



INTEROFFICE MEMORANDUM

FROM THE OFFICE OF THE PRESIDENT

TO: JSCC Students, Faculty, and Staff

FROM: Dr. Lawrence Rouse

SUBJECT: Opting out of William D. Ford Federal Direct Loans

DATE: April 16, 2013

The James Sprunt Community College Board of Trustees approved a resolution to discontinue the College's participation in the William D. Ford Federal Direct Loan Program effective July 1, 2013.

The College has decided to discontinue participating in the William D Ford Federal Direct Student Loans for the following reasons:

- **The loan program requires the College to process loans without consideration of credit or background checks.**
- **James Sprunt Community College offers low tuition for students.**
- **Students may overextend themselves financially and in some cases, the loans are used for purposes other than education.**
- **There is a growing concern that many students are taking on so much loan debt that they will be unable to repay their loans.**
- **James Sprunt Community College has experienced rising student loan default rates on federal student loans and if the trend continues, it places the College at risk of jeopardizing all federal financial aid to students in the future.**

For the remainder of the 2012/13 academic year, currently enrolled students with William D. Ford Federal Direct Loans already certified by the College will be processed following established regulations. New William D. Ford Federal Direct Loans for the 2012/13 academic year will be accepted for processing until June 1, 2013.

Sincerely,

**Lawrence L Rouse, Ed. D.
President**

