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A. Introduction

This chapter covers the various policies involved with loan repayments.

Due to the nature of casework, it is not feasible to anticipate all possible situations that can occur. There will be times an exception to normal CGMA policy may be justified. (See section 4-E for additional information concerning exceptions to CGMA policy, prior to providing financial assistance.)

B. Loan Repayment

1. General

The viability of CGMA's assistance program depends on loan repayments. Repayment of CGMA loans provides the major source of operating funds to provide new assistance. It is expected that each person receiving assistance from Coast Guard Mutual Assistance in the form of a loan will repay that loan in full, in accordance with the repayment terms established at the time assistance is rendered.

All loan repayments must be sent to CGMA-HQ. The client's CGMA account will not reflect any payment until the payment has been received and processed by CGMA-HQ.

CGMA-HQ maintains one account for each person who has received assistance, regardless of the number of loans and grants received. All payments received will be applied to the client's total outstanding account balance, not to specific loans.

Note: The policies and procedures in this section apply when providing assistance to a CGMA client. They do not apply when providing assistance to a Department of Defense (DOD) member. (See section 4-D for additional information when providing assistance to a DOD member.)

2. Repayment Policies

a. General

Except as noted, the intent of CGMA's repayment policy is to have all clients repay their loans within 12 months when possible, within 36 months if necessary, but not more than 60 months without contacting CGMA-HQ. (See paragraph 2-D-2 for CGMA-HQ Points of Contact information.)

Each new loan issued requires the establishment of a new allotment or cash repayment schedule.

b. Allotments vs. Cash Repayment

Repayment by allotment is preferred for active duty and retired members and civilian employees. Cash repayment for these individuals should be considered an exception to normal policy and should be limited to cases where assistance is provided for pay, allotment, or travel problems, where repayment will be made with a lump-sum cash repayment within 30 days from the check issue date. Representatives may make exceptions to the cash repayment policy on a case-by-case basis when appropriate. The decision for an exception must be based on personal knowledge of the client and the circumstances of the case. In rare cases when cash payment is approved for an individual who is authorized to have an allotment, the CMP system will automatically enter a statement in the Remarks Block when the check is printed, authorizing CGMA to start an allotment in the event the client is unable to repay by cash as originally agreed. CGMA-HQ will process this "back-up allotment" if the client does not make cash payments as agreed or if the client's check is returned for non-sufficient funds.

Cash repayment is the only method available for Reserve, Auxiliary, and family members, and retired members who receive their entire retired pay from sources other than the Coast Guard.

c. Start Date

A specific repayment start date must be established in each case. Normally, repayment will start the first month after assistance was provided.

When appropriate, the Representative may delay the start of repayment for up to 3 months, when an earlier start date will cause a hardship for the client. A delay of over three months requires CGMA-HQ approval. Contact the CGMA-HQ Director of Administration, Director of Finance or Executive Director, prior to providing assistance. (See paragraph 2-D-2 for CGMA-HQ Points of Contact information.)

d. Reimbursement From Other Sources

Repayment of a CGMA loan must **not be** conditional on the client receiving reimbursement from another source (i.e., where a client will repay CGMA upon receipt of check from insurance company). While this may be the intended method of repayment, it must be made clear to the client that the CGMA loan must be repaid whether or not outside reimbursement is received. If appropriate, the Representative may delay the start of repayment up to 3 months to allow time for the client to receive outside reimbursement.

If the client receives the anticipated reimbursement from the outside source and lump-sum payment is made to CGMA, the client must include a short

comment with the payment, indicating that the originally requested allotment will not be necessary. CGMA-HQ will take action to stop the allotment. If repayment is not received, the allotment will start as scheduled.

e. Underpayments and Overpayments

The total scheduled repayment must be equal to, or greater than, the total dollar value of the loan issued for each case. Any overpayment over \$5.00 will be returned by CGMA-HQ directly to the client. Any underpayment over \$5.00 will cause the loan to be declared delinquent. For underpayment of less than \$5.00, the loan will be considered paid-in-full.

