

Sam Houston State University
A Member of the Texas State University System

Finance & Operations Policy Student Financial Services FO-SFS-02

Collection of Past Due Receivables Policy

Sam Houston State University (SHSU) will use all reasonable and customary means to collect past due balances on student accounts. This includes but is not limited to; phone calls from Office of Student Financial Services staff, letters, e-mails, third party collection agencies, and legal actions as may be deemed necessary under certain circumstances.

Students are required to acknowledge and electronically sign SHSU's Payment Agreement Terms at the time they register for classes which states that a hold may be placed on a student account preventing them from enrolling in future semesters, from obtaining official university records, and possible cancellation of enrollment in future terms for any outstanding balance. In addition, SHSU reserves the right to initiate internal collection efforts and employ an outside collection agency to recover the debt. This may result in the outstanding balance incurring additional collection agency fees, legal fees, and other cost incurred in collecting the amounts due.

All payments are due each term by the indicated due date as established by SHSU FO-SFS-01 Student Charges and Payment Policy Payment of the entire balance is due by the indicated due date unless alternative payment arrangements have been made by the University. Any balance due after the last day of the semester, will be considered delinquent.

Student Financial Services Office will provide electronic notification to any student or former employee with a delinquent account. Student Financial Services will offer a payment agreement to these students to collect the debt. The account will be considered current if payments are made in accordance with the agreed upon payment plan, so long as payments are received in accordance with the minimum balance due each month. When an account remains delinquent after notification, and a payment agreement is not signed, a final collection letter will be mailed to the student or former employee.

If third party collection efforts fail to collect the past due balance, and account is returned to SHSU, a state warrant hold for the past due balance will be filed with the state of Texas Comptroller's office as required for any debt owed to the state.

Collection Agencies:

SHSU will follow Texas State University System Board of Regents guidelines for accounts that are considered delinquent. Any account which becomes delinquent may be routinely assigned to a collection agency if no acceptable effort has been made on the part of the student to clear the obligation.

When an account is referred to an outside collection action, the past due account or loan in question will be reported to all national credit bureaus. Students should be aware that unlike consumer credit card debt, past due amounts owed to governmental agencies may stay on a credit report for an indefinite period-they do not "go away" after a few

years. These items may create difficulty at a later date when applying for a home mortgage or other types of credit. Students, like any other debtor, have certain rights under Federal law. Please refer to <http://www.ftc.gov/os/statutes/fdcpa/fdcpact.htm> for text of the Fair Debt Collection Practices Act. This Act outlines the duties and responsibilities of debtors, creditors, and outside collection agencies.

In general, unless there has been evidence of good faith intention to pay, accounts that are at least 120 days past due, may be referred to collection. Once an account is referred to a collection agency, SHSU will not perform any collection efforts on the account while it is held by the collection agency. SHSU may choose to place the debt with multiple agencies before the efforts are deemed unsuccessful. If all collection agency efforts are unsuccessful, a state warrant hold will be placed.

Collection Agencies contracted with SHSU will be reviewed periodically to evaluate success in their collection efforts and ensure accounts are being worked in a timely manner.

Reviewed By: Lisa Lucas, Director of Student Financial Services

Approved By: Amanda Withers, CFO and Sr. Vice President for Operations

Date: June 2023