

Financial Responsibility Agreements

A Panel Discussion with:
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Disclaimer

The information contained within this presentation is not legal advice and is not a full and exhaustive explanation of credit and collections laws or legal requirements for binding contracts. This information should not be used to replace the sound advice of your own legal counsel who has a working knowledge of your business and all its applicable state and federal laws. This information is provided for informational and educational purposes only.



Financial Responsibility Agreements

A financial responsibility agreement is a contract where one party acknowledges their financial responsibility to another. This type of contract is commonly used when a student enters into a new university. When used in this scenario, students sign to acknowledge that they understand that they are solely responsible for paying the university any school-related charges, which can include class fees, tuition, and food.



Financial Responsibility Agreements

The purpose of the financial responsibility agreement is to ensure that the signor understands and acknowledges their duty to pay. This ensures that if payments aren't received as promised, the entity that's entitled to the money can pursue action to recover it.

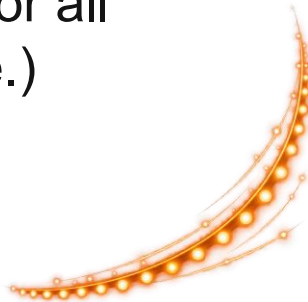


Elements

PAYMENT OF FEES/PROMISE TO PAY

“I promise to pay all assessed tuition, fees and other associated costs”

I understand that when I register for any class at XYZ University, or receive any service from XYZ University, I accept full responsibility to pay all tuition, fees and other associated costs assessed at any time as a result of my registration and/or receipt of services, notwithstanding any anticipated third-party resource, including but not limited to financial aid, family gift, employer reimbursement or any other external resource. 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 XYZ University 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.)



Elements

WITHDRAWAL

“my failure to attend class or receive a bill does not absolve me”

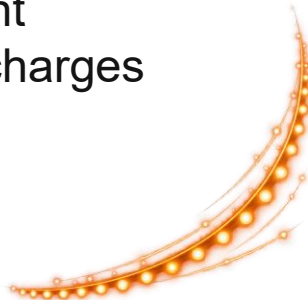
I understand and agree that if I drop or withdraw from some or all of the classes for which I register, I will be responsible for paying all or a portion of tuition and fees in accordance with XYZ University's Tuition Refund Policies. I have read the terms and conditions of the published Tuition Refund Policies in the Tuition and Fees section of the catalog websitelocation.edu for the College in which I am enrolled. I further understand that my failure to attend class or receive a bill does not absolve me of my financial responsibility as described above.



Elements

DELINQUENT ACCOUNT/COLLECTION

- **Financial Hold:** I understand and agree that if I fail to pay my student account bill or any monies due and owing XYZ University by the scheduled due date, XYZ University will place a financial hold on my student account, preventing me from registering for future classes, requesting transcripts, or receiving my diploma.
- **Transcript Hold:** I understand a transcript hold may apply where permitted by federal and state law. XYZ University will hold official transcripts showing course credits in payment periods for which institutional charges have not been paid with Title IV aid.
- **Late Payment Charge:** I understand and agree that if I fail to pay my student account bill or any monies due and owing XYZ University by the scheduled due date, XYZ University will assess late payment charges each semester at the rate of \$x.xx for balances between \$x.xx and \$x.xx and \$x.xx late charges for balances exceeding \$x.xx. **“1.5% monthly (19.56 APY) finance charge on any past due balance”**



Elements

(CAUTION) COLLECTION AGENCY FEES

“based on a percentage at a maximum of 33.3% of the delinquent account

I understand and accept that if I fail to pay my student account bill or any monies due and owing XYZ University by the scheduled due date, and fail to make acceptable payment arrangements to bring my account current, XYZ University 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 33.3% percent of my delinquent account, together with all reasonable costs and expenses, including reasonable attorney's fees, necessary for the collection of my delinquent account.



Elements

METHOD OF COMMUNICATION

I understand and agree that XYZ University uses e-mail as an official method of communication with me, and that therefore I am responsible for reading the e-mails I receive from XYZ University on a timely basis. Furthermore, I understand that I may withdraw my consent to receiving tuition statements, tax forms, etc. electronically by submitting my request in writing to XYZ University, The Office of the Bursar, 555 Address, City, State, Zip.



