A8.859  Short-Term Student Loans

1. Purpose

To provide procedures for assuring that short-term loans are made in accordance with established policies, and conformity with the Guidelines and Criteria for Short-Term Student Loans program of the Board of Regents, adopted July 15, 1976.

2. Definition

Short-term student loans are loans made from the Short-Term Student Loan Fund. These loans are normally made only during the Fall and Spring semesters, and are repayable within the same semester.

3. Applicability/Responsibility

Each campus is responsible for following the short-term student loan policies and procedures for determining eligibility, amount of loans which can be made, and collecting on such loans.

4. Guidelines

a. Applicants for short-term student loans must meet the following general qualifications at the time of loan application:

   1) The applicant must be registered as a regular student for five or more semester credit hours. Early admits, auditors, students enrolled only in courses offered by the College of Continuing Education and other special students are not eligible.

   2) The applicant must not be delinquent in any financial obligations to the University of Hawai‘i.

   3) A student with one short-term loan outstanding shall not be eligible for another.
4) A foreign student must obtain the written recommendation of the campus Foreign Student Advisor before applying for a loan.

b. Loans will normally be restricted to educational costs, either direct or indirect.

c. Loans shall not be subject to a finance or service change.

d. Loans will not be made to students during semester breaks, summer sessions, nor during the last four weeks of instruction in a semester. In unusual circumstances, exceptions may be approved by the Financial Aids Director.

e. In order to make loans available to the greatest number of students, individual loans are generally limited to amounts not exceeding $100. In unusual circumstances warrant, the Financial Aids Director may approve a loan exceeding this amount.

f. All loans must be evidenced by a promissory note signed by the maker. In addition, the Campus Director of Financial Aids may require the note to be co-signed by a financially responsible person. The cosigner must sign in the Campus Financial Aids Office, or his signature must be notarized before the note is submitted to the office.

g. A student at the University of Hawai'i may not co-sign a note on a short-term student loan.

h. Terms of the loans may vary, depending on stipulations set down by the Campus Financial Aids Office, but all loans must be repaid in full in not more than sixty calendar days. When a loan is being made, the Financial Aids Counselor shall advise the student of the need for prompt repayment of the loan so that other students may also be helped.

i. Students shall be advised that delinquency in repayment will subject them to the Rules and Regulations Governing Delinquent Financial Obligation Owed the University of Hawaii, as adopted and amended by the Board of Regents. This may jeopardize their future registration and/or graduation, and may result in their transcripts being stamped with the following notation:
"DENIED FURTHER REGISTRATION - FINANCIAL OBLIGATION"

j. Loan repayment dates normally will not be extended beyond the date specified in the Short-Term Student Loan Promissory Note.

5. Procedures

a. Procedures for Short-Term Student Loans - Over $100 (See Attachments D and E).

1) Action to be taken by Student

   a) Obtain from the Campus Financial Aids Office and complete a short-term student loan application form in triplicate (original and two copies).

   b) Obtain verification of student status and clearance from financial obligations to the University of Hawai'i from Treasury Office (for Mānoa Campus) or the Business Office (for Community Colleges, Hilo college, and West O'ahu).

   c) Return the loan application to the Financial Aids Office for consultations with a Financial Aids Counselor.

2) Action to be Taken by Campus Financial Aids Office

   a) Approve/disapprove loan application.

   b) Prepare Form 26, Student Loans or Scholarship/Grant Payments, in triplicate (original and two copies). (See Attachment B)

   c) Prepare the promissory note (Bottom of application form. See Attachment C.) in triplicate (original and two copies); notate "MANUAL RUSH" for loan checks which are needed immediately.

   d) Give the student the student's copy of the loan application; instruct the student to take this copy in three to seven working days to the Treasury Office at Manoa, or the Business Office
of the Community Colleges, Hilo College, or West O‘ahu College to receive his loan check.

e) Forward the loan application/Promissory Note (original) to the Treasury Office at Mānoa, or to Business Office of the Community Colleges, Hilo College, or West O‘ahu College, and Form 26 (original and one copy) to the Disbursing Office.

f) File the Form 26 (one copy) and the Loan Application (one copy).

