

Luther College
2009-2010 Electronic Funds Transfer (EFT)
Supplement to the Monthly Payment Plan Worksheet

A new application must be completed each year.

Definition of Electronic Funds Transfer

(EFT): This is the electronic transfer of funds from one bank account to another bank account. Completion of this form authorizes Luther College to transfer funds from your bank account to Luther's bank account for the amount of your monthly payment plan payment on the **15th of each month**. Many families choose the EFT option because it is easy and convenient.

Participation in the monthly EFT

Complete a monthly payment plan worksheet, available on our website (<http://financialservices.luther.edu>), and return with this completed application. If no monthly payment plan worksheet or an incomplete monthly payment plan worksheet is received with this application, this application and the worksheet will be returned to you unprocessed. Use your most current student financial aid award to complete Step 3 of the monthly payment plan worksheet. Carefully calculate the net proceeds of the student loan(s) and the work credit plan, if applicable.

A. Estimated Financial Aid

If you wish to set up a monthly payment plan with estimated financial aid, you may. If you wish to revise your monthly payment plan after your financial aid award is finalized, it is your responsibility to request a revision in the plan once a completed financial aid award has been prepared. This request should be **directed to the Office for Financial Services** (not the Financial Aid Office).

B. First Payment

Your first EFT will occur on the 15th of the month for plans processed on or before the 5th of that month. For plans processed after the 5th of the month, your first EFT will occur on the 15th of the following month. The EFT will also include all back payments. (Example: Your plan is processed on Aug 5th. On Aug 15th, the EFT will include your July and Aug payments.) The remaining EFT's will be on the 15th of each month. (EFT's can only occur on the 15th of each month. We are unable to honor requests of other dates.)

C. Revisions to the Monthly Payment

Revisions to your monthly payment plan that *increase* your monthly EFT will become effective on the 15th of the month for plans revised on or before the 5th of that month. For plans revised after the 5th of the month, the increase will become effective on the 15th of the following month. At that time all back payments will also be included in that EFT. [Example: Your original monthly payment was \$500 per month for 4 months. Your revised payment is \$600 per month. As of Aug 5th you have paid a total of \$500 on your plan. The Aug 15th EFT will be \$700 (\$600 Aug payment plus \$100 extra for July.)]

Revisions to your monthly payment plan that will *decrease* future EFTs will be effective with the next EFT after your revision is processed. [Example: Your original monthly payment was \$1200 per month for 4 months. Your revised payment is \$900 per month. As of Aug 5th you have paid a total of \$1200 on your plan. The Aug 15th EFT will be \$600 (2 months x \$900 = \$1800, but you have already paid \$1200)]

D. Cancellation of Plan

We must receive notification of your intent to cancel your EFT plan by the 5th day of the month in order for you to avoid the next EFT, which occurs on the 15th of the month.

E. Extra Payments

Extra payments (not EFTs) made to this plan will decrease the next scheduled EFT provided the payment is recorded by the 10th of the month. Extra payments include payments made by check, cash, or wire transfers. If there is a revision in financial aid, you need to contact our office and request a revision in the plan.

F. NSF Fee

If an EFT is unsuccessful due to insufficient funds or a closed account, the student receivable will be charged \$25. In the case of insufficient funds, a second EFT attempt will occur on the 1st of the following month. If this EFT is also unsuccessful, the student receivable account will be charged an additional \$25 fee. Luther has the right to cancel or deny EFT monthly payment plans if several EFT's are denied due to insufficient funds. For closed accounts, the EFT monthly payment plan will be cancelled and the entire balance will be due immediately.

Please return this form if you plan to participate

LUTHER COLLEGE
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Student Name _____

ID# _____

***BANK INFORMATION** (bank must be located within the United States) Please complete:

_____ Checking Account

_____ Savings Account

Name of Financial Institution

Phone Number

Address

City, State, Zip

Name of Account Owner(s)

Daytime Phone Number

Bank Account Number

A.B.A. Routing Number

Please include a voided check (for a checking account) or deposit slip (savings account only).

SIGNATURE: I wish to participate in the Luther College Electronic Funds Transfer (EFT) Monthly Payment Plan program. I have completed the above bank information. I have read the information provided on the other side of this application and have enclosed a COMPLETED monthly payment plan worksheet (available on <http://financialservices.luther.edu>). I am aware of my responsibilities as a participant of the monthly payment plan using the EFT option. I authorize Luther College and the financial institution named above to initiate entries to my checking/savings account. This authority will remain in effect until the last monthly payment plan payment has been processed in March. I can stop payment of any entry by notifying Luther College by the 5th of the month prior to the scheduled EFT.

Account Owner Signature _____ Date _____

Return this completed application **and a completed monthly payment plan worksheet** to: Office for Financial Services, Luther College, 700 College Drive, Decorah, Iowa 52101-1058. You are not required to send your first payment as noted on the monthly payment plan worksheet. The payment will be made using EFT. Incomplete applications and worksheets will be returned unprocessed.