

Loan Repayment Assistance Program

TERMS & CONDITIONS

The following Terms and Conditions govern the Loan Repayment Assistance Program (“LRAP” or “Program”) for students who receive LRAP from the institution indicated in your LRAP Award (“Designated Institution”). Under this Program, you may qualify for reimbursement of all or a portion of Eligible Loan Payments you make on your Covered Loans, as provided below (“Repayment Assistance”). There is no cost to you for this Program. The cost of your participation in this Program is paid for by your Designated Institution. LRAP Association, Inc. administers this program on behalf of your Designated Institution. If the Designated Institution does not remain current on their fees owed to LRAP, you will not be eligible to receive repayment assistance.

SUMMARY

To receive Repayment Assistance under this Program, you must:

- a. Enroll in and graduate from the Designated Institution with a bachelor’s degree within six years from the later of the date of your LRAP Award or your first enrollment date at the Designated Institution; and
- b. Establish your Eligibility within the Eligibility Time Period as defined herein; and
- c. Qualify for Repayment Assistance in any month by meeting the Qualification Criteria defined herein.

ESTABLISHING ELIGIBILITY

After you graduate, to establish Eligibility, you must Qualify for Repayment Assistance, as defined below, for at least three months within the Eligibility Time Period. If you do not establish Eligibility before the end of the Eligibility Time Period (with extensions, as applicable, see below), you cannot become eligible later. We will pause the Eligibility Time Period if you are undertaking any Extension Activities, as defined herein. Pausing the Eligibility Time Period means that we will extend the end date of the Eligibility Time Period for the length of time you are undertaking any Extension Activities.

Eligibility Time Period. The Eligibility Time Period begins on the date of the conferral of your degree and expires 18 months from that date. This time period runs continuously from commencement and is paused only for Extension Activities as defined below. The Eligibility Time Period is not paused for any other reason whatsoever including but not limited to student loan deferment, continuing education, or other hardships. Your eligibility to receive Repayment Assistance ends if your Annual Income (as defined herein, to include consideration of your spouse’s income, if applicable) in any calendar year increases to a level at or above the Upper Income Threshold. After that, you are ineligible to receive Repayment Assistance even if your Annual Income in a subsequent year decreases to an amount below the Upper Income Threshold. Once you have established Eligibility during the Eligibility Time Period, you must Qualify for at least 9 months of the calendar year in each subsequent calendar year in order to receive Repayment Assistance in that calendar year.

Extension Activities. You will qualify for an extension of the Eligibility Time Period under the following circumstances: (1) If you are enrolled full-time in graduate school, (2) If you are enrolled full-time to earn a second bachelor’s degree or (3) If you are working outside the U.S (for up to a maximum of three years). Please note however, that this LRAP Award does not cover debt you borrow for graduate school or an additional bachelor’s degree.

Once you have established Eligibility during the Eligibility Time Period, if you begin any Extension Activities, you may not qualify for Repayment Assistance during the time of those Extension Activities. Once you conclude the Extension Activities, you may qualify to receive Repayment Assistance so long as you continue to meet all other criteria. Months spent in Extension Activities will count towards meeting the requirement of being employed at least 9 months of that calendar year.

QUALIFICATION CRITERIA

To qualify for Repayment Assistance in any month, you must meet the criteria below in Qualifying Income and Qualifying Employment. Qualification is evaluated on a month-to-month basis, not on a week-to-week basis. Repayment Assistance is paid quarterly as reimbursements to you for all or part of your Eligible Loan Payments and is based on your year-to-date Annual Income, as defined herein.

Qualifying Income: To meet the Qualifying Income criteria, your Annual Income (as defined below) after you graduate must be below the Upper Income Threshold specified in your LRAP Award. If your Annual Income is below the Lower Income Threshold, you may qualify to receive Repayment Assistance equal to the total amount of your Eligible Loan Payment on Covered Loans (subject to the criteria specified herein). As your Annual Income increases from the Lower Income Threshold to the Upper Income Threshold, the Repayment Assistance available to you will be reduced by a proportionate amount. This is called the “Income Proration”. For example, if your Annual Income in a given year is half way between the Upper and Lower Income Thresholds, then you may qualify to receive Repayment Assistance equal to one-half of your total Eligible Loan Payments that year (subject to other restrictions as specified herein).

