

ID: _____

SWARTHMORE COLLEGE
500 COLLEGE AVENUE, SWARTHMORE, PA 19081-1390
SWARTHMORE COLLEGE INSTITUTIONAL LOAN PROGRAM
PROMISSORY NOTE

FALL SEMESTER
SPRING SEMESTER

I, _____, Promise to pay to Swarthmore College (hereinafter called, the Institution), located at Swarthmore, Pennsylvania 19081, the sum of _____ for billed, unpaid charges for my tuition, room, board, and for other fees associated with the cost of my attendance at the Institution. I promise to pay all reasonable collection costs, including attorney fees and other charges necessary for the collection of any amount not paid when due.

Permanent Address (Street or Box Number, City, State and Zip Code): _____

Social Security Number (borrower must provide) _____

The borrower and Institution shall execute this note without security and without endorsement.

The Institution shall provide a copy of this note without security and without endorsement.

The Institution shall provide a copy of this note to you and you should retain the copy for your records.

I. GENERAL

Procedures for Receiving Deferment, Cancellation or Forbearance. I understand that, to receive a deferment, cancellation or forbearance, I must request the deferment, cancellation, or forbearance in writing from the Institution and must submit to the Institution any documentation required by the Institution to prove that I qualify for the deferment, cancellation, or forbearance. I further understand that, if I am eligible for deferment, cancellation, or forbearance, I am responsible for submitting the appropriate request on time. I further understand that I may lose my deferment, cancellation, and forbearance benefits if I fail to file my request on time.

II. INTEREST

Interest shall accrue from the beginning of the repayment period and shall be at the ANNUAL PERCENTAGE RATE OF FIVE PERCENT (5%) on the unpaid balance, except that no interest shall accrue during any deferment period described in Article VII.

III. REPAYMENT

(1) I promise to repay the principal and the interest that accrues on it to the Institution over a period beginning nine (9) months after the date I cease to be at least a half-time regular student at an Institution of higher education, or at a comparable Institution outside the United States approved for this purpose by the United States Secretary of Education (hereinafter call the Secretary), and ending ten (10) years later, unless that period is [shortened under paragraph III (5) or] extended under paragraphs III (4), III (7), (extensions), VIII(1), or VIII(3) (deferments).

(2) Upon my written request, the repayment period may start on a date earlier than the one indicated in paragraph III (1).

(3) (A) I promise to repay the principal and interest over the course of the repayment period in equal monthly payments. I understand that, if my installment payment for all the loans made to me by the Institution is not a multiple of \$5, the Institution may round that payment to the next higher dollar amount that is a multiple of \$5.

(B) Notwithstanding paragraph III (3) (A), upon my written request, repayment may be made in graduated installments in accordance with a schedule approved by the Institution.

(4) Notwithstanding paragraph III (1), if I qualify as a low-income individual during the repayment period, the Institution, upon my written request, may extend the repayment period for up to an additional ten (10) years and may adjust any repayment schedule to reflect my income.

(5) If the monthly rate that would be established under paragraph III(1), or the total monthly payment rate of principal and interest on all my Institution Loans, including this loan, is less than \$30 per month, I shall repay the principal and interest, on this loan at the rate of \$30 per month (which includes both principal and interest).

(6) The Institution may permit me to pay less than the rate of \$30 per month for a period of not more than one (1) year where necessary to avoid hardship to me unless that action would extend the repayment period in paragraph III(1).

(7) The Institution may, upon my written request, reduce any scheduled repayment or extend the repayment period indicated in paragraph III(1), if, in its opinion, circumstances such as prolonged illness or unemployment prevent me from making the scheduled repayments. However, interest shall continue to accrue.

IV. PREPAYMENT

(1) I may, at my option and without penalty, prepay all or any part of the principal, plus any accrued interest thereon, at any time.

(2) Amounts I repay in the academic year in which the loan was made and the initial grace period has not ended will be used to reduce the amount of the loan and will not be considered prepayment.

(3) If I repay amounts during the academic year in which the loan was made and the initial grace period ended, only those amounts in excess of the amount due for any repayment period shall be considered a prepayment.

(4) If, in an academic year other than the year in which the loan was made, I repay more than the amount due for an installment, the excess will be used to repay principal unless I designate it as an advance payment of the next regular installment.

V. DEFAULT

(1) The Institution may, at its option, declare my loan in default and may demand immediate payment of the entire unpaid balance of the loan, including principal, interest, late charges, and collection costs, if—

(A) I do not make a scheduled payment when due under the repayment schedule established by the Institution; and

(B) I do not submit to the Institution, on or before the date on which payment is due, documentation that I qualify for a deferment, or cancellation, or forbearance as described in Articles VI, VII, VIII, IX, X, XI, XII, XIII, or XIV of this agreement.

(2) I understand that the Institution may disclose to credit bureau organizations the amount of loans made to me, along with other relevant information.

(3) I understand that, if I default on my loan, the Institution may disclose that I have defaulted, along with other relevant information, to credit bureau organizations.

(4) I understand that, if I default on my loan, I will lose my right to forbearance.

(5) I understand that, if I default on my loan, I will lose my right to defer repayments.

(6) I understand that, if the Institution accelerates the loan under paragraph V(1), I will lose my right to receive a cancellation of a portion of my loan for any service described in Articles VIII, IX, X, XI, XII, XIII, or XIV performed after the date the Institution accelerated the loan.

(7) I understand that, if I default on my loan, the Institution may refer the loan to an attorney or collection agency for collections, and I agree to pay all such reasonable collection costs, including attorney fees and other charges, necessary for the collection of any amount not paid when due.

(8) I understand that, if I default on my loan, the Institution may withhold release of my transcripts.

VI. FORBEARANCE

(1) I understand that, upon making a properly documented written request to the Institution, I am entitled to be granted forbearance of principal and interest or principal only, renewable at 12-month intervals, for a period not to exceed three years, if—

(A) My debt burden equals or exceeds 20 percent of my gross income from all sources; or

(B) The Institution determines that I qualify for other reasons.

VII. DEFERMENT

(1) I understand that, upon making a properly documented written request to the Institution, I may defer making scheduled installment payments and will not be liable for any interest that might otherwise accrue during the following periods:

(A) For any period that I am—

(i) Enrolled and in attendance as a regular student in at least a half-time course of study at an eligible institution;

(ii) Enrolled and in attendance as a regular student in a course of study that is part of a graduate fellowship approved by the Secretary;

(iii) Engaged in graduate or post-graduate fellowship-supported study (such as a Fulbright grant) outside the United States; or

(iv) Enrolled and in attendance in a course of study that is part of a rehabilitation training program for disabled individuals approved by the Secretary.

(B) For any period that I am engaged in service described in Articles VIII, IX, X, XI, XII, XIII or XIV of this agreement.

(C) For a period not to exceed three (3) years during which—

(i) I am seeking and unable to find full-time employment; or

(ii) For any reason that my Institution determines has caused or will cause me to have an economic hardship.

(2) I understand that I am not eligible for a deferment under paragraph (VII)(1)(A) while I am serving in a medical internship or residency program.

(3) I understand that I may continue to defer making scheduled installment payments and will not be liable for any interest that might otherwise accrue for a six (6) month period immediately following the expiration of any deferment provided in paragraph VII (1).

VIII. TEACHING CANCELLATION

(1) I understand that, upon making properly documented written request to the Institution, I am entitled to have up to 100 percent of the amount of this loan plus the interest thereon canceled if I perform qualifying service after the period for which I received the loan—

(A) As a full-time teacher in a public or other nonprofit elementary or secondary school in the school district of a local educational agency that is eligible in such year of service for funds under Chapter 1 of the Education Consolidation and Improvement Act of 1981, as amended, and which has been designated by the Secretary (after consultation with each State Department of Education) in accordance with the provisions of section 465(a)(2) of the Act as a school with a high concentration of students from low-income families. An official Directory of designated low-income schools is published annually by the Secretary.

(B) As a full-time special education teacher (including teachers of infants, toddlers, children, or youth with disabilities) in a public or other nonprofit elementary or secondary school system, or as a full-time qualified professional provider of early intervention services in a public or other nonprofit program under public supervision by the lead agency as authorized in section 676(b)(9) of the Individuals With Disabilities Education Act; or

(C) As a full-time teacher of mathematics, science, foreign languages, bilingual education, or any other field of expertise that is determined by the State Department of Education to have a shortage of qualified teachers.

(2) A portion of this loan will be canceled for each completed year of teaching service at the following rates;

- (A) 15 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year for each of the first and second complete academic years of that teaching service;
- (B) 20 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year for each of the third and fourth complete academic years of that teaching service; and
- (C) 30 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year for the fifth complete academic year of that teaching service.

IX. HEAD START CANCELLATION

(1) I understand that, upon making a properly documented written request to the Institution, I am entitled to have up to 100 percent of the amount of this loan plus the interest thereon canceled if I perform qualifying service after the period for which I received the loan as a full-time staff member in a Head Start program if—

- (A) That Head Start program is operated for a period that is comparable to a full school year in the locality; and
- (B) My salary is not more than the salary of a comparable employee of the local educational agency.

(2) This loan will be canceled at the rate of 15 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year for each completed school year or equivalent period of service in a Head Start program

(3) Head Start is a preschool program carried out under the Head Start Act.

X. MILITARY CANCELLATION

(1) I understand that, upon making a properly documented written request to the Institution, I am entitled to have up to 50 percent of the principal amount of this loan plus the interest thereon canceled if I serve as a member of the Armed Forces of the United States in an area of hostilities that qualifies for special pay under section 310 of Title 37 of the United States Code.

(2) This loan will be canceled at the rate of 12 1/2 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year for each complete year of such qualifying service after the period for which I received the loan.

XI. VOLUNTEER SERVICE CANCELLATION

(1) I understand that, upon making a properly documented written request to the Institution, I am entitled to have up to 70 percent of the amount of this loan plus the interest thereon canceled if I perform qualifying service after the period for which I received the loan—

- (A) As a volunteer under the Peace Corps Act; or
- (B) As a volunteer under the Domestic Volunteer Act of 1973 (ACTION programs).

(2) This loan will be canceled at the following rates;

- (A) 15 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year for each of the first and second twelve (12) month periods of volunteer service completed; and
- (B) 20 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year for each of the third and fourth twelve (12) month periods of volunteer service completed.

XII. LAW ENFORCEMENT OR CORRECTIONS OFFICER CANCELLATION

(1) I understand that, upon making a properly documented written request to the Institution, I am entitled to have up to 100 percent of the amount of this loan plus the interest thereon canceled if I perform qualifying service after the period for which I received the loan—

- (A) As a full-time law enforcement officer for service to an eligible local, State, or Federal corrections agency.

(2) A portion of this loan will be canceled for each complete year of law enforcement or corrections service at the following rates;

- (A) 15 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year for each of the first and second completed years of that service;
- (B) 20 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year for each of the third and fourth complete years of that service; and
- (C) 30 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year for the fifth complete year of that service.

XIII. NURSE OR MEDICAL TECHNICIAN CANCELLATION

(1) I understand that, upon making a properly documented written request to the institution, I am entitled to have up to 100 percent of the amount of this loan plus the interest thereon canceled if I perform qualifying service after the period for which I received the loan as a full-time nurse or medical technician providing health care services.

(2) A portion of this loan will be canceled for each completed year of service at the following rates;

- (A) 15 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year for each of the first and second complete years of that service;
- (B) 20 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year for each of the third and fourth complete years of that service; and
- (C) 30 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year for the fifth complete year of that service.

XIV. CHILD OR FAMILY SERVICE AGENCY CANCELLATION

(1) I understand that, upon making a properly documented request to the Institution, I am entitled to have up to 100 percent of the amount of this loan plus interest thereon canceled if I perform qualifying service after the period for which I received the loan as a full time employee of an eligible public or private nonprofit child or family service agency who is providing, or supervising the provision of, services to high-risk children who are from low-income communities and the families of such children.

(2) A portion of this loan will be canceled for each completed year of service at the following rates;

- (A) 15 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year for each of the first and second complete years of that service;
- (B) 20 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year for each of the third and fourth complete years of that service; and
- (C) 30 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year and for the fifth complete year of that service.

XV. DEATH AND DISABILITY CANCELLATION

(1) In the event of my death, that total amount owed on this loan will be canceled.

(2) If I become permanently and totally disabled after I receive this loan, the Institution will cancel the amount of this loan.

XVI. CHANGE IN NAME, ADDRESS, TELEPHONE NUMBER, OR SOCIAL SECURITY NUMBER

I am responsible for informing the Institution of any change in name, address, telephone number, or Social Security number.

XVII. LATE CHARGE

(1) The Institution will impose a late charge if—

- (A) I do not make a scheduled payment when it is due; and
- (B) I do not submit to the Institution, on or before the date on which payment is due, documentation that I qualify for a deferment, cancellation, or forbearance as described in Articles VI, VII, VIII, IX, X, XI, XII, XIII or XIV of this agreement.

(2) No charge may exceed 20 percent of my monthly payment.

(3) (A) The Institution may—

- (i) Add the late charge to the principal that day after the scheduled repayment was due; or
- (ii) Include it with the next scheduled repayment after I have received notice of the late charge.

(B) If the Institution elects to add the late charge to the outstanding principal of the loan, it must inform me before the due date of the next installment.

XVIII. ASSIGNMENT

I understand that I may not assign or transfer my rights and obligations under this promissory note without the prior written consent of the Institution.

XIX. MODIFICATION OF TERMS

The terms of this note may not be modified, nor may this note be discharged in whole or in part, except by a writing executed by the College. In the event that the College demands or accepts partial payments of this note, such demand or acceptance shall not be deemed to constitute a waiver of the right to demand the entire unpaid balance in accordance with the terms of this note. Any delay by the College in exercising any rights hereunder shall not operate as a waiver of such rights.

XX. GOVERNING LAW

All disputes regarding the construction, interpretation and the parties' obligations under this Agreement shall be governed by the laws of Pennsylvania, notwithstanding any of that state's laws to the contrary.

XXI. SEVERABILITY

The terms of this Agreement are severable such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable.

XXII. ENTIRE AGREEMENT

This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement, whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties.

NOTICE TO BORROWER: DO NOT SIGN THIS NOTE BEFORE YOU READ IT (This note is signed as a sealed instrument).

I UNDERSTAND AND AGREE TO ALL OF THE FOREGOING TERMS AND CONDITIONS.

Signature _____ Date _____ 20_____