



SOCIETY POLICY

STUDENT LOAN FUND

I. PREFACE

- A. Article C2.1.1 of the Constitution states in part, "The purposes of this Society are to: Foster engineering education;....."
- B. Article C4.1.11 of the Constitution states, "The deposit, investment, and disbursement of all funds shall be subject to the direction of the Board of Governors."
- C. By-Law B5.3.2.2 states in part: "The Board on Education, under the direction of the Public Affairs and Outreach Council is responsible for the activities of the Society that relate to engineering education and pre-college education."

II. PURPOSE

- A. To state the policy pertaining to student loans.
- B. To provide a procedure relative to student loans.

III. POLICY

- A. The ASME Student Loan Program is designed to provide timely financial assistance to ASME Student Members who might experience undue hardship in completing their degree studies due to the unavailability of sufficient financial aid through the normal student financial programs.
- B. The ASME Student Loan Program shall be administered under the Public Affairs and Outreach Council, which shall be responsible for ensuring that the available funds are used as fully as possible.

- C. The following conditions shall govern the issuing and repaying of loans:
1. The applicant shall be an ASME Student Member in good academic standing, and be enrolled full-time in an approved mechanical engineering or mechanical engineering technology degree program.
 2. The maximum amount borrowed by an individual at any one time shall not exceed an amount set annually by the Public Affairs and Outreach Council.

IV. PROCEDURE

- A. The loan application shall be recommended by the applicant's Department Head or Chair who shall verify the student's academic status.
- B. Approval and processing of the loan application shall be the responsibility of the Board on Education.
- C. Loans shall be repaid within three and one-half years from the date of completion of degree requirements for which the loan is granted, or termination of enrollment in the degree program for which the loan was granted.
- D. By permission of the Associate Executive Director, Public Affairs and Outreach, repayment of a loan may be postponed without interest until after the completion or termination of full-time graduate studies. At that time, the repayment schedule resumes at the point that it was postponed when the graduate program was begun.
- E. Loans shall not bear interest until six months after the borrower completes degree requirements or terminates enrollment in the degree program for which the loan was granted. The loan shall then bear interest on the outstanding balance at the per annum rate in effect at the time the loan was granted. The interest shall be set at one percent below the Government Guaranteed Student Loan Rate.
- F. Loans not repaid within three and one-half years as specified in IV.C. and D. will be considered delinquent and any unpaid balance will bear interest at the rate set annually by the Public Affairs and Outreach Council, in consultation with the Committee on Finance and Investment.
- G. A promissory note in a form approved by the Public Affairs and Outreach Council shall be signed by the borrower and a co-signer who will assume a legal obligation to ensure the repayment of the loan.
- H. The ASME Student Loan Program shall be promoted to ASME Student Members, Heads (or Chairs) of Mechanical Engineering and Mechanical Engineering Technology Departments.

Responsibility: Public Affairs and Outreach

Reassigned from Centers Board of Directors 6/2012

Reassigned from Council on Education 6/12/05

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