

## POLICIES AND PROCEDURES

Subject: Institutional Short Term Loan Fund Reference: G-X-c

Source: Vice President, Student Services Eff. Date: June 1, 2005

Approval Auth.: President Approved: \_\_\_\_\_

Remarks: Replaces previous policy dated February 9, 2001.

Date: June 1, 2005

The purpose of the Institutional Short Term Loan Fund is to assist students in meeting emergency financial demands for a specified period of time to enable them to register for classes and/or purchase textbooks for a semester or a summer term.

The following policies and procedures shall apply in the operation of the Institutional Short Term Loan Fund.

### **Eligibility**

1. To be eligible for a loan, students must be enrolled, or intend to enroll upon approval of a loan. (Loans will not be made to students whose records are on "hold" for any reason or who have outstanding financial obligations to the College.) Inquiry regarding past delinquent loans will be made prior to approval of a loan.
2. The student must be reasonably certain of eligibility for a Pell Grant, a Guaranteed Student Loan, or must show evidence of ability to repay the loan by the established due date of the loan.

### **Loans**

1. The amount of an Institutional Short Term Loan shall not exceed \$250 and may be used for tuition, fees, and/or books. Exceptions may be made by the Director of Financial Aid.
2. FALL AND SPRING SEMESTERS:  
The usual term of a loan shall not exceed 60 days.

#### SUMMER TERMS:

The usual term of a loan shall not exceed 30 days. In no event shall any loan due date extend beyond the end of a semester. Students unable to repay by the due date may request an extension, and in such cases, a second promissory note shall be prepared and signed. The loan

amount will include any unpaid charges/fees including late fees.

3. A ten dollar (\$10) service charge shall be assessed for each loan authorized. In the event that the loan is not paid in full by the said date, an additional late fee of twenty-five dollars (\$25) will be assessed.

#### **ADMINISTRATION OF LOANS**

1. The Director of Financial Aid shall be responsible for administering this policy.
2. The Director of Financial Aid or his/her designee shall approve all loans and shall authorize a loan by executing an "Institutional Short Term Loan Promissory Note" form. Students shall be required to sign a promissory note. The Office of Financial Aid will forward a copy of the promissory note to the Business Office so that the account can be set up.
3. Students anticipating receipt of a Pell Grant or Guaranteed Student Loan check shall indicate on the promissory note their understanding that the amount of the loan they receive shall be paid prior to the Pell Grant or GSL check disbursement if the loan has not been paid.
4. The Business Office shall be responsible for maintaining the loan records of individual borrowers and shall receive loan payments and any penalty charges. These monies shall be deposited in the Institutional Short Term Loan Fund.
5. The Business Office shall be responsible for placing holds on delinquent loan accounts and for releasing the hold on the student's record when the loan has been paid.

#### **Income for Institutional Short Term Loan Fund**

As loan repayments are made they shall be deposited in the Institutional Short Term Loan Fund to be used by needy students during the subsequent semesters and terms.