



Procedures Manual

Number: FIN-240

Policy Number (if applicable):

Office of Primary Responsibility: Fiscal Office

Title of Procedure: Hocking College Debt Forgiveness Program Procedure

Effective Date: 06/22/2021

Revised Date: 06/22/2021

Reviewed Date: 06/22/2021

Purpose:

To provide a framework for the College's Debt Forgiveness Program as created by the Hocking College Debt Forgiveness Program Policy.

Parameters

In order for a student to qualify for the Program, all of the following conditions must be met:

- Student must not have been enrolled in classes in either of the previous two semesters. The College's Semesters for purposes of counting the number of semesters without enrollment include: Fall Semester, Spring Semester, and Summer Semester.
- Student must be 100% seat ready for the starting term
- Student must have a minimum GPA of 2.0 with Hocking College
- Student must have no more than \$3,000 in Debt with Hocking College
- Student must have not received previous Debt Forgiveness from Hocking College
- Student must meet the ongoing terms of the Debt Forgiveness Agreement:
 - Meet with assigned Advisor(s) on a regular, scheduled basis
 - Maintain a 2.0 GPA
 - Maintain Satisfactory Academic Progress
 - Maintain Continuous Enrollment with minimum of 6 credit hours per semester for the duration of the term of the plan
 - Maintain in good standing with Hocking College (i.e., No judicial issues.)
 - No past due balances owed on enrolled courses

Process for Enrolling in Program

Students who wish to enroll in the Program must complete an Application for Debt Forgiveness (Exhibit A). The Application must then be reviewed and signed by the student's academic advisor and a designated individual in the Fiscal Office.

Once approved, the Advisor will build an academic plan for the student and enroll them in classes. The Advisor will be responsible for ongoing communication with the student

Maximum Amounts of Debt Forgiveness

The maximum total amount of Debt Forgiveness is \$3,000. The maximum amount of debt forgiveness applied is as follows:

- Full Time Student: \$1,500 / semester, for two semesters
- Part Time 6 to 11 credit hours: \$750 / semester, for two semesters
- Part Time 1 to 5 credit hours: \$0 / semester

Process for Ensuring Ongoing Compliance

The Financial Aid Office will have primary responsibility for ensuring that students enrolled in the Program maintain compliance with the program. The Advisor is responsible for reporting to the Financial Aid Office any known issues which would result in the student's ineligibility (such as failure to show up to advising meetings, etc.) Students who fail to meet the parameters of the program will be notified of their default and the termination of the agreement. Students who do not meet the terms of the plan will not be granted debt forgiveness.

The Advisor and Fiscal Offices will be notified of students out of compliance with the terms of the Program by Financial Aid.

Completion of Program

Students who complete the program successfully will have applicable balances forgiven and be reinstated as a student in good standing with Hocking College.

1099-C Processing

Students who receive debt forgiveness in excess of \$600 will be reported to the IRS via 1099-C. The Fiscal Office will be responsible for processing all required paperwork associated with this reporting.

Exhibit A
Application for Debt Forgiveness
Hocking College

Student Name: _____ **Student ID:** _____

I understand that I have a previous balance due to Hocking College of \$_____. To be eligible for this Program, I understand that I must meet the following conditions prior to enrolling:

- Student must not have been enrolled in classes in the previous two semesters. The College's Semesters for purposes of counting the number of semesters without enrollment include: Fall Semester, Spring Semester, and Summer Semester.
- Student must be 100% seat ready for the starting term
- Student must have a minimum GPA of 2.0 with Hocking College
- Student must have no more than \$3,000 in Debt with Hocking College
- Student must have not received previous Debt Forgiveness from Hocking College

Hocking College will forgive a maximum total amount of \$3,000. The maximum amount of debt forgiveness per semester is as follows:

- Full Time Student: \$1,500 / semester
- Part Time 6 to 11 credit hours: \$750 / semester
- Part Time 1 to 5 credit hours: \$0 / semester

I understand that I must meet the following ongoing requirements of the program:

- Meet with assigned Advisor(s) on a regular, scheduled basis
- Maintain a 2.0 GPA
- Maintain Satisfactory Academic Progress
- Maintain Continuous Enrollment with minimum of 6 credit hours per semester for the duration of the term of the plan (Fall & Spring semesters)
- Maintain in good standing with Hocking College (i.e., no judicial issues, etc.)
- No past due balances owed on enrolled courses

I understand that failure to comply with these terms will result in:

- Inability to maintain my enrollment
- Inability to forgive my past due balance
- My responsibility to pay any current outstanding balances

I acknowledge that Ohio law requires my institution to refer outstanding balances to the Ohio Attorney General's office for collection, where additional collection fees and interest are added.

I understand that cancellation of debt in excess of \$600 must be reported to the Internal Revenue Service via a 1099-C (reference I.R.S. Publication 4681).

Signature of Student

Date

For Internal Use Only:

Financial Aid Review: _____

Fiscal Office Review: _____

Advisor Review: _____

Notes: