

Guidelines and Procedures **For Student Aid Fund for Nonregistrants**



Guidelines

1. This special non-budget fund was established in 1983. The purpose is to help replace potential government grants and loans lost by students who for reasons of Christian conscience choose not to register with the U.S. Selective Service System. Applicants will be asked to complete a statement outlining their reasons for choosing not to register.
2. The Executive Board's peace advocate will supervise the operation of the fund, joined by an SAFNR Administrative Committee to be composed the Associate Executive Director of Mennonite Church USA and Executive Leadership finance staff. Persons eligible to receive help from the special fund include:
 - a. all nonregistrants enrolled in Mennonite Church USA colleges and seminaries and
 - b. nonregistrant Mennonite students in undergraduate studies or graduate studies as available in other-than-Mennonite institutions.
3. Funds will be gathered from three sources:
 - a. After clearance from the student, the home congregation of each nonregistrant student will be invited to make special contributions for the need. The student will be expected to be an integral part of the communication process with his congregation.
 - b. If necessary, loan funds will be sought from Mennonite Foundation and other sources to replace Title IV government loans.
 - c. Congregations and individuals of Mennonite Church USA will be invited to make contributions to the fund.
4. Contributions should be made payable to Mennonite Church USA Fund for Nonregistrants.
5. The Peace Advocate office will provide staff time for the administration of the SAFNR and fundraising. These administrative costs will be deducted from the total contributions received each year.
6. Distribution of available funds will be based on formulas that would have been used if the student were eligible for government aid. In no case will a student receive more funds than would have been awarded through Title IV channels. If total contributions in an academic year are not sufficient to meet the total need for that year, the total available funds will be distributed in proportion to individual needs.
7. Individual students at Mennonite colleges should work through the Financial Aid offices of their schools, which will report needs to the Executive Board Peace Advocate office. Students at non-Mennonite schools should contact their financial aid officers and the Executive Board Peace Advocate office.
8. Requests for grants and loans should be received by September 1 and will be distributed in December for the entire academic year.
9. Students borrowing funds from SAFNR will be asked to sign a promissory note. Parents of students considered dependents will be required to co-sign the note.

10. No interest will be charged for funds loaned to SAFNR recipients until six months following their exit from undergraduate studies. At that time the recipient will begin repayment of the total amount borrowed. Payments shall not be less than \$50 per month and the total repayment period shall not exceed 10 years. Interest on the unpaid principal will be a fixed rate to be based upon the long-term 120% AFR monthly rate to the nearest tenth, to be set 90 days after the student graduates or discontinues school. The student's first loan payment would be 180 days following graduation or discontinuance from school. We will use the same interest rate calculations for both undergraduate and graduate loans.
11. **Loan repayment during graduate school or voluntary service.** All students who received loan funds from SAFNR for undergraduate studies, including those enrolled in Mennonite Church USA seminaries or other graduate institutions, will be required to begin and continue repayments of that loan even while attending graduate school or while serving in voluntary service according to the guidelines stated above. Because the loans are a revolving fund, repayment of loans makes it possible for the next students to borrow.
12. In the event of a loan default, appropriate collection procedures will be made.
13. Business offices in Mennonite Church USA educational institutions will be asked not to charge interest to the student for any portion of the student's bill not paid from July 1 to December 31, which is projected to come from SAFNR sources.
14. If the need for this fund should cease and undistributed funds remain, the remaining resource will be disbursed by determination of the Executive Board peace advocate for use in harmony with the purpose of this fund.
15. Changes to these guidelines will be the responsibility of the Peace Advocate office.

Please send contributions to:

Mennonite Church USA Executive Leadership
Student Aid Fund for Nonregistrants
PO Box 1245, Elkhart IN 46515-1245
Ph. 574-523-3041, Info@MennoniteUSA.org

For more information, contact:

Mennonite Church USA
Peace Advocate
P O Box 173, Orrville OH 44667
Ph. 330-683-6844, Peace@MennoniteUSA.org

Procedures

The following procedures are to be used in relation to the SAFNR Guidelines.

1. Application procedure

- a. In May, Mennonite Church USA Executive Board Peace Advocate office will solicit the names of the students eligible for SAFNR from each Mennonite Church USA college and seminary.
- b. The Peace Advocate office will ask Financial Aid Officers from the colleges and seminaries to report the student information to the Executive Board office in early summer so that students can receive and complete the application forms. A statement on reasons for choosing not to register will be solicited from each applicant the first time the application form is completed. This statement will be kept on file to serve as the only statement needed for current and future applications.
- c. Requests for grants or loans should be received **by September 1** and Peace Advocate office staff will then initiate the loan processing with Mennonite Foundation.

- d. Graduate students attending other-than-Mennonite schools need to initiate the application through Mennonite Church USA Executive Board Peace Advocate office and have the Financial Aid Office of their school provide an assessment of their need to the Peace Advocate office.