In the case of overpayments, refunds will be processed by CGMA-HQ. Representatives are not authorized to issue refunds for loan overpayments, nor are Representatives authorized to provide a new "loan" to a client due to an overpayment. (See section 5-I for additional information concerning underpayments, overpayments and refunds.)

3. Repayment Options

When a loan is issued, the client and Representative will have two repayment options:

- Allotment
- Cash

a. Allotment

This is the preferred method of repayment for active duty, civilian, and retired military clients.

b. Cash

Use this option when the client intends to repay the loan with a lump-sum cash repayment within 30 days from the check issue date. If the repayment is not made as agreed, and the client is active duty, civilian, or retired military, the client **MUST** agree to an allotment (automatic deduction from pay) with the full amount owed withheld over one month (two paydays), or the minimum number of months (or paydays) needed, as determined by the amount of pay available.

Use this option for Auxiliary members, Reserve members, widows, widowers and others, retired military (paid by the VA), and Commissioned Personnel of the Public Health Service serving with the Coast Guard. This option is

necessary because these clients are unable to have an allotment or automatic deduction from any pay.

4. Repayment Guidelines

a. Establishing Repayment Terms

Representatives are to establish repayment terms for all cases, (except cases reviewed by the Executive Director or the Board of Control) based on the merits of each case as well as the client's ability to repay. While excessively long repayment terms are to be avoided, Representatives must ensure that repayments extend over a reasonable period of time so the client's budget will not be unduly strained.

In this respect, it should be remembered that the ability to repay varies with individual circumstances, and that a comparatively small repayment may be a greater hardship for a low-income family than a larger repayment amount to a person with a higher income.

The determining factors are the degree of hardship and the most constructive solution of the particular problems presented. Where judgment dictates a whole or partial grant as the most appropriate means of real help, this form of assistance should be readily utilized. (See paragraph 4-B-6 for additional information concerning grants.)

These guidelines are established to ensure that assistance and repayment is consistent throughout the organization. They are intended to apply to normal cases and normal procedures. They are not intended to apply to bona fide emergencies, exceptional situations, nor situations in which the repayment of the loan would impose an undue financial hardship. In all cases, need and potential for repayment shall be the governing factor when determining the repayment amount.

b. Repayment Schedules

Loans will be repaid within 12 months, when possible, within 36 months, if necessary, but not more than 60 months without contacting CGMA-HQ. (See paragraph 2-D-2 for CGMA-HQ Points of Contact information.)

Monthly payments will normally not be less than \$100 per month for Commissioned Officers, Warrant Officers, Enlisted Members E-7 (and above), and Civilian Employees GS-8/WG-8 (and above). Monthly payments will normally not be less than \$50 per month for all others.

Specific repayment terms have been established when assistance is provided for the following reasons.

- Assistance provided for pay, allotment, or travel problems, regardless of amount, should normally be repaid lump sum upon receipt of the missing pay. If appropriate, Representatives may delay repayment to allow time for the problem to be resolved. Repayment may be by cash or allotment
- Loans for Housing Assistance will normally be repaid within 60 months, with a minimum monthly payment of \$100, regardless of rate or rank
- Debt Management Program loan repayment terms will be determined by CGMA. Representative should give consideration to the financial counselor's recommendation when determining the repayment amount. However, repayment will not exceed 60 months without CGMA-HQ approval

Note: When a case is forwarded to a higher authority (Executive Director or Board of Control) for review, and that authority approves assistance and establishes repayment terms, Representatives are not authorized to make changes to the assistance authorized or the repayment terms established without obtaining approval from the higher authority.

Representatives are encouraged to contact CGMA-HQ, prior to providing assistance or disapproving a request for assistance, with questions they may have or for help in processing the case. (See paragraph 2-D-2 for CGMA-HQ contact information.)

