

POLICY

Effective Date: November 15, 2006

Revised: December 13, 2014

Approved By: President Bruce Shepard

Authority: [34 CFR 674.43\(b\)\(2\)](#)

SAAM [85.54](#)

Cancels:

See Also: [POL-U5352.08](#) Collecting on Accounts and Writing Off Debts Owed to the University
[POL-U5352.02](#) Billing Students' Accounts

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, financial aid, fees, bookstore charges, on-campus housing and certain other campus charges.

Long Term Student Loans – any student loan which will be repaid over a period of three years or more and is institutionally administered (including Federal Perkins loans).

1. Vice President for Business and Financial Affairs Ensures Collection of Loans

The Vice President for Business and Financial Affairs ensures:

- a) An efficient process is maintained to collect on long term student loans, and
- b) Procedures are regularly reviewed for efficiency and statutory compliance.

The Vice President delegates the daily administration and oversight of the policy and procedures to the Director of Financial Services.

2. Student Business Office (SBO) Provides Monthly Statements

The SBO will provide monthly statements to borrowers with an outstanding balance.

3. SBO Notifies Borrowers of Accounts Past Due

The SBO will send a borrower a first overdue notice within 15 days after the due date for a payment if the University has not received:

POLICY

- a) Payment of full installment,
- b) A request for deferment or forbearance, or
- c) A request for cancellation.

Subsequent overdue notices, reporting to credit bureau and referral to collection agency are provided in accordance with federal loan regulations.

4. Assistance Provided to Students and Families Experiencing Hardship

In situations of significant hardship (i.e. major illness, student death), the Dean of Students' [Office of Student Life](#) may be contacted for assistance and support.

5. SBO Assesses Collection Related Fees

Related collection fees will be assessed in accordance with the University's published [Fees and Rates](#) and federal loan regulations. SBO notifies each borrower of applicable collection charges.

6. SBO Places Hold on Student Account When Loan Payments are Past Due

A hold will be placed on a student account when the loan payment is over 30 days past due. An account hold may prevent a student from receiving transcripts, registering for classes, and receiving other student privileges until their account is returned to good standing.

7. Past Due Accounts Referred to Third Party Collection Agency will be Accelerated

When a past due account is sent to collections, the entire loan amount will be submitted as the balance due.

8. Long Term Loans May Be Cancelled Under Certain Circumstances

The SBO Manager will authorize the cancellation of long term loans when the borrower:

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

Verification of a), b), and c) above will be made in accordance with procedure and in compliance with federal regulations when applicable.

POLICY

A percentage of a long-term loan may also be cancelled for qualifying service credit in accordance with federal loan regulations.

9. Deferments May Be Granted in Accordance With Federal Guidelines

The SBO Manager may authorize the deferment of long term loans when the borrower provides documentation verifying the borrower is:

- a) Returning to school,
- b) Unemployed, or
- c) Experiencing extreme financial hardship.

The SBO Manager will ensure documentation is maintained for each cancelled or deferred long term loan.

10. Loans Deemed Uncollectible are Assigned to Federal Government for Collection

When loans are determined to be uncollectible by the University, the SBO Manager will authorize assignment of the loans to the federal government for collection when applicable.

11. SBO Manager Ensures Borrowers' Inquiries and Complaints are Addressed

Western is committed to assisting students in meeting their financial obligations to the University. Student borrowers should contact the Student Business Office for assistance in resolving issues related to long term loans.

Complaints may also be addressed to the Department of Education Ombudsman at <https://studentaid.ed.gov>.