Income definitions. Annual Income is defined as the greater of (A) your Personal Income or (B) one-half of the sum of your Personal Income plus your spouse’s Personal Income. Personal Income is defined as (1) total income, as defined for federal tax purposes, plus (2) any other substantial non-taxed income such as housing allowances or retirement contributions (excluding any employer-paid health insurance premiums), both annualized as if working full-time for the entire calendar year. When calculating your Annual Income, we do not include any Repayment Assistance we have paid to you.

Qualifying Employment: To meet the Qualifying Employment criteria in any month, you must:

1. Be employed, working on average at least 30 hours per week that month; and
2. Be paid at least the U.S. federal minimum wage; and
3. Be a legal U.S. resident and work in the United States (i.e., the fifty states or District of Columbia).

Employment for less than 40 hours a week. Repayment Assistance is reduced proportionately if you work less than 40 hours per week on average per month. This is called the “Time Worked Proration”. For example, if you work 30 hours per week on average in a given month, you will receive $\frac{3}{4}$ of the full-time Repayment Assistance.

Academic study. Full or part-time academic study does not qualify as Eligible Employment for purposes of receiving Repayment Assistance (however, such academic study will often qualify you to defer payment on your loans; check with your lenders to determine the conditions for your specific loans).

Self-employment. You will not be eligible to receive Repayment Assistance if you are self-employed or if you are employed by your family or by a business controlled by members of your family. Family includes relatives by blood or marriage who are your parents, siblings, children, grandparents, uncles, aunts, or cousins. Pastors or clergy will be eligible for Repayment Assistance for their work as pastors or clergy even if for IRS purposes they are considered self-employed.

Spousal qualification. If you do not meet the Eligible Employment terms, but (a) your spouse does (i.e., your spouse does not work for family, is not self-employed, and is a college graduate), (b) you are not working because you are raising your children, and (c) neither you nor your spouse is enrolled as a graduate student, then you will be eligible to receive Repayment Assistance based on your total household Annual Income.

Teacher qualification. Full time teachers on 9 or 10-month contracts will be deemed to have been employed for the full year and will be eligible to receive full-year rather than partial-year Repayment Assistance.

U.S. military qualification. U.S. military personnel on active duty stationed or deployed outside the U.S. will remain eligible and may qualify to receive Repayment Assistance, even though working outside the United States. However, if your military status qualifies you for deferment on federal student loans, payments voluntarily made by you while in deferment status will not be reimbursed.

COVERED LOANS

This Program covers certain loans certified by your Designated Institution's financial aid office and borrowed to attend your Designated Institution for your bachelor's degree at your Designated Institution (the "Covered Loans"). Covered Loans for the purposes of this Program cannot exceed \$17,000 in any academic year, nor \$70,000 in aggregate. Except for Perkins loans, Covered Loans must be on a minimum ten-year repayment schedule; the repayment term for Perkins loans may be shorter than ten years.

"Covered Loan" types are:

- Federal Direct loans (subsidized and unsubsidized);
- Parent PLUS loans;
- Perkins loans; and
- Private loans from a bank or other student loan lender (other than your Designated Institution) that are certified by your Designated Institution's financial aid office.

All other loan types are excluded from Covered Loans including, but not limited to:

- Student loans borrowed for education at a school other than your Designated Institution;
- Institutional loans provided by
- Credit card debt;
- Loans from your family or friends;
- Loans made by non-U.S. (i.e., foreign) government loan programs; and
- Any other loan, including any loan not certified by your Designated Institution's financial aid office.

Eligible loan payments. Your monthly Eligible Loan Payment is defined as the monthly loan payment owed and paid by you for which LRAP will reimburse you, as described herein. Your Eligible Loan Payment will be calculated after taking into account the loan repayment plan for which you qualify under any federal, state or other program that gives you the lowest monthly payment (e.g., federal Income-Based Repayment (IBR) or Pay As You Earn).