5. Processing Allotment Repayments

a. General

CGMA-HQ will process all allotments to repay CGMA loans, including Starts, Stops and Changes. This includes allotments for active duty and retired members and civilian employees. (See chapter 7 for information concerning contribution allotments.)

Allotments will normally be processed using the information contained on the CGMA Form 52. It is essential that an original signature is on the bottom portion of the CGMA Form 52 kept locally.

All requested changes to allotments made after a loan has been issued, including restarting an allotment, changing the amount of the allotment, and repaying by allotment when cash repayment was originally requested, etc., must be processed by CGMA-HQ.

b. Deductions From Pay

All repayment amounts entered in the CGMA-CMP program are considered monthly payments. Each pay office will follow slightly different procedures when handling allotments to repay CGMA.

- Active duty members: Half of the monthly amount will be deducted from their mid-month and end-of-month paychecks. The monthly allotment amount will be sent to CGMA at the end of the month and credited to their CGMA account
- Retired members: The full monthly amount will be deducted from their monthly-retired pay. The allotment will be sent to CGMA and credited to their CGMA Account on the first workday of the following month
- Civilian employees: Half of the monthly amount will be deducted from their biweekly pay. The allotment will be sent to CGMA on a biweekly basis and will be credited to their CGMA account upon receipt

c. Repayment Options - No Previous Loan Balance

When processing a repayment by allotment for a client not having a previous loan balance, Representatives have the following options:

- Start a new allotment effective the following month
- Delay the start of the new allotment for up to 3 months, when appropriate, based on the circumstances of the case
- Contact CGMA-HQ to request delays of over 3 months

d. Repayment Options - With a Previous Loan Balance

When processing a repayment by allotment for a client who has an outstanding balance from a previous loan(s) at the time a new loan is issued, Representatives may consider the following options when determining how to repay the new loan:

- Combine the new loan with the client's current account balance. A new repayment amount will be established to pay-off the client's new account balance (the total of the new loan provided and the client's previous balance)

- Delay the start of the new allotment repayment, when appropriate, for up to 3 months, based on the circumstances of the case, provided the previous account balance would be paid-in-full by the time the new allotment is to take effect

6. Processing Cash Repayments (Payment by Check or Money Order)

a. General

One of the more difficult collection actions facing CGMA is from individuals wanting to repay their CGMA by cash (check or money order). A large number of these cases become delinquent. Attempting to collect on these cases increases the workload for both CGMA-HQ and Representatives. Because of these problems, it is CGMA's policy, that except as noted, cash repayment will normally be limited to individuals who are not entitled to have an allotment to CGMA, including Auxiliary members, widows, widowers and others, Reserve members and retired members not receiving their retired pay from the Coast Guard. (See paragraph 5-B-2 for additional information.)

b. Making Payments

Clients are to make cash (check or money orders) payments directly to CGMA-HQ. Cash payments may be made in the form of a check or money order. The check or money order must:

- Be made payable to Coast Guard Mutual Assistance or CGMA
- Indicate that it is to repay a CGMA Loan
- Contain the Name and Account Number of the person having the outstanding loan
- Be mailed directly to:

Coast Guard Mutual Assistance
US Coast Guard Mail Stop 7180
4200 Wilson Blvd., Suite 610
Arlington, VA 20598-7180

c. Cash Billing

Each month CGMA-HQ mails a statement to each client who is scheduled to repay their CGMA loan by cash (check/money orders). The statement shows the current outstanding CGMA Loan Balance, the Last Payment amount (if any) and date posted, and the amount due by the end of the current month (the statement also notifies clients when their payment is overdue). The statement

has a detachable coupon that the client can tear off, write in the amount of the payment and return to CGMA-HQ along with their payment.

