

ATTORNEY GENERAL'S GUIDELINES
FOR SUBMITTING ACCOUNTS
(REVISED MARCH, 1999)

Each State-supported University, Community College, or State agency is requested to use only our submittal list forms. There are two (2) forms, one for student loan accounts and one for account receivables. Please refer to your handouts. Include all requested information for each submittal list's format. Remember to use an asterisk (*) to indicate if a debtor's address is known to be a bad address. Try to limit lists to one hundred (100) accounts maximum if possible. This office will work with you on addresses, using one or more of these resources: letter or phone call to Revenue's Individual Income Tax Division; a letter requesting a certified copy of a DMV record to the Division of Motor Vehicles citing §20-42(b) of the General Statutes of North Carolina, The Employment Security Commission, and a letter to the Postmaster asking for verification of an address. Due to this office's limited staff, it is primarily your responsibility to obtain a good address. Never submit only a name without either an address or social security number on the submittal list form. A social security number is always needed to help ascertain information about a debtor.

Once the list is received by this office, this begins the process for collection of these accounts. Lists are processed in the order that they are received. For each submitted list, figures are computed, if needed; i.e.: total principal due, plus interest and late charges (if any), are added to the principal amount due. These figures are then utilized in the demand letters. The original demand letter is sent to the debtor. Two additional copies of demand letters are made; one copy is retained in the Attorney General's Office active files and one is forwarded to you, our client. The debtor is given thirty (30) days from the date of the demand letter to respond. Your office is requested to let this office know the responses to these demand letters forty-five (45) days from the date of the demand letter. Should the debtor contact you after receipt of the demand letter, please make repayment arrangements with the debtor. This office only makes agreements after suit is filed. If the student contacts this office after receiving a demand letter, the student will be referred to the school. This office forwards to you a cover letter indicating the date of the demand letter and the date your responses are due. The cover letter is attached with the copies of the demand letters. Please use the following codes to indicate what, if any response, has been heard from the debtor: (PD) Paid, (SR) Satisfactory Response, (UR) Unsatisfactory Response, or (NR) No response. After this office forwards to you the copies of the demand letters with the attached cover letter, information regarding each debtor's account is entered into our computer. Copies of demand letters and submittal lists are retained in active files in this office.

Once the forty-five day limit has expired, and this office has received your response codes, then this office will make our recommendation for the account on your list and our list and return your list to you. These codes are also entered into our computer. Account receivables in the amount of \$50.00 or less are recommended to be written off (W/O). Account receivables in the amount over \$50.00 are recommended to be placed with a State-contracted collection agency. If the Account Receivable is over \$200.00, and you have documents to support the amount owed by a debtor, (these do not have to be promissory notes) then this office can file a lawsuit against the debtor. (Debtor must reside in the State of North Carolina). If any demand letter is returned from the Post Office because of an insufficient address, please look for the code (NAN) which means new address needed. This office will mail to you the returned envelope with

NAN written on it. These letters should be resubmitted on a new list if you obtain a good address on the debtor. If the Post Office provides a good address on the envelope we will still send this back to you to be resubmitted. The reason for this is due to the fact that by the time we receive the returned mail the debtors time for responding is no longer (30) days. If we were to send out a new letter at that time it would be too confusing to keep up with the dates. Therefore, this office requests you to resubmit this debtor on your next list. Student loan accounts that are in the amount of \$200.00 or more are recommended for lawsuit if the debtor is a North Carolina resident. Student loan accounts less than \$200.00 are to be turned over to a State-contracted collection agency. This office will file a lawsuit for State agencies who make a request on their uncollectible account receivable accounts. These accounts may include, but are not limited to salary overpayments, contract work completed by a State agency which has not received payment, and nonpayment for goods bought by an individual or company from a State agency. It is requested that four (4) copies of Promissory Notes for all student loan debtors on whom suit is anticipated be forwarded to this office at the time you send your response codes. If it is determined that an account receivable has documentation to support a lawsuit, the school needs to also send four (4) copies of these documents. For State agency accounts, once it is determined that a lawsuit will be filed, please send all documents to support the amount owed to the agency. These documents will be used as exhibits to the complaint.

Please be advised that suits are prepared from information submitted by you on the debtors account. To assure that all information on a debtor is correct and current, we request all schools to send this office a "Suit Preparation Worksheet" filled out on the debtor for an account that is to be prepared for a lawsuit. All lawsuits are signed by an Attorney in the Attorney General's Office, assigned to represent the Collection Section. If you find that a change needs to be made to the complaint after you have received it and proofed the information please send originals and all copies of the summons and complaints back to this office so we may retype any pages that need changes. Please check all amounts, including principal amount owed, interest rates, interest from dates, late charges (if any), and collection costs (if any), as well as names and addresses to make sure nothing has changed from the time the accounts were turned over to the

Attorney General's Office. Also, please be reminded of any statute of limitations problems. If the promissory note is "under seal" there is a ten (10) year statute of limitations. If a document is not under seal the statute of limitations is three (3) years. On federal loans (Perkins) there is no statute of limitations. 20 U.S.C.A. 1091(a)

This office prepares four (4) copies of the civil summons and four copies of the complaint on each defendant. The Verification page is included as the last page of the complaint (before the exhibits). **Always remember to have the person verifying the complaint to sign in front of a Notary Public and have the original and copies notarized.** The four (4) sets of the summons and complaints are prepared for the following: University or Community College and/or State agency, Defendant, Clerk's Office, and Attorney General's Office.

Please be reminded that the Sheriff's Department has 30 days after the date of the issuance of summons, except in tax and assessment foreclosures under G.S. § 105-391 or G.S. § 105-414, to make personal service or substituted personal service of summons. Failure to make service within this 30 day period does not invalidate the summons. The officer returns the summons to the Clerk of court who issued it with notation of its nonservice and reasons as to why the defendant was not served.

At this point you and I can work on obtaining a good address so as to secure an endorsement upon the original summons for an extension of time within which to complete service of process. This office then prepares an Alias and Pluries Summons. (This summons acts like the original summons but an Alias & Pluries Summons gives us additional time in which to serve the defendant) An Alias and Pluries must be secured within 90 days after the issuance of summons or the date of the first prior endorsement. The University or Community College and/or State agency is responsible for getting a check issued in the amount of \$5.00 payable to the Sheriff of the county in which the person is being served. If you are serving by certified mail you do not need a check to a Sheriff's Department.

This office can have a person served by certified mail. This is usually done when we want to serve at a Post Office Box, (we do not have a street address), or when the Sheriff's Department is having trouble serving but, it is known that the defendant to be served does reside

at the address on the summons. You must file the Alias and Pluries Summons as you normally would do. If a summons and complaint have been returned unserved by a Sheriff's Department then the complaint will be located in the Clerk of Superior Court's file on this defendant. When you go to the Clerk of Court's office to file your Alias and Pluries Summons, make sure you attach the returned complaint (which will be in the clerk's file) to the Alias and Pluries. The personnel in the Clerk of Court's office will help you with this if you get confused. When this office receives the "green card" back from the Post Office, an Affidavit for Service by Certified Mail is then prepared, notarized, and is filed with the Clerk's Office. This office copies the defendant (debtor) with the Affidavit on the day we mail the same to the Clerk of Superior Court for filing. When we receive the filed copy from the Clerk's Office this office then mails a filed copy to defendant (debtor), the University or Community College and/or State agency and we retain a filed copy for our files on the defendant.

Please do not hesitate to ask this office questions anytime. We will be glad to either answer them or research the matter