(1)(2)(3) of these rules and regulations with interest in accordance with this Promissory Note / Memorandum of Agreement. The Debtor understand and hereby agree that failure to comply with any part of sections 1-8 of this Promissory Note / Memorandum of Agreement and the SHEFA rules and regulations will constitute a material breach of the promissory note / memorandum of agreement and a default, and will require the Debtor to pay the entire award received. If such a default occurs, the Debtor must repay their entire debt to the Lender with equal monthly payments within (6) years of the default. The Debtor may repay according to any of the following repayment options as shown below.

Total Debt for repayment	Per Month 12 months	Per Month 24 months	Per Month 36 months	Per Month 48 months	Per Month 60 months	Per Month 72 months
\$1,000 - \$4,999	\$84 - \$417	\$42 - \$209	\$28 - \$139	\$121 - \$104	\$17 - \$84	\$14 - \$70
\$5,000 - \$9,999	\$417 - \$834	\$209 - \$417	\$139 - \$278	\$104 - \$209	\$84 - \$167	\$70 - \$139
\$10,000 - \$14,999	\$834 - \$1,250	\$417 - \$625	\$278 - \$417	\$209 - \$313	\$167 - \$250	\$139 - \$209
\$15,000 - \$19,999	\$1,250 - \$1,667	\$625 - \$834	\$417 - \$556	\$313 - \$417	\$250 - \$334	\$209 - \$278
\$20,000 - \$24,999	\$1,667 - \$2,084	\$834 - \$1,042	\$556 - \$694	\$417 - \$521	\$334 - \$417	\$278 - \$348
\$25,000 - \$29,999	\$2,084 - \$2,500	\$1,042 - \$1,250	\$694 - \$834	\$521 - \$625	\$417 - \$500	\$348 - \$417
\$30,000 - \$34,999	\$2,500 - \$2,917	\$1,250 - \$1,459	\$834 - \$973	\$625 - \$730	\$500 - \$584	\$417 - \$487
\$35,000 - \$40,999	\$2,917 - \$3,334	\$1,459 - \$1,667	\$973 - \$1,111	\$730 - \$834	\$584 - \$667	\$487 - \$556

9. The Debtor must inform the Lender of which repayment schedule he or she has accepted within thirty (30) days of the default. If the Debtor does not select a repayment schedule within thirty (30) days, the Debtor will be deemed to have selected the “Per Month 72 Months” repayment schedule listed above. The Debtor(s)’s first monthly payment shall be due on the first of the month following the default, but at least thirty (30) days after the default. All subsequent payments will be due on the first of each following month until the Debtor repay the entire debt to the Lender. Note: The Debtor may pay the balance in full at any time within the schedule plan.

10. If the Debtor fails to pay any monthly payment, or of any part of any monthly payment, (“Payment Default”) then the whole principal sum shall become immediately due and payable at the option of the Lender, without notice, and interest shall accrue at the rate of five percent (5%) per annum on the total amount outstanding. Interest shall accrue until Debtor fully cures the Payment Default by paying all past due monthly payments and all accrued interest. Payments received shall be applied first to the accrued interest and then the balance thereof to the principal.

11. Military Deferral. The time for the Debtor to comply with the requirements of Section 8, above, shall be extended upon request if the Debtor enlist in the armed forces of the United States of America. Specifically, the Debtor’s obligation to comply with the requirements of Section 8 shall be deferred, upon request, until the Debtor’s service in the armed forces ends. The Debtor may take advantage of this deferral for a maximum of three years after the termination or completion of his/her degree plan or non-enrollment from an institution of higher education of record. Once the Debtor’s service in the armed forces ends or three years passes from the termination or completion of his/her degree plan or non-enrollment from institution of higher education of record, whichever event occurs first, the Debtor shall have to comply with the requirements of Section 8. All deferrals granted under this section are not valid unless approved in writing by SHEFA. The Debtor must renew his or her deferral annually.

12. In the event of commencement of suit to enforce payment of this Promissory Note / Memorandum of Agreement, the undersigned agree(s) to pay to the Lender for attorney’s fees as the Court in the Commonwealth of the Northern Mariana Islands may deem reasonable.