Note: When a client repaying a loan by allotment (or scheduled to repay by allotment) would like to make a cash (check or money order) payment to payoff the loan, the client or Representative should contact CGMA-HQ to determine when the allotment can be stopped and obtain a pay-off amount. Failure to contact CGMA-HQ to verify the correct pay-off amount could cause the client's account to be overpaid, necessitating a refund to the client.

d. Responsibility for Cash

It is the client's responsibility to convert cash into a check or money order for payment to CGMA. CGMA will not reimburse an individual for the cost of converting cash into a check or money order. Cash should never be sent through the mail.

CGMA will not be responsible for cash payments sent through the mail.

e. Lost Payments

CGMA will not be responsible for misdirected checks and money orders that are lost in the mail, or for whatever other reasons are never received by CGMA-HQ.

f. Non-Sufficient Funds Checks

When the bank returns a client's loan payment check due to Non-Sufficient Funds (NSF), or for other similar reasons such as when the client requests stop payment on a check or closes the source account, the following will occur:

- CGMA-HQ will remove the payment from the client's account
- CGMA-HQ will contact the client to have the client make payment using a money order or certified check (a personal check is not acceptable)

Questions concerning NSF checks should be directed to the CGMA-HQ Financial Assistant. (See paragraph 2-D-2 for CGMA-HQ contact information.)

C. Lost Checks/Stop Payments

Approximately 400 individuals have signing authority and are located at over 130 locations throughout the Coast Guard. Together they issue more than 7,000 CGMA checks annually. Occasionally, a CGMA check will be lost or stolen. In these situations a stop payment on the check may be requested.

1. General

When a CGMA check has been lost or stolen and after a thorough investigation to locate the missing check has been completed, Representatives are to contact CGMA-HQ to discuss having a stop payment placed on the check. Representatives are not to contact the bank directly. (See paragraph 2-D-2 for CGMA-HQ contact information.)

Depending on the situation, CGMA-HQ will decide if a stop payment is warranted. If the decision is made to place a stop payment on the check, CGMA-HQ will contact the bank to have stop payment action taken.

2. When Will a Stop Payment Be Issued

A stop payment will be issued when it appears that not doing so will result in a financial loss to CGMA.

A stop payment will not be issued when a client has a disagreement with a vendor about incomplete or unsatisfactory work or service. The client must resolve these types of problems through established legal channels.

3. Cost

Clients may be responsible for any cost associated with the stop payment.

4. Responsibility

The client will not be held responsible for checks they did not cash. However, if an investigation determines that the CGMA client has cashed, or was involved in the check being cashed fraudulently, CGMA will take action to collect from the individual cashing the check, including prosecuting when warranted. Again, the client will not be responsible for repayment of the lost or stolen check unless they were involved with the cashing of the check.

5. Reissuing a CGMA Check

After obtaining approval from CGMA-HQ, Representatives can issue a replacement check. In these cases, the original check number must be entered in

the remarks block of the replacement check, along with the name of the person at CGMA-HQ who authorized the stop payment, and the date of the conversation.

D. Delinquent and Uncollectible Accounts

Losses due to delinquent and uncollectible accounts are a substantial expense for CGMA and limit the amount of funds available to assist new clients. Action by CGMA-HQ and Representatives is needed to keep the total delinquent and uncollectible accounts to a minimum. Authorization from CGMA-HQ is required prior to providing assistance to anyone who is delinquent or who appears on the Restricted List. (See paragraph 5-D-5 for additional information.)

1. Delinquency Accounts

Representatives can view delinquent accounts using the Active Loan List in CMP. Delinquent accounts are displayed in red.

Representatives are encouraged to contact those clients who have become delinquent and attempt to get the client to resume payments.

Representatives should advise the CGMA-HQ Financial Assistant of any updated information they may acquire.

Clients who become delinquent, who are repaying via allotment or payroll deduction, will have their repayment schedule converted to Cash, and billing statements will commence to the best known mailing address.