2. Loan procedure

- a. Students borrowing funds from SAFNR will be asked by Mennonite Foundation to sign a promissory note and those considered as dependent will need their parents to co-sign the note.
- b. Loan funds will be distributed in December for the entire academic year.
- c. Business offices in Mennonite Church USA institutions will be reminded by letter in September not to charge interest to the student for any portion of the student's bill that is projected to come from SAFNR sources and not paid from July 1 to December 31.
- d. Graduate students attending other-than-Mennonite schools will have funds distributed by semester, beginning in September.

3. Repayment procedure

- a. No interest will be charged for funds loaned to SAFNR recipients until six months following the student's exit from undergraduate studies. At that time students must begin repayment of the total amount borrowed. Payments shall not be less than \$50 per month and the total repayment period shall not exceed 10 years. Interest on the unpaid principal will be a fixed rate based upon the long-term 120% AFR monthly rate to the nearest tenth, set 90 days after the student graduates or discontinues school. The student's first loan payment would be 180 days following graduation or discontinuance from school.
- b. We will use the same interest rate calculations for both undergraduate and graduate loans.
- c. All graduate students, including those enrolled in Mennonite Church USA seminaries, who received loan funds from SAFNR for undergraduate studies, will be required to begin and continue repayments according to the guidelines stated above.

4. Loan Collections. The Mennonite Foundation will work on collections through 90 days after which the Peace Advocate office staff will handle all collections for the duration of the loan.

- a. The first late payment notice is mailed to the borrower 10 days after the due date.
- b. A second late payment notice is mailed 30 days after due date.
- c. A third letter is mailed to the borrower and note cosigner 45 days after the due date.
- d. If full payment is not received after 60 days, a telephone call is made to the borrower and/or cosigner. The telephone conversation will be documented in a file memo and followed up with a letter. The letter will state that if past due interest grows to exceed 90 days past due, the file will be turned over to Mennonite Church USA Executive Board Peace Advocate office or its assigns.
- e. If past due interest exceeds 90 days, Mennonite Foundation will initiate a turnover meeting with staff from Executive Board. The case will be reviewed to determine whether the congregation/conference should be informed and/or if a recommendation should go to the Executive Board Associate Executive Director that the case be turned over to a collection agency or to be written off. Mennonite Foundation will write any contact with the congregation/conference. The Peace Advocate office staff will handle all collections for the duration of the loan. The decision to turn it over to a collection agency will be made by the Executive Board Associate Executive Director upon recommendation of the Peace Advocate.

5. Fundraising

- a. In the spring of each year the peace advocate will mail a letter inviting contributions to individuals who have expressed or might have interest in contributing to SAFNR. From time to time this will be expanded to include congregations in the larger Mennonite Church USA.
- b. The congregation and conference of the participating student will be invited to contribute to the fund with the student's permission as noted on the Application Form.
- c. Contributions should be made payable to Mennonite Church USA for the Student Aid Fund for Nonregistrants and receipted by Executive Board.

6. Sources of loan funds

- a. Mennonite Foundation will loan funds to students who are awarded nonregistrant loans.
- b. The interest rate is adjusted quarterly tied to prime interest rates of New York banks.
- c. When line of credit is renewed, Mennonite Foundation circulates a document for the appropriate signatures of staff of the Executive Board.

7. Administration

- a. The SAFNR Administrative Committee will meet in early September to review the requests for grants and loans from fall enrollments, set the interest rate, draft fund raising letter for mailing in December, and review the program parameters as needed.
- b. In January, Peace Advocate office staff will submit a bill for services in registration and coordination with the schools.
- c. Executive Board Peace Advocate office will invoice the fund for mailing costs and staff expenses associated with receipting.

8. Business Cycle Summary

May-June

- ?? Peace Advocate office staff writes letter to college and seminary Financial Aid Directors, requesting student lists for the fall term and the anticipated financial need.
- ?? Peace Advocate office staff will contact students to complete an application and clarify their reasons for not registering.
- ?? Executive Board Peace Advocate office will work with Mennonite nonregistrants in other-than-Mennonite schools as requests arise.
- ?? MMA prepares repayment schedules for graduating students.
- ?? Peace Advocate prepares fund-raising letter to be mailed the beginning of May.

September

- ?? Peace Advocate office staff will solicit enrollment verification from colleges and seminaries along with updated needs.
- ?? Peace Advocate staff will remind college business officers to withhold interest charges for the nonregistrant students in the program.
- ?? Peace Advocate office staff will summarize grant/loan requests for the record.
- ?? MMA will prepare loans/advances of first semester funds for graduate students attending other-than-Mennonite schools.

November

- ?? MMA will forward promissory notes to students/parents.
- ?? MMA will obtain signatures for updated note documents.
- ?? If insufficient funds were raised during the spring mailing, the Peace Advocate will make more requests to congregations of students and other interested people.
- ?? MMA will forward payments to be received by colleges/seminaries by December 1.

January

- ?? MMA advances second semester funds for graduate students attending other-than-Mennonite schools.
- ?? Peace Advocate office submits a bill for services/expenses.
- ?? Peace Advocate office staff publishes a financial report, including a report on revenues and expenses for the year, and makes it available on the PJSN web site.