3) Action to be taken by Business Office of the Community Colleges, Hilo College, or West O‘ahu College

a) Receive checks from the Treasury Office (Mānoa Campus).

b) Verify student financial status on loan application.

c) Obtain student signature on all copies of the promissory note.

d) Give student the pink copy of the promissory note and the UHGA student loan check.

e) Forward copy of promissory note to Treasury Office.

f) File original promissory note.

4) Instructions for Completing Form 26 (Attachment B)

   (1) Assign a unique five-digit number after the preprinted prefix "F." The first two digits should consist of the last two digits of the Fiscal Officer's code, followed by three additional numeric digits.

   (2) Enter the six-digit date (e.g., 10/15/75).

   (3) Use transaction code "25" for all student loan payments.

   (4) Enter the appropriate 14-digit account code to be charged.
(5) Enter application code "63" for all student loan payments.

(6) Enter object symbol "8520" for all student loan payments.

(7) If a student is the recipient of a short-term student loan over $100, check the box marked "Short-Term Student Loan."

(8) Enter "N" and the appropriate campus code (e.g., "NB" for Mānoa Financial Aids Office); circle the File/Campus Code in red if the student is a first-time borrower of a short-term student loan.

(9) Enter the student's nine-digit social security number.

(10) Name of Student:

(a) Enter the last name, first name, and middle initial.

(b) Circle in green the first three letter of the student's last name.

(11) Enter the amount of each student loan.

(12) Enter the total amount of all student loans.

(13) Enter the signature of the person preparing the Form 26, and the date.

(14) Approved By: Enter the signature and date of the Financial Aids Officer or the Fiscal Officer.

(15) Enter the department or campus.

b. Procedures for Short-term Student Loans - $100 or Less (See Attachment H)

1) Action to be Taken by the Student

a) Obtain and complete a short-term loan application form in triplicate (original and two copies) from the Financial Aids Office.
b) Obtain verification of the student status and financial obligations to the University of Hawai'i from the Treasury Office (for Mānoa Campus) or the Business Office (for Community Colleges, Hilo College, and West O'ahu College).

c) Return the completed loan application to the Financial Aids Office for consultation with a Financial Aids Counselor.

d) On approval, take promissory note (original and two copies) to the Treasury Office for Mānoa or the Business Office for the Community Colleges, Hilo College and West O'ahu College to obtain UHGA student loan check or Imprest check. (Attachment G)

2) Action to be Taken by Campus Financial Aids Office

a) Approve/disapprove loan application.

b) Prepare the Promissory Note on bottom of application form in triplicate (original and two copies). (Attachment C)

(1) Original - White

(2) Second Copy - Yellow

(3) Student Copy - Pink

c) Instruct the student to hand-carry all copies of the promissory note to Treasury Office (for Mānoa Campus) or the Business Office (for Community Colleges, Hilo College, and West O'ahu College) for preparation of the imprest check.

d) Forward loan application (original) to Central Accounting Office (at Mānoa) or Business Office (Community Colleges, Hilo College, and West O'ahu College).

e) File loan application (copy).

f) Give the student a copy of the loan application.
3) **Instructions for Completing the Journal Voucher** –
Used to Reverse Student Loans Made in Custodian's Name and to Record the Loan in the Student's Name

(The number below correspond to the circled numbers on Attachment F).

(1) Assign a unique five-digit number following the preprinted "J." The first two digits should consist of the last two digits of the Fiscal Officer's code, followed by three additional numeric digits.

(2) Enter the six-digit date on which the form is prepared (e.g., 01/14/82).

(3) Use transaction code "25" to reverse the loan made in the custodian's name and to record the loan in the student's name.

(4) Enter the appropriate 14-digit account code.

(5) Use application code "63" to reverse the loan made in the custodian's name and to record the loan in the student's name.

(6) Use object symbol "8520" to reverse the loan made in the custodian's name and to record the loan in the student's name.

(7) Enter the nine-digit social security number of the student/custodian.

(8) Enter the last name, first name, and middle initial of the student/custodian.

(9) Enter the corresponding amount of each transaction. The amount corresponding to the custodian's name (in brackets) should be the total of all imprest checks to be reversed. The individual amounts corresponding to the student's name and the imprest check amounts to be recorded under the student's name.

(10) Enter "0" as the total amount. This journal entry is made to reverse the loan amount from the custodian's name to the student's name; therefore, the net effect should be "0."
(11) Enter the signature of the person preparing the form.

(12) Enter the signature of the Imprest Checking Account Custodian.