
1906 EXTERNAL LOAN DISBURSEMENTS

Subject: Tuition, Fees and Other Student Charges
Effective: January, 1989
Revised: May, 2018
Reviewed: April, 2018
Responsible Office: SRFS
Approval: Executive Director, SRFS

PURPOSE

To ensure that certification of loan eligibility from all external Federal, State and private loan programs is performed in compliance with all applicable governing regulations. Also, to ensure that all loan disbursements from external sources are recorded in the applicable University system(s) and credited to student tuition accounts according to loan program requirements.

POLICY

1. The Loan Operations department within Student Financial Services is responsible for certifying loan eligibility for all external loan programs.
2. Loan certification requests are recorded in the Penn Loan System (PLS) by processing electronic files or by performing data entry of loan applications.
3. The PLS system interfaces with Student Aid Management (SAM), the billing system (Pennant AR) and the Student Record System (SRS). Staff members determine loan eligibility by reviewing a student's academic status, financial resources and cost of attendance.
4. Loan eligibility results are reported to the Department of Education, lenders and loan originators through exchange of electronic files or use of hard copy applications and certification requests. Loan providers can choose to approve or deny certification requests.
5. Disbursements from approved loans are issued to the University by drawing down funds from the G5 payment system for Direct Loans, by EFT for most private lenders, or by loan check, usually one disbursement per academic term.
6. Direct Loan and EFT disbursements are recorded in PLS. Student eligibility for the loan disbursement is validated through a series of system edits. Credit for a loan disbursement is passed to a student's tuition account on the billing and receivable system (Pennant AR).
7. Student loan checks are recorded in PLS. A check receipt is produced and attached to the check. Continued eligibility for the loan is validated before checks are delivered to the Cashier's Office for

student endorsement. After a student endorses a check, credit is posted to Pennant AR from the cashier's system.

8. Excess credit from student loan disbursements will be issued to the student as a refund after all charges are paid.
9. Lender refunds are produced when student loan eligibility is reduced due to changes in enrollment, reduction in tuition charges, receipt of additional financial aid, or upon a student's request. Refunds are sent to the Department of Education, loan originators or lenders by multiple methods including wire transfers, individual and master check processes, and proprietary cancellation rosters.