

Financial Responsibility Agreements

Developing a Working Model

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I am:

A shark whisperer



I am:

A Rock Climber



I am:

An Alabama Fan
(Roll Tide!)



I am not:

A lawyer nor do I speak as an expert for any federal or educational institution or any agency private or public. Nothing in this presentation should be taken as legal advice or counsel. The information provided is based on research and the experience of the presenter only.



Why do we go to all of this trouble?



Why do we spend so much time on Financial Responsibility Statements?

Solid position for us

- Setting expectations
- Student consent
- Clear communication
- Bankruptcy claims
- Cross-Departmental Buy-In

Better position for our agency


- Collection & attorney fees
- Groundwork for litigation
- Extend statute of limitation?
- Consent for multiple media contact

Tools to build a strong agreement!



Tuition & Fees Policies with the university

Registration for courses is not optional, and students must not attend courses for which they are not registered. Once a student registers for a course--or is registered by an advisor at the student's request--the student remains financially obligated for the course unless and until he or she drops the course by the prescribed deadlines for dropping and adding courses. Prior to registering for the first time each semester, students are required to accept xxx University's Financial Responsibility Agreement, which outlines the financial terms and conditions associated with course registration.

 The term enrollment process is important because you are agreeing to pay tuition in full, complete the courses by the end of the term, and adhere to the communication protocol with your mentor. Once you enroll in these courses you are not eligible for a Term Break. All of these courses will be included on your transcript and will count for Satisfactory Academic Progress (SAP) if you are using Financial Aid.

To enroll these courses in term 1 please click on the checkbox next to each course. Then click Enroll.

If you do not understand or agree to the terms listed above please contact your mentor as soon as possible.

ENROLL

Communication Consent

- Email – business & personal
- Cell phones
- Texting/SMS



Email consent, personal email address

By providing your consent below, you agree that:

- You've provided the University with a current email address that the University may send electronic communications to in accordance with federal regulations.
- You'll notify the University of any change in your current email address via the student website, U.S. mail or by contacting your Enrollment Advisor.
 - It's your responsibility to provide us with a true, accurate and complete email address, contact and other information related to this disclosure and your student status.
 - You can maintain and update your information on the student website.
- The University may provide you with any communications in electronic format at the email address provided.
- Any signature provided via the application Site using your unique login/password combination shall be attributed to you and shall have the same force and effect as a written signature.
- Your consent to electronic communications is being provided in connection with a transaction affecting interstate commerce that is subject to the federal Electronic Signatures in Global and National Commerce Act and the laws governing the electronic process and forms under the jurisdiction of the state of XXXX and that these laws apply to the fullest extent possible to validate our ability to conduct business with you by electronic means.

Electronic Consent (NACUBO 2015-1)

- I understand that {Institution Name} uses electronic billing (e-bill) as its official billing method, and therefore I am responsible for viewing and paying my student account e-bill by the scheduled due date. I further understand that failure to review my e-bill does not constitute a valid reason for not paying my bill on time. E-bill information is available at {link to E-bill information}.
- I agree to provide my Social Security number (SSN) or taxpayer identification number (TIN) to {Institution Name} upon request as required by Internal Revenue Service (IRS) regulations for Form 1098-T reporting purposes. If I fail to provide my SSN or TIN to {Institution Name}, I agree to pay any and all IRS fines assessed as a result of my missing SSN/TIN.
- I consent to receive my annual IRS Form 1098-T, Tuition Statement, electronically from {Institution Name}. I understand that if I do not consent to receive my Form 1098-T electronically, a paper copy will be provided. I understand that I can withdraw this Consent or request a paper copy by following the instructions at {Institution's IRS Form 1098-T reporting website}.

TCPA (Telephone Consumer Protection Act)

- Includes text messaging except in public safety concerns
- Consent required for texting

Cell phone consent (TCPA) (Nacubo 2015-1)

- I authorize {Institution Name} and its agents and contractors to contact me at my current and any future cellular phone number(s), email address(es) or wireless device(s) regarding my delinquent student account(s)/loan(s), any other debt I owe to {Institution Name}, or to receive general information from {Institution Name}. I authorize {Institution Name} and its agents and contractors to use automated telephone dialing equipment, artificial or pre-recorded voice or text messages, and personal calls and emails, in their efforts to contact me. Furthermore, I understand that I may withdraw my consent to call my cellular phone by submitting my request in writing to {Institutional office or position} or in writing to the applicable contractor or agent contacting me on behalf of {Institution Name}.

Texting Opt In

Step 2

Complete Financial Aid Requirements

The requirements to complete your financial aid application are listed below. For detailed instructions on individual requirements, click the icon **i** next to the requirement link.

During the application process, you should return to this page often to check the status of your application. Requirements for additional steps in the process may be added as you progress. You should also check this page two months before each new term to see if you have new financial aid requirements for your next term.



REQUIREMENT	STATUS
2018-2019 Free Application for Federal Student Aid (FAFSA) i	<input type="radio"/>
Sign up for text message updates (optional) i	<input type="radio"/>
Loan Entrance Counseling i	<input checked="" type="checkbox"/>
Master Promissory Note i	<input checked="" type="checkbox"/>

Texting Opt In with Opt Out message

 A mobile phone number is needed in order to activate SMS notifications. [Click Here](#) to edit your student profile.

