

SA10**Student Loans**

Classification:	Student Affairs
Responsible Authority:	Registrar
Executive Sponsor:	Vice President, Student Services
Approval Authority:	Algonquin College Executive Team
Date First Approved:	1995-01-01
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PURPOSE

To provide short term financial assistance to students for educational or living expenses.

SCOPE

Students who are registered full-time or part-time are eligible for consideration.

DEFINITIONS

Word/Term	Definition
Financial Encumbrance	A restriction that is placed on a student account with an overdue balance. It prevents further registration, and withholds access to all transcripts, credential and post-graduation documents. The hold remains in place until all financial obligations have been met.
Government Approved Aid Program	Is a Ministry approved financial aid program(s) such as Ontario Student Assistance Program (OSAP).
Promissory Note	A document that defines repayment terms for an unsecured or secured loan.
Secured Loan	Short-term interest-free loan based on approved funding from a government financial aid program or a sponsor.
Short Term	A period of 90 days or less.
Sponsor	An individual or group that selects their own recipients and funds their education in part or in full.
Unsecured Loan	Short term interest-free loan based on the likelihood of receiving funds in the near future (likelihood validated by evidence such as a paystub, letter of confirmation of employment, letter from a family member guaranteeing the funds, etc.)

POLICY

1. The College, through the Financial Aid and Student Awards (FASA) Office within the Registrar's Office, will administer both secured and unsecured loans. There are maximum amounts of funds that the College can provide students. In some cases, the student's needs may be in excess of the maximum which can be approved.

2. The student is responsible for the repayment of the approved secured or unsecured loan to the College.

3. Unsecured Loan

1. The College, through the Financial Aid and Student Awards (FASA) Office within the Registrar's Office, will provide a short term interest-free unsecured loan to students who are not financially encumbered, based on a reasonable expectation of receiving funds in the near future from an acceptable and known program or funding source. Typically, unsecured loans would be granted to support a student experiencing short delays or administrative hurdles caused by student funding programs well-known to the College. Each case is considered on its own merit.
2. Students are expected to pursue other normal channels of assistance, such as family, friends, employment, or banking institutions before applying for unsecured loans. A loan of up to the amount of expected incoming funding or up to \$3000.00, whichever is less, can be approved and is designed to help students who are faced with unforeseen short term cash flow issues.
3. This loan will be added as a debt on the student's College subledger along with their other College fees owing. Any payments or incoming funding will be directly credited towards all short term loans and College fees owing.

4. Secured Loan

1. The College, through the Financial Aid and Student Awards (FASA) Office within the Registrar's Office, will provide a loan of money on a short term interest-free basis to students who are not financially encumbered, based on their approved forthcoming funding from approved government financial aid program or from a sponsor. Each case is considered on its merits.
2. In addition to the total amount of government funding to be received by the student, all outstanding fees and monies owed to the College will be considered during the application and approval process.
3. Students are expected to pursue other normal channels of assistance, such as family, friends, employment or banking institutions before applying for secured loans. A loan of up to the amount of incoming secured funding or up to \$3000.00, whichever is less, can be approved and is designed to help students who are faced with unforeseen short term cash flow issues.
4. This loan will be added as a debt on the student's College subledger along with their other College fees owing. Incoming government approved funding will be directly credited towards all short-term loans and College fees owing.

5. Non-Payment of Student Loans

1. Students who fail to repay their loans, as agreed in the College's Promissory Note, and who have not made alternative arrangements with the Finance Office will be considered in default.

2. The Finance Office will send a letter to the student containing the details of the outstanding debt, stating that unless payment is made immediately, the student's file will be encumbered.
3. If a student's file becomes encumbered, the student account will be part of regular collections activities and would be forwarded to collection agencies for funds recovery.

PROCEDURE

	Action	Responsibility
1.	Loans	
1.1	Apply for an unsecured or secured loan at the Financial Aid and Student Awards Office within the Registrar's Office.	Student
1.2	Interview student applying for an unsecured or secured loan to determine his or her financial needs and resources.	FASA staff member
1.3	If warranted, approve an unsecured or secured loan up to a total amount of \$3000.00 or a secured loan up to a total amount.	FASA staff member
1.4	Sign a promissory note.	Student
1.5	Process loan and credit the funds to the student's College subledger and request payment to the student within one business day. Processing a refund payment to the student may take up to five business days.	FASA staff member
2.	Non-Payment of Unsecured/ Secured Loans	
2.1	Send a letter to the student with the details of the outstanding debt and requesting immediate payment.	Finance Office
2.2	Encumber student's record until financial obligation is met.	Finance Office

RELATED POLICIES

AA14: Grading System

SA05: Scholarships, Awards and Bursaries

SA14: Unreturned College Property and Unpaid Debt