



NASFAA 2004

NATIONAL CONFERENCE • MINNEAPOLIS 7.18.04 - 7.21.04

Helping Students Make it After All!





Referring Title IV Overpayments How Does it Work?

**Shirley Wheeler
U.S. Department of Education**



Referring a Debt for Collections

- Debts must be at least \$25.01
- Referral should be in the format provided in the FSA Handbook
- Must be on school letterhead
- Debt must be reported to NSLDS prior to referral to ED for collections



(L101) ACCOUNT LEVEL INFORMATION ED0233 07/02/04
REGION: 04 ACCT OWNER: AG420 COLL NUM: 99999 15:03

ACCT NO: SXXXXXXXXX ED SSN VERIFICATION CODE:
ACCT NAME: BULKLEY , MINDY L
ADDRESS: 7895 TAFT ST

CITY: MIDVALE STATE: UT ZIP: 84047-0000
BIRTHDATE: 05/05/72 DAY PHONE: NIGHT PHONE: (999)999-9999
PREV LAST: PREV FIRST:

ED BALANCE:	\$246.34	PRINCIPAL:	\$245.74	INTEREST:	\$.60
PENALTY AMT:	\$.00	ADMIN:	\$.00	FEES:	\$.00
		PROJ/ACT CA:	\$61.59	CA BALANCE:	\$307.93

MONTHLY PMT:	\$.00	PAST DUE AMT:	\$306.80	TOTAL DUE:	\$246.34
LAST PMT DATE:	06/02/04	LAST PMT AMT:	\$25.00	DUE DATE:	
DATE BOUN/RV :		LAST PMT BOUN/RV:	.00	TOP STAT:	05 2
		DDP:		ICRP:	

NUMBER AND TYPE OF DEBTS: POVR
1



(R115)

POVR PROGRAM SPECIFIC SCREEN
REGION: 04

ED0233

07/02/04
15:23

ACCT NO:

SXXXXXXXX

ACCT NAME: BULKLEY
PREV NAME:

MINDY

L

----- PAGE 01 OF 01

DEBT NO: P200404007222301

IND:

DATE ENT: 12/05/03

PRINCIPAL:
293.50

INTEREST:

PENALTY:

ADMIN:

FEES:

REASON:
1

POVRTYP:
PELL

DEFTDTE:
12/04/03

ACADYR:
03-04

OVERPYAMT:
293.50

DISB AMT:
2,025.00

DISB DATE:
08/13/03

AMTASGTOED:
293.50

LASTPDSCH:

AMTCOLBYSCH:

AMTCOLBYED:

INT RATE:
3.00%



Statistics (Outstanding Debts)

<u>Academic Year</u>	<u>Volume</u>
00 – 01	6,307
01 – 02	12,380
02 – 03	29,374
03 – 04	25,729



Statistics (Open Accounts)

<u>Academic Year</u>	<u>Dollars Owed</u>
00 – 01	\$1,191,016
01 – 02	\$2,579,531
02 – 03	\$6,579,920
03 – 04	\$5,630,261



What Happens Now?

- Referral is loaded to Collections' database
- Initial demand letter sent to student
- Debt is reported to NSLDS
- Interest accrual begins



After 60 Days...

- Debt reported to national credit reporting agencies
- Debt transferred to private collection agency
- Possible garnishment of wages and Treasury funds (including tax refunds)
- Possible litigation through the Department of Justice



Errors & Recalculations

Schools may recall or adjust referral amounts by sending written request to:

U.S. Department of Education
P.O. Box 4222
Iowa City, Iowa 52245



Payments

Schools may accept payment on behalf of ED;
however, payment **MUST** be forwarded to the
National Payment Center for credit to the
students account

OR

School can recall the debt and deposit the
funds into its Pell Account



Payments

Payments should be forwarded to the following address:

U.S. Department of Education
National Payment Center
P.O. Box 4169
Greenville, TX 75403-4169



Contact Information

Both Students and Schools

U.S. Department of Education

P.O. Box 4222

Iowa City, Iowa 52245

Phone: 1-800-621-3115



Questions



Shirley Wheeler, Director
Washington Service Center
Collections Group
(202) 377-3294