

3357:13-17-16 Student Financial Responsibility and Default Management Policy

(A) Statement of Purpose

North Central State College operates on the belief that higher education should not be a privilege reserved only for those who can afford to purchase it and that educational opportunities should not be limited by the financial resources of the student and his/her family.

(B) Statement of Financial Responsibility

- (1) Each student who enrolls in classes at North Central State College bears the financial responsibility for the costs associated with those classes. The ultimate obligation for payment of those costs rests with the student.
- (2) Financial assistance from the college is viewed only as supplementary to the efforts of the student and his/her family.
- (3) Financial assistance consists of scholarships, grants, loans, and employment, which may be offered to students singly or in various combinations. Some of these mechanisms for financial assistance do not carry an expectation of repayment while others do. It is the responsibility of the student to pay or arrange for repayment of those obligations that carry such an expectation.

(C) The Role of Financial Aid Programs

- (1) The primary role of the financial aid program is to provide financial assistance to students who, without such aid, would be unable to attend North Central State College.
- (2) Based on the fact that total resources available for financial assistance to students at North Central State College are limited and that colleges at which student loan defaulters received their loans can be sanctioned by the U. S. Department of Education, the College has adopted these principles for administering their financial aid program:
 - (a) North Central State College will strive to achieve and maintain a Cohort Default Rate (CDR) of less than 15%.
 - (b) North Central State College will carry out those steps, practices, and procedures as outlined in the College's Default Prevention and Reduction Plan to assist its students in avoiding default and resultantly achieving its CDR goal.

(D) Default Management Plan

- (1) Default is the non-repayment of a loan. Defaulting on a student loan has wide-ranging negative consequences for the student borrowers, as loan repayment will never be forgiven which impacts their credit throughout their lifetime, and for the college at which the loan(s) were received due to future impact on providing financial aid to students. In an effort to establish strategies and best practices for increasing financial responsibility on the part of the College and the student, for reducing the number of North Central State College students who default on federally funded loans, and for

maintaining the recommended default rate the college will adhere to the measures set forth in Cohort Default Guidelines and Procedures. (see [17-161](#)).

Effective: March 1, 2016

Expires: May 1, 2026

Review Dates: 3/1/16, 5/10/21