

281—56.25(259) Exceptions to payment for services. As required by the Act and 34 CFR 361.50(c), the division shall have a method of allowing for exceptions to its rules regarding payment for services.

56.25(1) *Reasons for exceptions.* Major reasons that will be considered in determining if an exception should be granted in favor of an applicant include, but are not limited to, the following:

- a.* The need is disability-related.
- b.* The applicant has used all sources available, such as applying for and using all available loans in postsecondary training situations.
- c.* Family issues, such as dissolution of marriage, loss of income, or estrangement, render resources unavailable.
- d.* Academic performance is poor, but could reasonably be expected to return to the required threshold in one semester.
- e.* Documented evidence supports that the client is in the process of repaying a previously defaulted student loan.

56.25(2) *Prohibitions.* Pursuant to federal law, the division is subject to the following prohibitions:

- a.* The fee schedule shall not be designed in a way that effectively denies an individual a necessary service.
- b.* An absolute dollar limit on specific service categories or on the total services provided to an individual may not be established.

56.25(3) *Exception process.* A request for an exception shall originate with a counselor, who shall either develop a case note detailing the reason(s) why an exception is believed to be warranted or complete the appropriate form. The case note or form shall be presented to a supervisor for determination. The supervisor's determination shall be documented by the supervisor in a separate case note or in the designated place on the form.