

Section: Employee/Labor Relations

Section Number: 5.2.3

Subject: Financial Aid: Short Term Loan or Campus Shoppe Charge Account Procedure

Date of Present Issue: 03/29/00

Date of Previous Issues:
08/67, 08/88

POLICY:

Student loan/Campus Shoppe Charge Account forms are available at the Financial Aid Office for approval within the following limits:

Student loans will not exceed two hundred (200) dollars and must be repaid, generally, within thirty (30) days with the following exceptions:

1. The Financial Aid Office may approve up to three hundred (300) dollars in check form in some cases, based on professional judgement, and up to four hundred (400) dollars as a Campus Shoppe Charge Account.
2. Thirty (30) day extension may be granted if approved by the Director of Financial Aid prior to the due date of the Loan.

APPROVAL AND REPAYMENT PROCEDURE

<u>WHO</u>	<u>DOES WHAT</u>
Student	1. Request form from Financial Aid Office and completes the student section of the form.
Financial Aid Office	2. Determines funds available, requirements of loan fund or Campus Shoppe Charge Account, and decides on specific fund to debit the loan or if the student is eligible for the Campus Shoppe Charge Account. 3. Completes the "Loan Office Use Only" section and approves the Student Loan Agreement (Attachment #1).
Student	4. Signs completed loan agreement and retains goldenrod copy for personal copy if they are receiving a check or takes the goldenrod copy to the Campus Shoppe if it is for a Campus Shoppe Charge Account.
Financial Aid Office	5. Gives student copy of Note and Collection Procedures form. Forwards the top two (2) copies of agreement to Business Office. Records and files the pink copy in a binder alphabetically.
Business Office	6. Issues the check to students eligible for the loan program. If the form is received by 2:00 p.m., the check should be ready for the student after 10:00 a.m. the next business day at the Student Service Center. If the form is received after 2:00 p.m., the check should be ready for the student after 10:00 a.m. two business days later. Enters date issued, account and check number on the form. Enters appropriate amounts as charges against the student's account.
Campus Shoppe	7. Sets up a Charge Account for the student to use for a limited time.
Student	8. Picks up check at the Student Service Center for the loan or uses account for purchases for Campus Shoppe charge accounts (for a limited time).
Business Office	9. Attaches agreement original to historical copy of check, yellow copy to account clerk for student loans and a receipt to Financial aid.
Financial Aid Office	10. Upon receipt, the loan is posted in the ledger alphabetically and numerically.
Student	11. Repays loan on or before due date at the Student Service Center or by mail to the Business Office and receives a cash receipt.
Business Office	12. Sends copy of receipt to Financial Aid Office when paid.
Financial Aid Office	13. Updates payment information from the receipt to the ledger.

DELINQUENT STUDENT LOANS COLLECTION PROCEDURE:

1. A student whose loan becomes delinquent will be assessed a penalty of 10% of the unpaid balance.

2. A student will have a 10 day grace period after the due date of the loan before the loan will be considered delinquent and subject to the 10% penalty.
3. After a loan becomes delinquent, all funds due the student will be applied against the loan until the balance due plus any penalties or service charges are paid.
4. When a loan becomes delinquent, the student automatically forfeits his or her privilege to make a loan application for a period of one year from the date the payment was received.
5. If a loan becomes delinquent and the student willfully ignores the payment request, the privilege of using the student loan fund will be permanently withdrawn from the student. (Determination of this negligence will be made by the Business Office, the record keeping and collections agent for the loan fund.)
6. If no satisfactory explanation is received within 60 days, the account will be turned over to the State of Michigan, Department of Revenue, for collection. The student will be responsible for all costs and fees associated with the collection of the debt.
7. See Account Receivable Collections Procedure, Business and Support Operations, Section [3.7.1](#).
8. Students with delinquent accounts will not be allowed to register the next semester nor will their transcripts be mailed to other Universities by the Registrar's Office until said accounts are cleared.
9. Loans in excess of \$50 will be assessed a 1.5% per month late charge.