Repayment Assistance only applies to payments you are required to make under the terms of your loan. You may pay additional amounts over the amount due in order to repay your loans faster, but you will not be reimbursed for those additional amounts. LRAP will not reimburse you for any payments made during your time enrolled at your Designated Institution. If you incur fees or penalties because you make late payments or are in default, those fees or penalties will be excluded from any Repayment Assistance through LRAP.

Grace period. For student loans that have a grace period after graduation, Repayment Assistance will not be applied for payments you choose to make during the grace period (i.e., LRAP will not reimburse you for payments made earlier if you choose to begin repayment on those loans during the grace period). In the case of student loans without a grace period, you will be eligible for LRAP Repayment Assistance after graduation. Eligibility for Repayment Assistance on federal student loans begins after the six-month grace period.

Loan consolidation. You may consolidate your student loans. To maintain Covered Loan status, loans must be on a minimum ten-year repayment schedule. You may not consolidate your Covered Loans with another individual's loans or with other debt that is not an education loan (e.g., credit card or mortgage), even if the non-covered debt was used to pay education expenses. Any federal loans that you choose to consolidate must be done via a Federal Direct Consolidation Loan. If you consolidate your Covered Loans with other loans excluded from Covered Loans, Repayment Assistance will be prorated based on the Covered Loans' principal balance, in proportion to the consolidated loan's total principal balance at the time of consolidation.

REPAYMENT ASSISTANCE PROCEDURES

Repayment Assistance is based on your Annual Income. Repayment Assistance is paid quarterly as reimbursements to you for all or part of your Eligible Loan Payments and is based on your year-to-date Annual Income. Eligibility and qualification are evaluated on a month-to-month basis, not on a week-to-week basis. If after you have received Repayment Assistance for a quarter or a year, and it is later determined that your Annual Income was different (e.g., the income reported on your quarterly request for assistance does not match the income on your tax return), or in some other way do not fully qualify (e.g., you do not qualify for at least 9 months of the year), then any overpayment will need to be returned; in general this is done by offsetting future

Repayment Assistance accordingly to adjust for any overpayments.

To receive Repayment Assistance for any month, you must submit an LRAP Assistance Request Form after the end of the calendar quarter. You must submit this request for Repayment Assistance no later than one year after the end of the quarter for which you are seeking Repayment Assistance. We will then review your information and process the request (or request more information, if needed). You should receive a copy of the LRAP Assistance Request Form during your student loan exit interview. (You may also obtain the form by emailing StudentService@myLRAP.org, or by calling 877-577- 5727).

Cosigner. If there is a cosigner to a Covered Loan, and the co-signer is the one making the actual payments on that loan, then if you agree, the cosigner will be reimbursed directly for the Repayment Assistance for which you qualify for that Covered Loan, and will receive a 1099 Form.

Taxable income. You will receive an IRS Form 1099-MISC for any Repayment Assistance paid to you. You should consult your own tax advisor about tax treatment and your specific circumstances.

Repayment adjustments. If after you have received Repayment Assistance for a month, quarter or a year, it is later determined that your Annual Income was different than what you reported (e.g., the income reported on your quarterly request for assistance does not match the income on your tax return), or you in some other way you are not eligible or do not fully qualify, then any overpayment will need to be returned; in general this is done by offsetting future Repayment Assistance accordingly to adjust for any overpayments.

Required documentation. Prior to distributing Repayment Assistance, you will be required to provide a W-9. Annually, after the end of each calendar year, to finish fully qualifying for Repayment Assistance for that year, you must provide a copy of your federal tax filing information, no later than April 30 of the following year, for confirmation and verification of the income information that you previously provided each quarter.

OTHER

Assignment. You may not assign your benefits or Repayment Assistance to a third party, other than to a Cosigner as described herein.

Confidentiality. We will maintain the confidentiality of your information. In accepting this LRAP Award, you authorize your Designated Institution to share and receive information about your academic status, student loans and other information relating to your participation in this Program with and from LRAP Association, Inc. (and its affiliates) which administers this Program.

Dispute Resolution. Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Consumer Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. You agree that total liability for any such claim will not exceed the total amount of the Covered Loans outstanding at the time of such claim.