2. Notification Letters

Billing Statements are mailed at the beginning of each month to all clients not repaying by allotment or payroll deduction.

Clients are considered to be current if they made a payment in the past 30 days. Overdue statements are tailored based on the length of delinquency as follows:

- Over 30 days but less than 60 – warning 30 days past due
- Over 60 days but less than 90 – warning 60 days past due
- Over 90 days but less than 120 – warning 90 days past due (final notice)

Once an account reaches 120 days past due it is written off. Where the amount is \$100 or greater the account may be sent to a collection agency.

3. Collection Agency Actions

When attempts by CGMA to reestablish payment have failed, CGMA-HQ will turn the client's account over to a collection agency and the following actions will be taken:

- The collection agency will attempt to collect from the client, following procedures approved by CGMA-HQ
- If the client fails to repay the collection agency, the agency will record the fact that the client defaulted on the individual's credit record. This statement will not be removed from the client's credit report until the loan is paid in full or other arrangements have been made to satisfy the account
- The collection agency will notify CGMA-HQ when a client has repaid in full or in part

Note: If a client decides to make payments after being contacted by the collection agency, the payments are to be directed to the collection agency, not CGMA-HQ

4. Restricted Accounts

The individuals listed on the Restricted List are restricted from receiving any further assistance from CGMA. The majority of these individuals have defaulted on their CGMA loan(s) and have failed to respond to CGMA's attempts to reestablish loan payments as discussed above. Therefore, their accounts have been declared uncollectible and may be turned over to a collection agency. (See section 6-D for more information concerning CGMA reports.)

- a. In addition to defaulting on their CGMA loan(s) clients may be placed on the Restricted List when they abuse their CGMA privileges or declare bankruptcy.
- b. Clients may be placed on the Restricted List:
 - At the direction of the BOC
 - At the direction of the Executive Director
 - When requested by a Representative and approved by the BOC or Executive Director
- c. Clients may be removed from the Restricted List:
 - When an error is discovered that warrants removal
 - When an account was sent to a collection agency and the client reestablishes payments to CGMA prior to being contacted by the collection agency
 - At the direction of the BOC

- At the direction of the Executive Director

5. Providing Assistance to Delinquent or Restricted Clients

- a. Prior to providing assistance, Representatives are to review both the Active Loan List and the Restricted List, to determine if the individual has an outstanding loan balance with CGMA and to determine the client's account status. (See section 6-D for more information concerning CGMA reports.) In addition, the CGMA-CMP program is designed to prevent Representatives from erroneously providing assistance to a client appearing on the Restricted List without prior approval from CGMA-HQ.
- b. If a review of the Active Loan List indicates that the client is delinquent, or the client appears on the Restricted List, the Representative is to contact the CGMA-HQ Director of Finance, Director of Administration or Executive Director, to determine the individual's situation and what action is to be taken. (See paragraph 2-D-2 for CGMA-HQ contact information.)
- c. If CGMA-HQ cannot be contacted in time critical situations, Representatives may approve emergency assistance, as defined in paragraph 3-C-2, for clients who are delinquent or on the Restricted List, in extenuating circumstances for bona fide emergencies. This does not include "emergency in the mind of the client." If assistance is approved under these conditions, the check must be prepared offline (manually) and CGMA-HQ must be contacted as soon as possible.

E. Bankruptcy

1. General

There may be times when filing for bankruptcy will be in the best interest of the client. However, CGMA Representatives are cautioned not to discuss or recommend filing bankruptcy with a client. The decision to file bankruptcy is one that should be made by the client following professional credit counseling and after receiving proper legal advice concerning the options and repercussions of filing bankruptcy. Financial assistance will not normally be provided to assist a client with filing for bankruptcy. (See paragraph 3-C-6 for additional information concerning financial counseling and debt management.)

