

## SETTLEMENT AGREEMENT

This Agreement is made between the University of Montana (OPE ID #00253600), located in Missoula, Montana (UMT) and the United States Department of Education (Department). Federal Student Aid (FSA), acting through its Director, Administrative Actions and Appeals Service Group, and is effective when the last party executes this Agreement.

A. On September 25, 2018, the Department sent UMT a letter stating that the Department intended to fine the institution \$966,614 (hereafter "the proposed fine action") based on FSA's findings in a Final Program Review Determination (FPRD) letter that UMT had failed to comply with some of the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) in §485(f) of the Higher Education Act of 1965, as amended (HEA) and the Department's regulations.

B. On October 11, 2018, UMT submitted a letter to appeal the proposed fine action and requested a hearing. The appeal was filed with the Department's Office of Hearings and Appeals and docketed as In the Matter of University of Montana, Docket No. 18-57-SF.

C. UMT and the Department have now agreed to resolve the proposed fine action without any further administrative procedures.

In consideration of the mutual covenants and conditions contained in this Agreement, and intending to be legally bound, the parties agree as follows:

1. UMT agrees that it will pay the fine amount (\$395,000.00) in accordance with the Amortization Schedule attached hereto. UMT hereby agrees to make a down payment of \$39,500.00 ("Down Payment") by bank or cashier's check made payable to the U.S. Department of Education, delivered to the Department no later than January 30, 2019. Thereafter, UMT shall make sixty (60) monthly installment payments of \$6,073.86 commencing on February 28, 2019 and ending on January 30, 2024. Payments are due and payable on the 30th of each month, except in the month of February when they are due on the 28th ("Due Date"). A payment will be applied first to any late payment penalty, then to any accrued interest, and then to principal.

2. Interest on the fine amount will accrue at the rate of one percent (1%) per annum on the unpaid portion of the principal amount set forth in paragraph (1), beginning on January 30, 2019.

3. UMT shall make the monthly installment payments pursuant to this Agreement with funds that are not restricted by Federal law. UMT shall make the monthly payments through the pay.gov online payment system at: <https://www.pay.gov/public/form/start/54960339/> or go to [www.pay.gov](https://www.pay.gov) and Search Public Form EDOCFOCR. If UMT is unable to make payments through the pay.gov method, payment by check payable to the U.S. Department of Education shall include the identification AAA201901027 on each payment and UMT shall send the monthly payment checks to the following address:

U.S. Department of Education

P.O. Box 979026

St. Louis, MO 63197-9000

4. UMT may at any time prepay without penalty any amount of principal and interest accrued to the date of prepayment.

5. If any payment under this Agreement is not received by ten (10) days after the Due Date, a late penalty will be assessed on the amount of the payment due for each thirty-day period, or fraction thereof, that the payment is delayed beyond the Due Date. This penalty will be assessed at the current value of funds rate in effect on the due date, as established by the United States Department of the Treasury. This penalty is in addition to, rather than in lieu of, the interest that continues to accrue under paragraph 2 of this Agreement.

6. If two (2) consecutive payments are not received by ten (10) days after the Due Date of the second payment, the Department may, at its option, make the entire unpaid portion of the fine amount immediately due and payable. The Department's acceptance of a late payment does not waive the requirement that UMT make other payments under the Agreement when due.

7. If any payment is not received by ninety (90) days after the Due Date, the Department will impose a penalty charge of six (6) percent per annum on the amount of the payment beginning from the due date, plus an administrative charge to cover the cost of collection. This charge is in addition to, rather than in lieu of, the late penalty described in paragraph 5.

8. If at any time prior to payment of the entire fine amount, any amount which is then due has not been paid, including pursuant to the acceleration provisions contained in Paragraph 6 hereof, the Department may collect the amount due and payable by administrative offset against any payments due UMT from the Federal Government. This due and unpaid amount may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996. In addition, the Department is also entitled to seek recovery of any due and unpaid amounts through any means authorized by law. UMT shall be responsible for any legal fees and costs incurred by the Federal Government with seeking such a recovery.

9. If UMT makes a general assignment for the benefit of creditors or files a petition in bankruptcy, or if a petition in bankruptcy is filed against UMT or a receiver is appointed to administer UMT's property or assets, then the principal balance, any accrued penalties, any accrued administrative charges, and accrued interest under this Agreement is immediately due and payable without notice. UMT waives presentment for payment, notice of non-payment, protest and dishonor.

10. UMT withdraws its appeal of the proposed fine action. The Department and UMT agree that the administrative fine action is fully resolved, pending fulfillment of the outlined repayment terms.

11. Upon full execution of this Agreement, the parties will file a joint motion to dismiss the pending action.

12. The Department agrees not to initiate further administrative action against UMT based on the findings outlined in the December 5, 2017, FPRD.

13. UMT affirms that it will continue to take steps to comply with the requirements in the Clery Act, the HEA and the Department's implementing regulations.

14. Nothing in this Agreement constitutes an admission of liability or wrongdoing by UMT.

15. This Agreement does not waive, compromise, restrict, or settle:


- a. Any past, present, or future violation of the criminal or civil fraud laws of the United States.
- b. Any presently pending or future action taken by the United States under the criminal laws or civil fraud laws of the United States.

The Department is not aware of any such actions pending against UMT based on the issues addressed in the FPRD.

16. This Agreement does not address or resolve any complaints filed with or any investigations undertaken by the Department's Office of Civil Rights under any applicable law or regulation.


UMT and the Department each warrant that the undersigned representative is authorized to sign this Agreement on its behalf.

FOR UNIVERSITY OF MONTANA

  
Mr. Seth A. Bodnar  
President  
University of Montana

Dated: 10 Jan 2019

FOR THE UNITED STATES DEPARTMENT OF EDUCATION

  
Susan D. Crim  
Director  
Administrative Actions and Appeals Service Group  
Federal Student Aid/Enforcement  
U.S. Department of Education

Dated: 1-11-19