Elements

CONTACT

I authorize XYZ University and its agents and contractors (including collection agencies) 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 XYZ University, or to receive general information from XYZ University. I authorize XYZ University 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 (i) call my cellular phone; or (ii) contact me via automated telephone dialing equipment, artificial or pre-recorded voice or text messages by submitting my request in writing to XYZ University Bursar or in writing to the applicable contractor or agent contacting me on behalf of XYZ University.



Elements

UPDATING CONTACT INFORMATION

I understand and agree that I am responsible for keeping XYZ University records up to date with my current physical addresses, email addresses, and phone numbers by following the procedure at www.websitelocation.edu. Upon leaving XYZ University for any reason, it is my responsibility to provide XYZ University with updated contact information for purposes of continued communication regarding any amounts that remain due and owing to XYZ University.



Elements

ENTIRE AGREEMENT

“This agreement supersedes all prior understandings”

This agreement supersedes all prior understandings, representations, negotiations and correspondence between the student and XYZ University, constitutes the entire agreement between the parties with respect to the matters described, and shall not be modified or affected by any course of dealing or course of performance. This agreement may be modified by XYZ University if the modification is signed by me. Any modification is specifically limited to those policies and/or terms addressed in the modification.



Elements

SEVERABILITY CLAUSE

If any provision, term, or clause of this Agreement is declared illegal, unenforceable, or ineffective in a legal forum with competent jurisdiction to do so, this Agreement shall be deemed severable, and all other provisions, terms, and clauses of the Agreement will remain valid and binding on the Parties.



Elements

“failure to review my e-bill does not constitute a valid reason for not paying my bill on time”

- **METHOD OF BILLING:** I understand that XYZ University 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 www.websitelocation.edu.
- **BILLING ERRORS:** I understand that administrative, clerical or technical billing errors do not absolve me of my financial responsibility to pay the correct amount of tuition, fees and other associated financial obligations assessed as a result of my registration at XYZ University.



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- **RETURNED PAYMENTS/FAILED PAYMENT AGREEMENTS:** If a payment made to my student account is returned by the bank for any reason, I agree to repay the original amount of the payment plus a returned payment fee of \$x.xx. I understand that multiple returned payments and/or failure to comply with the terms of any payment plan or agreement I sign with XYZ University may result in cancellation of my classes and/or suspension of my eligibility to register for future classes at XYZ University.
- **WITHDRAWAL:** If I decide to completely withdraw from XYZ University, I will follow the instructions at www.websitelocation.edu which I understand and agree are incorporated herein by reference.



Elements

PRIVACY RIGHTS & RESPONSIBILITIES

I understand that XYZ University is bound by the Family Educational Rights and Privacy Act (FERPA) which prohibits XYZ University from releasing any information from my education record without my written permission.

Therefore, I understand that if I want XYZ University to share information from my education record with someone else, I must provide written permission by following the procedure outlined at www.websitelocation.edu. I further understand that I may revoke my permission at any time as instructed in the same procedure.



Elements

IRS FORM 1098-T

- I agree to provide my Social Security number (SSN) or taxpayer identification number (TIN) to XYZ University 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 XYZ University, 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 XYZ University. 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 www.websitelocation.edu.



Elements

STUDENT AGE

“if I am younger than the applicable age of majority”

I understand and agree that if I am younger than the applicable age of majority when I execute this agreement that the educational services provided by XYZ University are a necessity, and I am contractually obligated pursuant to the **“doctrine of necessities.”**

AGREEMENT TERM

I understand that this Agreement shall remain in full force and effect so long as I am registered at and/or have an outstanding balance with XYZ University.



Elements

ELECTRONIC SIGNATURE

I hereby acknowledge that I have read this agreement and understand it. By clicking the I AGREE button below, I consent to the electronic processing of this agreement and understand I am consenting to be bound by this agreement which shall serve as a promissory note, thereby obligating me to pay all outstanding balances due XYZ University. I understand and agree that my electronic submission of this document acts as my electronic signature and will have the same legal effect as a signature on paper.



Why Financial Responsibility Agreements matter more now than ever

- Federal aid rules can change how much a family can borrow.
- For new Parent PLUS borrowers beginning July 1, 2026, loans are generally limited to \$20,000 per student each year and \$65,000 in total, subject to transition rules.
- As tuition rises, the difference between available aid and the amount due may grow. A financial responsibility agreement makes clear that the student must pay remaining charges, even when anticipated aid or other funding falls short.



OSU Financial Responsibility Agreement

Scan to view the agreement



https://bursar.okstate.edu/financial_responsibility