Depending on the type of bankruptcy the client has chosen, Chapter 7 - Liquidation or Chapter 13 - Adjustment of Debt of Individuals with Regular Income, the state where the bankruptcy was filed and the requirements of the court order, actions taken by CGMA may vary considerably from case to case.

2. Responsibility

a. Representatives

Representatives are to contact the Executive Director, Director of Administration or Director of Finance as soon as they become aware that a CGMA client has declared bankruptcy. Copies of any court order, notice or other document received concerning the bankruptcy of a CGMA client are to be immediately faxed to CGMA-HQ, with the original documents mailed to CGMA-HQ as soon as possible. (See paragraph 2-D-2 for CGMA-HQ contact information.)

b. CGMA-HQ

Upon notification of the bankruptcy, CGMA-HQ will be responsible for complying with the court order or bankruptcy decision. This may include: providing additional information concerning the client's CGMA account or loan balance, reducing or stopping repayment, taking necessary allotment action, refunding any erroneous payments received or other monies due to the court, or other actions as required by the court.

3. Future Assistance

All clients declaring bankruptcy will be placed on the CGMA Restricted List (see paragraph 5-D-4 for additional information concerning restricted accounts) and any future assistance to the client will require CGMA-HQ approval.

Note: Depending on the requirements of the court order and type of bankruptcy, CGMA may have to obtain approval from the client's court trustee prior to providing any additional assistance.

4. Reestablishing Loan Repayments

Clients wishing to reestablish loan payments to CGMA after declaring bankruptcy must first verify with their legal counsel that they are allowed to make additional payments to CGMA. Confirmation of this information must be included with any payment made.

F. Converting a Loan into a Grant

1. General

There may be times when it is appropriate for assistance originally given as a loan to be converted into a grant. These requests should meet the same established standard of need, as when initially providing a grant. (See paragraph 4-B-6 for additional information.) Three of the most common reasons for requesting a loan be converted into a grant are:

- A client's financial condition changes after assistance has been provided and repayment of the loan becomes a financial hardship. For example, after receiving assistance, a retired member experiences a severe medical complication that prevents continued employment, causing a large reduction in family income that is expected to last for a long or indefinite period of time. Sometimes a reduced payment may be appropriate
- Time constraints prevented processing the request as a grant at the time assistance was approved. For example, a loan was provided for emergency travel associated with a death in the family, since time did not permit approval of a grant by the Executive Director prior to the client's departure
- A person with a loan is reported deceased

Due to the nature of casework, it is not feasible to anticipate all possible situations that can occur, and there may be other legitimate reasons why a client will request their loan be converted into a grant. Representatives should contact the Executive Director, Director of Administration or Director of Finance, with questions they may have or for help in processing a request for a loan to be converted into a grant. (See paragraph 2-D-2 for CGMA-HQ contact information.)

2. Procedures

The following procedures are to be followed when a client makes a request to have their loan converted into a grant:

a. Client

The client must take the following actions:

- Provide a statement as to why the request is being made.
- Complete a new CGMA Application for Assistance (CGMA Form 5) and a new CGMA Budget Form (CGMA Form 15) updating all applicable information (see section 3-D for additional information)

- Provide any additional documentation necessary to support their request

b. Representative

Upon receiving a request to convert a loan into a Grant, the Representative will:

- Review the request to see that it is thorough and complete
- Endorse the request, including a recommendation for approval or disapproval of the request
- Forward the request with all supporting documentation to CGMA-HQ

Note: No "guarantee" should be given to the client, before or after assistance is given, that their loan would be converted into a grant.

c. CGMA-HQ - Cases under \$6,000

When the total amount of grants (not including education grants) received by the client, including the current request, is less than \$6,000, the Executive Director will decide if the loan will be converted into a grant.

Approved: If the loan to grant request is approved, CGMA-HQ will inform the Representative that the request has been approved. The Representative will then inform the client.

Note: When appropriate, the full amount of a loan may be converted into a grant, even if partial repayment has been made.