Text Messaging

 TAKE A TOUR

[Edit Profile](#)



Activate mobile text messaging to recover a forgotten password by having a code sent to your phone and to allow WGU to send you text notifications.

Student Mobile Number: [Add mobile number](#)

By activating mobile text messaging, I give WGU permission to send text notifications and authentication codes for password recovery to the mobile phone listed as above.

I understand that I am responsible for any charges to my wireless carrier texting plan that may result from text messages WGU sends me. I also understand that I may opt in for password recovery but opt out of other text notifications by changing my notification settings. I can opt out of both password recovery and notifications at any time by replying to a text message with the word "STOP" or by turning off the setting on this page.

Opt In Options

SELECT ALL	 APP* SELECT	 SMS** SELECT
<input type="checkbox"/> Academic Messages Notifications regarding your courses, cohorts and assessments as well as direct communication from your mentors.	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Mail and Calendar Alerts New action items, email and scheduled events.	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Career Development Notifications regarding job opportunities, internships, and career management.	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Records and Transactions Notifications regarding your admissions, financial aid and student enrollment status as well as updates to your student record.	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Social Alerts Community related updates, discussions and forum replies.	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> WGU Announcements Student Support and success center announcements; orientation opportunities and student news.	<input type="checkbox"/>	<input type="checkbox"/>

Clear communication in tuition & fees policies

- Payment is Required on or by....
- Payment deadlines for default status
- Delinquent Accounts – consequences circle back to published policy and consent
- Transcript, Registration and Graduation holds
- Nacubo 2015-1: **Financial Hold:** I understand and agree that if I fail to pay my student account bill or any monies due and owing {Institution Name} by the scheduled due date, {Institution Name} will place a financial hold on my student account, preventing me from registering for future classes, requesting transcripts, or receiving my diploma.

Promise to Pay (NACUBO 2015-1)

- Physical or electronic signature acknowledging responsibility for debt incurred by student
- I understand that when I register for any class at {Institution Name} or receive any service from {Institution Name} I accept full responsibility to pay all tuition, fees and other associated costs assessed as a result of my registration and/or receipt of services. I further understand and agree that my registration and acceptance of these terms constitutes a promissory note agreement (i.e., a financial obligation in the form of an educational loan as defined by the U.S. Bankruptcy Code at 11 U.S.C. §523(a)(8)) in which {Institution Name} is providing me educational services, deferring some or all of my payment obligation for those services, and I promise to pay for all assessed tuition, fees and other associated costs by the published or assigned due date. I understand and agree that if I drop or withdraw from some or all of the classes for which I register, I will be responsible for paying all or a portion of tuition and fees in accordance with the published tuition refund schedule at {Institution's tuition refund policy/schedule URL}. I have read the terms and conditions of the published tuition refund schedule and understand those terms are incorporated herein by reference. I further understand that my failure to attend class or receive a bill does not absolve me of my financial responsibility as described above.

Bankruptcy

I acknowledge that the enrollment action constitutes a financial obligation between me and the University and all proceeds of this agreement will be used for educational purposes and constitute an educational loan pursuant to 11 U.S.C. §523(a)(8). I understand and agree educational and related fees that are charged to my student account are non-dischargeable in bankruptcy absent an undue hardship determination will remain due after the bankruptcy is discharged, pursuant to United States Bankruptcy Code, 11U.S.C. §523(a)(8).



Collection Agency Fees (NACUBO 2015-1)

- **Collection Agency Fees:** I understand and accept that if I fail to pay my student account bill or any monies due and owing {Institution Name} by the scheduled due date, and fail to make acceptable payment arrangements to bring my account current, {Institution Name} may refer my delinquent account to a collection agency. I further understand that I am responsible for paying the collection agency fee which may be based on a percentage at a maximum of {Institution maximum percentage} percent of my delinquent account, together with all costs and expenses, including reasonable attorney's fees, necessary for the collection of my delinquent account. Finally, I understand that my delinquent account may be reported to one or more of the national credit bureaus.

Collection Agency Fees cont.

- Fees must be included in the agreement in order to pass on to student/borrower.
- The student/borrower must have given expressed (signed) consent and agreement that fees are added on to balance and that agreement must be signed before the debt is incurred.
- Any % based fee must be clearly defined and stated in the agreement and it is illegal to attempt to collect more than is stated within the agreement.
- Reference to handbook or disclosures on the web site are not sufficient to prove acceptance of the terms and conditions.

Safe Harbor

- You agree to reimburse us the fees of any collection agency, which may be based on a percentage at a maximum of 33% of the debt, and all costs and expenses, including reasonable attorneys' fees we incur in such collection efforts.
- Challenged and upheld in the 7th Circuit Court of Appeals, (see *Chatman vs Alltrain Education*, 02/07/18)

What happens next?

How does the wind blow at
your institution?



References

- NACUBO Advisory Report 2015-1
- COHEO – Financial Responsibility Agreements
- Wolterskluwer.com News