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Chapter: Student Affairs

Modification No. 003

Subject: **Student Indebtedness**

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- I. The Board of Trustees recognizes that prudent fiscal control includes the active collection of all indebtedness, including student indebtedness.
- II. Montgomery College may initiate recovery efforts on student indebtedness. .
- III. In all cases, students will be notified of any indebtedness and given the available options for repayment and an opportunity to rebut the College's claim.
- IV. The Board of Trustees authorizes the president to establish any procedures necessary to implement this policy.

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Board Approval: May 21, 1984; December 12, 2016; March 20, 2024.

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Chapter: Student Affairs

Modification No. 007

Subject: **Student Indebtedness**

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- I. To prevent over-encumbrances, the College will exert every reasonable attempt to collect all types of student indebtedness. Students with unpaid financial obligations may be prevented from receiving final grades, diplomas, and commencement privileges until all outstanding debts due the College are paid and may be precluded from registering for subsequent semesters.
- II. An individual with an unpaid student account balance of \$250 or less will be allowed to register for courses at the College if the individual settles the balance prior to the first day of classes for the next semester. An individual with an unpaid student account balance of more than \$250 will be allowed to register for courses at the College if the individual enters into an installment payment plan prior to the first day of classes of the current semester.
- III. In accordance with the Veterans Benefits and Transition Act of 2018 (effective August 1, 2019) and notwithstanding the preceding section or any other College policy/procedure to the contrary, the College will not impose any penalty, including the assessment of any late fee, precluding registration or otherwise denying access to classes, libraries or other College facilities, or requiring the student to borrow additional funds, on any student using U.S. Department of Veterans Affairs (VA) Vocational Rehabilitation and Employment (Chapter 31) or Post 9/11 GI Bill (Chapter 33) benefits who has unpaid financial obligations due to any delay in payment or disbursement of funding by the VA.

Students intending to use Chapter 31 or Chapter 33 benefits are required to: (1) submit a certificate of eligibility for entitlement to the College Registrar, or designee, no later than the first day that the class(es) meet, unless the Registrar, or designee, makes an exception; (2) submit a written request to use such entitlement; and (3) provide additional information necessary to properly certify.

Charges and associated fees not covered by educational assistance under Chapter 31 or Chapter 33 are the sole responsibility of the student. Penalties, including but not limited to late fees, drops for non-payment and registration holds, may be applied to the student's account for unpaid charges not covered under Chapter 31 or Chapter 33. The student can bring their account into a paid status by paying their remaining balance in full or by enrolling in payment plan approved by the College.

- IV. Students with prior indebtedness who are part of a Workforce Development and Continuing Education contractual course training agreement may be registered and may only attend these specialized contract course training classes, regardless of whether they are offered at a Montgomery College facility or at their place of employment. Certificates of completion will be issued for and released to these students or their employers. Participation does not release these students from any prior indebtedness to the College.
- V. Unofficial transcripts are available free of charge to any current or former student. Official transcripts containing the College seal and the signature of the College Registrar are available upon request subject to applicable fees. For students with unpaid financial obligations, the College will not refuse to provide a transcript because the student owes a debt, condition the issuance of a transcript on the payment of a debt, charge a higher fee for obtaining a transcript because a student owes a debt, provide less favorable

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treatment of a transcript request because a student owes a debt, or use transcript issuance as a tool for debt collection. However, all students and former students, including those with financial holds, who request an official transcript are responsible for any applicable fee.

- VI. The Chief Business/Financial Strategy Officer is responsible for the establishment and administration of procedures necessary for the collection of unpaid student financial obligations. After collection efforts by the Office of Business Services Accounts Receivable department staff to collect such obligations are exhausted, all undisputed obligations may be sent to the Central Collection Unit of Maryland or other collection agency that has a collection agreement with the College. The College will not send unpaid student financial obligations to the Central Collection Unit unless the obligations have not been settled prior to the first day of classes of the semester after the student account became delinquent or the student has not entered into or made timely payments to satisfy an installment payment plan.

Should the collection agency determine that the claim is collectible through court suit and requests the College to support the claim with student records, the Office of Business Services Accounts Receivable department will provide such supporting documents.

- VII. Selection of a collection agency will be conducted by the Chief Business/Financial Strategy Officer who will require each interested agency with which he/she negotiates to submit its proposal in writing. The Chief Business/Financial Strategy Officer will submit his/her recommendations to the Senior Vice President for Administrative and Fiscal Services for approval. All arrangements pertinent to the relationship of the College with the collection agency selected must be reduced to a written agreement which, prior to execution, must be reviewed by the College's General Counsel for legal form and sufficiency.

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Administrative Approval: May 21, 1984; December 17, 2002; December 6, 2011; April 28, 2014 (administrative corrections only); April 11, 2017; July 30, 2019; June 22, 2023