Disapproved: If the request to convert a loan into a grant is disapproved, CGMA-HQ will notify the client in writing, with a copy to the Representative.

d. CGMA-HQ - Cases over \$6,000

When the total amount of grants (not including education grants) received by the client, including the current request, is more than \$6,000, the Executive Director will endorse the request, making a recommendation and forwarding the request to the Board of Control, who will make the determination if the loan will be converted into a grant.

The Executive Director will be informed of the Board's decision and will complete the case by following the procedures described above for approved or disapproved requests.

When approved, CGMA-HQ will take necessary action.

G. Outstanding Loan Balance at Time of Separation

Representatives are to advise all clients who have an outstanding loan balance at the time they are separating from the Coast Guard, regardless of the reason they are separating, that they are expected to repay the CGMA loan as they originally agreed.

Active duty members should be advised that the Coast Guard may withhold a portion of their final pay upon separation to apply to their outstanding CGMA loan balance. Active duty members who are retiring should also be advised that they may continue to repay their CGMA loan with an allotment from their retired pay. They should contact their self-service unit or self-service yeoman to have their CGMA allotment continue into retirement.

Representatives should also advise all separating clients who have an outstanding loan balance that CGMA will continue to attempt to recover all outstanding loans regardless if the loan was given as emergency or non-emergency assistance. These actions may include the use of a collection agency when appropriate. (See section 5-B for additional information concerning repaying CGMA loans and section 5-D for collection actions CGMA may take to collect outstanding loans.) Individuals facing financial hardship following separation may consider applying to have their loan converted into a grant in accordance with section 5-F.

H. Deceased Clients

Representatives are to contact CGMA-HQ as soon as they become aware that a CGMA client with an outstanding loan balance is deceased. (See paragraph 2-D-2 for CGMA-HQ contact information.) Upon notification, CGMA-HQ will convert the remaining CGMA loan balance into a grant.

Surviving family members may be eligible for other assistance. (See paragraph 3-B-3 for additional information.)

I. Loan Underpayments, Overpayments and Refunds

Each time a CGMA loan is issued, Representatives must make sure that the total amount of repayments are equal to, or greater than, the amount of the loan. Ideally, the total amount of loan repayments will match the loan amount exactly. Representatives are authorized to make small adjustments (less than \$5.00) to the loan amount and/or the repayment terms to achieve this goal. If the total amount of repayment is not exactly the same as the loan amount, an underpayment or overpayment may occur. (See section 5-B for additional information concerning loan repayments.)

When an underpayment or overpayment occurs, CGMA-HQ will take the following action.

1. Underpayments

When the underpayment is less than \$5.00, CGMA will write-off the remaining balance, and the loan will be considered paid-in-full.

When the underpayment is over \$5.00 and an additional payment is not received within 30 days, the loan will be declared delinquent. (See section 5-D for additional information concerning delinquent accounts.)

2. Overpayments

When the overpayment is over \$5.00, CGMA-HQ will issue a refund directly to the client as described below.

3. Refunds

CGMA-HQ maintains one account for each person who has received assistance, regardless of the number of loans and grants received. All payments received will be applied to the client's total outstanding account balance, not to specific loans. The client's CGMA account will not reflect any payment until the payment has been received and processed by CGMA-HQ. Refunds will not be issued while the client's account shows an outstanding balance.

CGMA-HQ will issue refunds directly to clients in accordance with the following:

- Refunds will generally be processed on a weekly basis
- The refund will be mailed to the last address on file
- Clients should wait at least 3 weeks after they believe an overpayment was made, to contact CGMA-HQ to determine the status of the refund
- Refunds will not be made until CGMA actually receives the funds that cause the overpayment

J. Additional Information

Questions, comments and recommendations concerning this chapter should be directed to the Executive Director, Director of Administration or Director of Finance. (See paragraph 2-D-2 for CGMA-HQ contact information.)