

500.7L ACADEMIC LOAN FUND**I. NEW YORK MILLS ACADEMIC LOAN FUND**

The New York Mills Academic Loan Fund is an amount of money that has been donated to or collected by the school over a period of years. This money has been put into a bank account and will be used to make post-secondary educational loans to NYMHS graduates. Loan recipients will be selected by a committee made up of the High School Principal, High School Counselor, and three members from community organizations which will be selected on an annual rotating basis from donating community groups. A bank representative will serve on the committee in an advisory position if not already representing a donor organization. The Superintendent of Schools will administrate the financial affairs of this academic fund.

A. Rules and Regulations governing the dispensation of this fund are as follows:

1. School attended by applicant must be a professionally accredited institution and approved by the selection committee mentioned above. Priority will be given to applicants who are in a 'generally continuous pursuit' of their first degree or diploma. (Applicants utilizing a cooperative education plan that involves planned periods of work experience will be considered in 'continuous pursuit') High priority will also be given to applicants in pursuit of a professional degree if their educational plan consists of a generally continuous pursuit'. (i.e.: medical degree, veterinarianian degree, etc.) Applicants returning to school for a second degree or diploma, or returning to school after significant work experience will be considered low priority.
2. The maximum loan will not exceed \$1000 per application. A student may apply for a loan each academic year, but the maximum amount that will be loaned each student per year is \$1000.
3. The loan must be completely repaid within a period of 20 months beginning six months after completion of post secondary training. Monthly payments equaling a minimum of 1/20th of the total loan or \$50, whichever is greater, must be made. The loan shall be interest free until completion of post secondary training at which time interest shall be paid at the rate of three (3) percent per annum. The interest shall be paid in full in the month following the final payment.
4. It will be the responsibility of the loan recipient to keep the selection committee informed of his/her education status.
5. Co-signers for the academic loan at the time of issuance must be the parent or legal guardian of the recipient.

6. Students must make formal written application for this loan on an application blank provided through the counselor's office. A current college transcript and proof of current enrollment must be submitted with the application. If a student is making a second application in any given academic year, he/she may do so by sending a written request (letter form), a current college transcript, and proof of current enrollment to: Counselor, New York Mills High School, New York Mills, MN 56567.
7. Annually the selection committee shall determine a minimum balance for the fund to insure that the fund is not overspent and to allow for responding to emergency needs that may arise.
8. The New York Mills Academic Loan Fund Committee will use the following set of criteria in determining recipients of the loans.

B. Criteria

1. The Academic Loan Committee will base its selection of applicants upon two criteria:
 - a. Need
 - b. Academic advancement and school contributions
2. If an applicant receives a scholarship, grant, loan, or some other form of financial assistance from any other source, they may still apply for a New York Mills Academic Loan.
3. This academic loan will not be based on a first come first served basis and will not be granted to all applicants unless the loan committee deems this advisable.
4. The amount of each loan will be studied and set by the selection committee.
5. Students may apply for a second, third, and fourth loan; however, the above-mentioned criteria will be reestablished at the time of each reapplication.

C. Loan Collection Policy

1. Purpose: Loans are provided to deserving individuals on the basis of need to specifically assist the individual in receiving further education.
2. Funds: Current loan funds are provided through the repayment of loans already granted to students.
3. Repayment:

- a. Strict adherence to the payback schedule is required. All repayments not made within 30 days of the date due are in DEFAULT.
- b. Accounts in DEFAULT for less than 90 days may be returned to "current" status by paying all payments to include any payment currently due.
- c. If the borrower anticipates that a DEFAULT will occur, it is imperative that the borrower immediately contact the Superintendent of Schools, Independent School District 553, New York Mills, MN 56567.

4. Default:

- a. Loans which are in DEFAULT for 30 days will be reported to the guarantor cosigner as being past due.
- b. Loans in DEFAULT for 60 days will be collected from the guarantor cosigner.
- c. Loans in DEFAULT for 90 days are payable in full immediately.
- d. Loans in DEFAULT for 180 days will be assigned to a collection agency for immediate collection from responsible parties.

ACTIONS:

PAST DUE 30 DAYS: Send notice to cosigner.

PAST DUE 60 DAYS: Send bill to cosigner.

PAST DUE 90 DAYS: Send demand letter to each party for payment in full.

PAST DUE 120 DAYS: Contact parties by phone and mail with request for payment.

PAST DUE 150 DAYS: Contact parties by phone and mail with request for payment.

PAST DUE 165 DAYS: Send notification that the debt will be assigned to a collection agency in 15 days. A copy will be sent to the collection agency at the same time.

PAST DUE 180 DAYS: Forward the account to a collection agency for immediate collection.

Note: If a loan fails to respond to a survey conducted by the District requiring information of borrowers current status of educational withdrawal or completion the default steps will apply.