13. The recipient of SHEFA financial assistance together with the parent, if applicant is below 18 years, fully understands and agrees that compliance with the provisions in this Promissory Note /

Memorandum of Agreement and all provisions of the SHEFA rules and regulations shall constitute a condition for any and all financial assistance herein by SHEFA as hereby acknowledged and attested to by both the recipient and parent, if recipient is below 18 years. Moreover, this agreement shall authorize SHEFA to request and obtain any and all necessary information from other agencies related to the application for financial assistance, and shall further authorize the SHEFA Office to provide essential information and data such as resume, diploma or degree, name and contact mailing or e-mail addresses to potential employer(s) on Saipan, including posting such information and data on SHEFA's website or its affiliate on Saipan.

14. The parties agree that the courts of the Commonwealth of the Northern Mariana Islands (Superior Court and Supreme Court) shall have exclusive jurisdiction over any Action involving this Promissory Note/Memorandum of Agreement. This Agreement shall be interpreted using the laws of the Commonwealth of the Northern Mariana Islands.

**IN WITNESS WHEREOF**, the recipient (Debtor) and / or parent, if recipient is below 18 years, have hereunto set his / her or their hand(s) on the date first above written.

\_\_\_\_\_  
Print Recipient Name / Signature Date

\_\_\_\_\_  
Print Parent Name / Signature Date

(If Recipient is below 18 yrs.)

**NOTARY PUBLIC:**

On this \_\_\_\_ day \_\_\_\_\_ of 20\_\_\_\_, before me appeared \_\_\_\_\_ and \_\_\_\_\_ (recipient parent, if recipient is below 18 years), who executed the agreement contained herein, and duly acknowledge to me that he/she and parent, if recipient is below 18 years, executed the same freely and voluntarily for the uses and purposes therein mentioned.

\_\_\_\_\_  
My Commission expires: \_\_\_\_\_  
Notary Public (Print & Sign)

For SHEFA:

\_\_\_\_\_  
Chairman, Board of SHEFA

\_\_\_\_\_  
Date

For the Municipality of Saipan:

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
Date

# NEW SHEFA APPLICATION/GUIDELINES



OFFICE OF THE MAYOR  
MUNICIPALITY OF SAIPAN  
**Saipan Higher Education Financial Assistance**

P.O. Box 10001 PMB 3648, Saipan, MP 96950  
 Telephone No: (670)233-5995, Fax No: (670)233-5996  
 Email: [contact@saipanshefa.net](mailto:contact@saipanshefa.net)  
 Website: [www.saipanshefa.net](http://www.saipanshefa.net)  
 Facebook Search: Saipan Higher Education Financial Assistance

## APPLICATION

Applicant Status: New  Ongoing  Returning (if it's been over a year since you last applied or rec'd assistance)   
 Term applying for: Fall  Spring   
 Specify College Level: Freshman  Sophomore  Junior  Senior  Graduate  Advance

### Instructions:

1. Please print clearly. Turn in completed application to the SHEFA office. If the form is incomplete, inaccurate, or not signed, it will not be considered.
2. Deadline for fall term applications is July 1<sup>st</sup> and for spring term is December 1<sup>st</sup>.
3. You will be notified by email and/or standard mail regarding the status of your application, required supporting documents, etc.
4. Application and MOA must be submitted by application deadline. Supporting documents **MUST** be submitted **TOGETHER** before September 30<sup>th</sup> for fall term and February 28<sup>th</sup> for spring term. Only complete applications will be reviewed.

Part A. Student Personal Information							
1. Last Name		First Name		Middle Name		Social Security No.:	
Mailing Address:			Contact No.:	Email Address:	Gender: Male or Female		
			Date of Birth:	Place of Birth:	Citizenship: US ( ) Other ( ) Specify:		
Permanent Saipan Resident: Yes ( ) No ( )	Have you been residing in Saipan continuously for one year before application date? Yes ( ) No ( )	Village Residing:	Valid SPN Municipal ID #:	Voter's Registration No. (all eligible CNMI residents must register to vote):	Ethnicity: Chamorro ( ) Carolinian ( ) Other ( )		





**Minimum Required Cumulative Grade Point Average:** 1. Undergraduate= 2.5; 2. Graduate= 3.0; Advanced= 3.0

For other SHEFA requirements refer to the SHEFA rules and regulations, directive(s) and applicable provision(s) of law which are posted in the SHEFA website at [www.saipanshefa.net](http://www.saipanshefa.net). It is the responsibility of SHEFA applicants and recipients to be cognizant of all SHEFA requirements.

