

POLICY

Effective Date: November 15, 2006
Approved By: President's Council

Authority: 34 CFR 674.43(b)(2)
S.A.A.M. 85.54

Cancels:

See Also: POL-U5352.10 Writing Off Uncollectible Accounts
POL-U5352.13 Charging and Billing Fines

POL-U5352.09 COLLECTING LONG TERM STUDENT LOANS

This policy applies to the areas of the university that issue long term student loans.

Definitions:

Student Account – the record of charges, payments, and adjustments for each student including student tuition, fees, on-campus housing and certain other campus charges. Every student has a student account. Most financial aid money is directly credited to the student account. Fines, amounts charged as a penalty for a statute or rule violation, are not included in charges to the student account.

Long Term Student Loans – any student loan which will be repaid over a period of three years or more, such as Federal Perkins loans and university loans.

1. Bursar Sends Monthly Statements

The Bursar will send a monthly statement to students with long term loans outstanding.

2. Bursar Collects Past Due Long Term Loans

Collection efforts include telephone calls, mailings, special payment arrangements, litigation, and referral to collection agencies.

3. Bursar Assesses Collection Related Fees

The Bursar will assess collection related fees in accordance with the university's Fees and Rates book and Federal Student Aid regulations.

4. Bursar Places Hold on Student Accounts With Past Due Long Term Loans

An account hold will prevent a student from receiving transcripts, registering for classes, or receiving other student privileges until their account is returned to good standing.

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5. **Bursar Grants Cancellations**

The Bursar will cancel long term loans when the loan holder:

- a) Is deceased, or
- b) Is totally and permanently disabled, or
- c) Documents extreme hardship.

In addition to the above cancellation criteria, Federal Perkins loans may also be cancelled for qualifying service credit.

6. **Bursar Maintains Documentation**

The Bursar will maintain documentation of each cancelled long term loan including the reason for the cancellation.

7. **Bursar Grants Deferments of Loan Payments**

Deferments will be granted in accordance with Federal guidelines and include the loan holder's return to school, unemployment, and extreme financial hardship.

8. **Bursar Assigns Federal Perkins Loans Deemed Uncollectible**

When Perkins loans are determined to be totally uncollectible by the university, the Bursar will assign the loans to the federal government for collection.