

# Federal Capital Contribution (FCC) Loans

## Due Diligence Check List

Institution Name: \_\_\_\_\_

Discipline: \_\_\_\_\_ State: \_\_\_\_\_

(Examples: Medicine, Dentistry, Associate, Diploma)

FCC Loan Fund: HPSL      PCL      LDS      NSL

(Circle one)

Contact Person: \_\_\_\_\_

Contact Person Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

Borrower Name: \_\_\_\_\_

Separation Date: \_\_/\_\_/\_\_      Grace Period Ended:      \_\_/\_\_/\_\_

First Payment Due: \_\_/\_\_/\_\_      Date Borrower Defaulted on Loan:      \_\_/\_\_/\_\_

Date School Determined Loan Uncollectible: \_\_/\_\_/\_\_

|  |                                      |   |
|--|--------------------------------------|---|
| (a) Principal Amount Loaned                | (b) Principal Amount Repaid          | (c) Principal Amount Cancelled          |
| \$ _____                                   | \$ _____                             | \$ _____                                |
| (d) Principal Amount Outstanding (a-b-c=d) | (e) Penalty/Late Charges Outstanding | (f) Interest Repaid                     |
| \$ _____                                   | \$ _____                             | \$ _____                                |
| (g) Interest Cancelled                     | (h) Interest Outstanding             | (i) Total Outstanding Balance (d+e+h=l) |
| \$ _____                                   | \$ _____                             | \$ _____                                |

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Refer to Student Financial Aid Guidelines, Fiscal Management, Collections

for documentation requirements and guidance.

Below is a check list of items to show due diligence for an FCC loan determined uncollectible.

=====SUBMIT COPIES ONLY=====

1. Has loan been reviewed in accordance with the due diligence requirements and write-off procedures in the Student Financial Aid Guidelines, Fiscal Management, Collections?  
 Yes     No (Do not submit)
2. Have you enclosed copy(s) of the Promissory Notes(s)?  
 Yes     No (Do not submit)
3. Have you enclosed a copy of the repayment schedule?  
 Yes     No
4. Have you enclosed entrance interview documentation (effective 09/23/85)?  
 Yes     No     N/A
5. Have you enclosed exit interview documentation (effective 9/23/85)?  
 Yes     No     N/A

6. Were deferments or cancellations granted on this loan?
- Yes - Enclosed is/are approved form(s).
  - No
7. Have you enclosed documentation of required contacts, including grace period (effective 9/23/85), deferment (effective 09/23/85), billing and follow-up? (Refer to the due diligence requirements and write-off procedures in the Student Financial Aid Guidelines, Fiscal Management, Collections)
- Yes - Enclosed is a copy of the billing agent's service agreement or school's billing procedures and its effective dates and evidence of required contacts as listed above for the borrower
  - Yes - A copy of the billing agent's service agreement or school's billing procedures applicable to this loan has already been submitted with previous write-off requests. Enclosed are evidence of required contacts as listed above for this borrower.
  - No - (Do not submit)
8. (a) Was the borrower a skip?
- Yes - Date classified as a skip: \_\_/\_\_/\_\_. Evidence of the skip is enclosed (i.e., return to sender correspondence). A copy of the school's written procedures followed in attempting to locate a borrower and evidence to document that those procedures were followed must be enclosed.
  - No
- (b) Was a commercial firm or collection agency used to locate this borrower?
- Yes - Enclosed is a copy of the contract which states they perform skip tracing.
  - No
9. Has the loan been referred to a commercial or in-house collection agency?
- Yes - Enclosed is a copy of the commercial agency's collection procedures, (and if used, the in-house written procedures), evidence of dates of referral, results of placement, and the date the account was returned.
  - No
10. Was the loan litigated?
- Yes - Enclosed is a copy of the judgment and further efforts taken after litigation to collect the loan.
  - No
- If you answered no to question 10, you must check one of the following:
- (a) the borrower filed bankruptcy and the loan was discharged through the bankruptcy proceedings, the following additional documentation is submitted: Notice of Creditors, Proof of Claim and Final Discharge.
  - (b) enclosed is a current third party statement (e.g., an attorney or collection agency) why litigation was not pursued (i.e., not cost – effective).
11. Was the loan reported to a Credit Bureau?
- Yes - Enclosed is the date and supporting documentation.
  - No
12. Have you included documentation of your semi-annual collection effort(s)?
- Yes  No
13. I certify that the documentation provided is true, complete, and correct to the best of my Knowledge.

Any person who knowingly makes a false statement or misrepresentation in the documentation is subject to penalties which may include fines and imprisonment under Federal statute.

\_\_\_\_\_  
Authorized Official's Signature

\_\_\_\_\_  
Date