1. **Letter of Admission (initial entry or transfer student).** Deadline is July 1<sup>st</sup> for Fall Term and December 1<sup>st</sup> for Spring Term. This is required for all new and previously applied SHEFA applicants, including new, on-going or previously applied applicants or recipients who transfer to or change the official institution of record entered in the signed and notarized promissory note / memorandum of agreement (MOA).
2. **Copy of United States of America Passport or Mayor's ID(updated and clear copy).** Deadline is July 1<sup>st</sup> for Fall Term and December 1<sup>st</sup> for Spring Term. This is required for all new and previously applied SHEFA applicants or recipients, on-going applicants or recipients and everyone with an expired passport.
3. **Proof of Continuing Residency (i.e., current voter registration must be submitted if you are eligible to vote in the CNMI and income tax return of at least one year filed in Saipan.** Deadline is July 1<sup>st</sup> for Fall Term and December 1<sup>st</sup> for Spring Term. This is required for all new, on-going and previously applied SHEFA applicants or recipients who are required to maintain continuing residency on Saipan. Failure to vote (for those eligible to vote) and file income taxes on Saipan would place your Saipan residency status in doubt or question.
4. **Most Recent Official & Sealed Transcript.** Deadline is July 1<sup>st</sup> for Fall Term and December 1<sup>st</sup> for Spring Term to submit an official transcript or an official receipt of request for transcript in lieu of a transcript. However, no applications will be processed without receipt of the latest and most recent official transcript no later than **September 30<sup>th</sup>** for the Fall Term and **February 28<sup>th</sup>** for the Spring Term, after which applications will be automatically denied. There is no exception to this requirement: all new, continuing or on-going and previously applied SHEFA applicants or recipients must comply. Effective fall 2007, all SHEFA applicants / recipients (undergraduate, graduate and advanced student classification) must register, enroll and complete 12 credit hours in the official institution of record.
5. **Current Class Registration & Schedule.** Must be submitted no later than **September 30<sup>th</sup>** for the Fall Term and **February 28<sup>th</sup>** for the Spring Term.
6. **To all juniors (college level) only: Individual Degree Plan (IDP) Signed & Endorsed by Program / Academic Advisor.** This is required for all new, on-going and previously applied SHEFA applicants and recipients or for any change of field of study or institution of record. Transfer students must also submit a copy of an individualized degree plan (IDP) or graduation plan which is signed and endorsed by an official program / academic advisor from the latest and most current institution of record. The latest and most current and updated IDP or graduation plan must be submitted no later than **September 30<sup>th</sup>** for the Fall Term and **February 28<sup>th</sup>** for the Spring Term. Under no circumstance will a priority award be considered without an IDP or graduation plan which is signed and endorsed by a program / academic advisor. Failure to submit a signed IDP would delay the processing and disbursement of SHEFA financial assistance and would ultimately place your SHEFA application at risk.
7. **Updated Resume.** This is required for all new and previously applied SHEFA applicants or recipients. The latest or most current and updated resume must be submitted no later than **September 30<sup>th</sup>** for the Fall Term and **February 28<sup>th</sup>** for the Spring Term.
8. **Career Assessment Profile (half-a-page to one-page statement on how your intended major relates to your career interest and plan).** The latest or most current and updated career assessment profile must be submitted no later than **September 30<sup>th</sup>** for the Fall Term and **February 28<sup>th</sup>** for the Spring Term.
9. **Proof of Vote Cast at the Last General or Mid- Term Election. Off-Island must apply for absentee ballot.** This is required for all new, on-going and previously applied SHEFA applicants or recipients.
10. **Promissory Note / Memorandum of Agreement (MOA).**







