



9.7 Loan Repayment

Policy Statement

The Bursar's Office Division will maintain compliance with the Federal Regulations and Promissory notes for loan repayments.

Reason for policy

The Bursar's Office Division Loan Repayment policy is needed to ensure proper repayment dates and repayment amounts for all loans.

Procedures

The Federal Perkins Loan program has Federal Regulations which determine the repayment period and repayment amounts for the loan program. University long-term loans repayment period and repayment amounts are stated in the promissory notes for the loans. University short-term loans are made and due back with the current semester. All borrowers are notified of their repayment obligations in their promissory note, several notifications from UGA during the borrower's enrollment period, several notifications from UGA during the borrower's grace period and the month before the first payment is due. The repayment period varies and is based on interest rate and total amount borrowed. The minimum monthly payment is \$40.00, and it may be higher depending on the amount of money that is borrowed. Repayment is made in equal monthly installments and is made directly to the University of Georgia, Student Accounts – Loan Servicing Department. However, Borrowers may, without penalty, prepay on their loan. Prepayments are to reduce the amount of outstanding loan principal and decrease the repayment period and related total interest charge. If a borrower chose prepayment, their next scheduled monthly installment will still be due as originally designated. Borrowers are mailed payment coupons in which they are to send with their payment. Also, the payment coupon serves as a reminder of when payments are due. Payments are post to borrower's account on the date Student Accounts – Loan Servicing Department receives the payment. Repayment begins on the 1st of the month after a grace period which is specified in the promissory note. Payments are considered late if received after the 15th of the month and accounts are access late fees. However, if a borrower cannot make full payment on time, they must contact the department to make arrangements to bring their account current. If a loan becomes delinquent, late fees are assessed to the loan balance, and the University of Georgia may assign the loan to an outside collection agency in which case the borrower is responsible for all collection costs, attorney's fees, and court costs incurred by the University of Georgia.

Forms/Instructions

Payment Coupon:

http://www.busfin.uga.edu/bursar/ls_payment_coupon.pdf

Personal Information Change and-or Update Letter:

http://www.busfin.uga.edu/bursar/ls_personal_information.pdf

Prepayment Letter:

http://www.busfin.uga.edu/bursar/ls_prepayment_letter.pdf

UGA Cosigner Loan Information:

http://busfin.uga.edu/bursar/bursar_cosigner_loan/

UGA Perkins Loan Information:

http://busfin.uga.edu/bursar/bursar_perkins_loan/

Additional contacts

Michele Sellers

Phone Number: 706-542-2965

Responsibilities

Responsible University Senior Administrator: Vice President for Finance & Administration

Responsible University Administrator: Associate Vice President - Finance Division

Policy Owner: Bursar's Office Division

Policy Contact: Michele Sellers

Phone Number: 706-542-2965

Record Retention

This series documents and is a monitoring tool for all Perkins and National Direct Student Loans. This series consists of files for each borrower. This series may include but is not limited to: repayment schedules; statements of rights and responsibilities; records of actions taken; and related documentation and correspondence.

Record Copy: Student Loans

Retention: 5 years after loan repayment or assignment to U.S. Department of Education, BOR 0472-06-015

Federal Code: 34 C.F.R. 674

[◀ Exit Interview](#) | [Deferment/Postponement of Repayment](#) ▶

Policy Dates

Effective Date:

Date Last Updated: 05/12/2017

Date of Last Review:

Date of Approval:

Previous Version of Policy: