

GUIDELINES FOR CANDIDATE LOAN (revised 9/16)

Purpose of Program

The Candidate Loan program is a part of the Student Loan program but specifically designed for candidates to enroll at the College for Officer Training. This loan program is governed by Section #23, Minute #1.

If you are applying for a loan to attend a college other than the College for Officer Training, this is not the correct information packet. Please obtain the Student Loan guidelines & application.

Eligibility

To be eligible you must:

- Have a demonstrated financial need; AND
- Be currently enrolled or be applying for the next session at the College for Officer Training; AND
- Be a citizen of the United States, or hold a valid Alien Registration Card ("green card"); AND
- Maintain a C average (2.0 on a 4 point scale) or better.

Maximum Amount

The normal loan for each year [2 semesters] of training is \$2,250 (\$4,500 total for the two years [4 semesters]).

If you were previously a college student, but never took Salvation Army Student Loans or did not take the maximum loan amount, you may be eligible to borrow up to the equivalent of two more years' worth [4 semesters] of loans, that is, another \$4,500 for a total in outstanding loans of \$9,000.

If you were previously a college student, and you took Salvation Army Student Loans but have since repaid those loans, you may be eligible to borrow retroactively, again, whatever you repaid, up to two years' worth [4 semesters], that is, another \$4,500 for a total of \$9,000 outstanding. For such retroactive loans you will need to attach a transcript or grade report showing successful completion of the earlier college semesters.

In any combination of the above, the total of loans taken in the past and repaid, and taken again retroactively, and/or taken new now for CFOT, cannot exceed an all-time total of \$13,500.

Applications

Be sure to use the correct, current loan form. You can download it from the Central Territory's website at www.usc.salvationarmy.org or call the ORD Department at Territorial Headquarters, 847/294-2225, or call your Divisional Candidates Secretary. Use the "Candidate Loan" form. Do *not* use the "Student Loan" form. They look similar but they are not identical.

Send the application for Candidate Loan as soon as possible, even before you send your full Candidate papers. You will receive word back on the loan, which will allow you to enter the correct loan amount on your Candidate Budget.

This loan application includes two separate promissory notes. The first (page 7) is for the first year of training. The second (page 8) is for the second year of training. To be approved, the first year note must include the loan request for the first year of training and the total territorial student loans (including any previously repaid funds). The second year note must include the loan request for the second year of training and the total territorial loans (including the first year loan and any previously repaid funds). If you only plan to take one loan, the second promissory note (page 8) may be discarded. Promissory note(s) must have the original signatures of both yourself (the loan applicant) and the person guaranteeing your loan (the co-maker). Your co-maker must be a person having financial capacity to repay the loan if necessary. If you are married your spouse cannot be your co-maker. Both signatures must be notarized, that is, signed in the presence of a notary public who will then sign and stamp officially.

Type or print legibly. Do not make any corrections: no write-overs, type-overs, white-outs, cross-outs, or any other corrections on pages 5-8. The pages become a legal document, a promissory note. Such legal documents must be free of errors.

Keep pages 1 through 4 which are only the guidelines/explanations portion of this packet, and keep a photocopy of pages 5-8 for your personal file.

When completed and notarized, give this completed application and attachments to your corps officer. He/she will attach Corps Council minutes and send it to your Divisional Candidates Secretary, who will present it for approval to the Divisional Finance Board. It is important to understand that each of these endorsements carries the obligation to secure payment in full should the applicant and co-maker fail in repayment.

After divisional approval is given the application with supporting documents should be forwarded to the Officer Resource & Development Department at THQ for consideration by the Territorial Education Committee. Credit checks may be obtained on both you and your co-maker. A questionable credit report may be grounds for denying the loan. If the application is approved ORD will send word back. The actual loan check will be drawn at THQ and sent to the CFOT in time for your yearly registration.

Repayment of Loans - Officers

Repayment at the rate of \$25 per month will be required from three (3) months after commissioning until five years of officer service are successfully completed, or until the loan is paid in full, whichever comes first. If both spouses of an officer couple have loans, the monthly payment is \$50 (\$25 each). If you cease to be an active officer during the first five years of service the original terms of the loan promissory note will apply.

After cadetship at the College for Officer Training, and commissioning as an officer, and five years successful officership, the remaining unpaid balance of the loan may be forgiven. This is provisional on the monthly payments being fully up to date. Total amount of debt which may be forgiven this way will not exceed \$9,000.

Repayment of Loans – Recipients no Longer Officers or Cadets

If you leave CFOT before being commissioned an officer, or if you leave officership, in either case you must notify the Officer Resource & Development Department at THQ immediately, and the notes become payable. Loan repayment must begin within 3 months of leaving the CFOT.

Repayment is based on your total loan amount, according to the following schedule:

<u>Loans</u>	<u>Payment</u>
Up to \$1,500	\$ 50 per month (30 months) = \$1,500
\$1,501 - \$3,000	\$ 75 per month (40 months) = \$3,000
\$3,001 - \$4,500	\$100 per month (45 months) = \$4,500
\$4,501 - \$6,000	\$125 per month (48 months) = \$6,000
\$6,001 - \$9,000	\$150 per month (60 months) = \$9,000

Loan payments must be postmarked by the 17th of each month, and be received at THQ ORD by the 21st of each month, in order to be considered on time. If your repayment check is not received by the due date, the account is considered delinquent. Delinquent means that the payment was not postmarked by the 17th, or not received by the 21st, or not received at all.

You and your co-maker need to know that if you do not make the required payments then your co-maker will become responsible for repayment, including this loan, previous loans, and all accruing interest and service charges. You and your co-maker need to know that if both of you do not make the required payments then The Salvation Army will take whatever legal action is necessary to force repayment. This could include court-ordered garnishment of wages (or monthly deductions from an officer's allowance), recourse to a collection agency, or other legal steps. By accepting this loan you and your co-maker agree that The Salvation Army may take these legal steps if necessary.

Interest

If your loan becomes delinquent for three (3) consecutive months a minimum interest rate of 6% per annum (0.5% per month) will be applied on the entire balance. If payments are brought up to date the 6% interest penalty will no longer be assessed, but interest charged to date will still be payable.

Loan Repayment Schedule--Processing and Maintenance Procedure

1. You will be notified when repayment must begin and will be sent information how to make the monthly payments. A copy of correspondence will also be sent to your co-maker. You are required to respond to correspondence about your loan. If you do not, a \$25.00 service charge will be added.
2. If your loan becomes one (1) month delinquent, you will be notified of the delinquent status.
3. If your loan becomes two (2) months delinquent, you will be notified of delinquency and cautioned interest penalty assigned to the loan balance still owing. A copy of the correspondence will be sent to your co-maker and divisional headquarters.
4. If your loan becomes three (3) months delinquent, you will be notified that interest has been assessed. You will also be forewarned that at six (6) months the loan would be transferred to your co-maker. A copy of the correspondence will be sent to your co-maker and divisional headquarters.
5. If your loan becomes five (5) months delinquent, notification will be sent to your co-maker that unless payment is received the account will be turned over to the co-maker with the next invoice. A copy of the correspondence will be sent to you and your divisional headquarters.

6. If your loan becomes six (6) months delinquent, the account will be transferred to the co-maker for collection of all outstanding amounts. A copy of the correspondence will be sent to you and your divisional headquarters.

Questions

The Divisional Candidates Secretary and the Territorial Headquarters Officer Resource & Development Department are excellent resources to answer any questions you may have. Feel free to contact them directly.

APPLICATION FOR CANDIDATE LOAN

Name _____ Male _____ Female _____
Last First Middle/Maiden

Home Address _____ Date of Birth ____ / ____ / ____

City, State ZIP _____ Married _____ Single _____

Email address _____

High School of Graduation _____ Graduation Date ____ / ____ / ____

Home Corps _____ Unit Command _____

US Citizen Yes _____ No _____ If no, please attach a copy of valid Alien Registration Card or US Visa.

Parent's Name _____ Home Phone _____

Address _____

City, State ZIP _____

Dates of Training Period _____

This application is for (please check and complete all that apply):

1st Year () Amount _____ Retroactive () Amount _____

2nd Year () Amount _____ Previously Repaid () Amount _____

I have previously received the following territorial education loans from The Salvation Army:

Fall ____ to Spring ____ \$ _____ Fall ____ to Spring ____ \$ _____

Fall ____ to Spring ____ \$ _____ Fall ____ to Spring ____ \$ _____

NONE _____ Total Amount Repaid _____

1st Year Loan of \$ _____ Previous Loan(s) \$ _____ Total Loan(s) \$ _____
(all terr'l SA loans)

2nd Year Loan of \$ _____ Previous Loan(s) \$ _____ Total Loan(s) \$ _____
(all terr'l SA loans)

If a previous territorial Student Loan exists or retroactive loan is being requested, a transcript or grade report must accompany this application.

The first year loan check will be issued in the Cadet's name, and sent to the CFOT in time for registration. The 2nd year loan check will be issued in the Cadet's name and sent to the CFOT in time for registration for the second year.

List other sources of financial aid (grants, scholarships, etc.) which you will be receiving:

_____ Amount \$ _____

_____ Amount \$ _____

If this loan is approved, I/we agree to send a grade report or transcript for each term for which the loan is approved. I/we agree to respond to status letters which request confirmation of the loan recipient's enrollment status. Failure to respond to these letters will initiate the billing process and may result in a \$25 service charge. I/we certify that both the Loan Applicant and the Co-maker have read and understand all of the provisions and policies outlined in the Guidelines for Candidate Loan (revised 8-03). I/we agree that The Salvation Army may garnish wages and/or deduct officer allowance in the event this loan account becomes delinquent. I/we give permission for The Salvation Army to verify my/our credit worthiness before approving this loan.

Applicant's Signature _____ Date _____
Print or Type
Applicant's Name _____ SS# _____ - -

Co-Maker's Signature _____ Date _____
Print or Type
Co-Maker's Name _____ SS# _____ - -

Co-Maker's home phone # _____

CORPS ENDORSEMENT:

_____ is currently a Senior Soldier in good standing endorsed by the
Corps Council of the _____ corps as supported by the minutes
dated ____ / ____ / ____ . The Corps Council understands that with this endorsement comes an
obligation to repay the total loan (including previous amounts, accrued interest, and/or service charges)
in the event of default by both the loan applicant and the co-maker.

Corps Officer's signature _____ Date _____

UNIT ENDORSEMENT:

Finance Board Stamp

Signature of
Divisional Commander _____ Date _____

TERRITORIAL APPROVAL:

Education Committee Stamp

Signature of ORD Secretary _____ Date _____

Signature of Personnel Secretary _____ Date _____

The Co-Maker's signature must be the same on this form as on the promissory note. A spouse cannot co-make this document.

**PROMISSORY NOTE
CANDIDATE LOAN**

This Loan \$ _____ Previous Loan(s) \$ _____ Total Loan(s) \$ _____

(all terr'l SA loans)

For value received, I, we, either of us, the undersigned promise to pay The Salvation Army, an Illinois Corporation, Illinois, the total amount listed above, according to the following repayment schedule:

<u>Total Loans</u>	<u>Payments</u>
Up to \$1,500	\$ 50 per month (30 months) = \$1,500
\$1,501 - \$3,000	\$ 75 per month (40 months) = \$3,000
\$3,001 - \$4,500	\$100 per month (45 months) = \$4,500
\$4,501 - \$6,000	\$125 per month (48 months) = \$6,000
\$6,001 - \$9,000	\$150 per month (60 months) = \$9,000

This note shall not bear interest except as provided herein. Upon default of any installment payment due, and such default continuing without abatement for a period of three (3) months after due date, and default of any other payment due within said three (3) month period and existing at the end thereof, the entire balance still owing shall thereupon become due and payable at the option of the legal holder thereof without demand or notice, said demand and notice be expressly waived, and the said balance owing shall then bear interest at the rate of 6% per annum applied at .5% per month until paid, together with all costs of collection, including attorney's fees, if collected by law or through an attorney. Herewith, permission is granted to The Salvation Army to garnish the wages/officer's allowance of either the applicant or the loan co-maker in the event that the loan becomes three (3) or more months delinquent in repayment.

If for any reason I leave the College for Officer Training I will notify the ORD Department immediately and begin payments on the loan within three (3) months.

I agree that I will begin repayment of the above total loan three (3) months after commissioning as an officer, with payment submitted monthly at an amount not less than \$25 per month until I have satisfactorily completed the requirements of the Five Year Review. If, at that time, all required payments have been made, the balance of the loan may be forgiven. If I leave officership for any reason prior to completing the Five Year Review, the non-officer loan repayment terms will apply.

Given under our hands and seals this the _____ day of _____, 20 _____

(Notary)

(Signature of applicant)

(My commission expires)

(Print or type applicant's name)

Address _____

City, State ZIP _____

(Notary)

(Signature of co-maker*)

(My commission expires)

(Print or type co-maker's name)

Address _____

City, State ZIP _____

This promissory note is a legal and binding document and as such must have original signatures and must not bear corrections. The stamp or seal of the Notary must appear on the face of this page.

*A spouse cannot co-make this document. The co-maker on this document must be the same as the co-maker on the accompanying application.

**PROMISSORY NOTE
CANDIDATE LOAN**

This Loan \$ _____ Previous Loan(s) \$ _____ Total Loan(s) \$ _____

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Given under our hands and seals this the _____ day of _____, 20 _____

(Notary)

(Signature of applicant)

(My commission expires)

(Print or type applicant's name)

Address _____

City, State ZIP _____

(Notary)

(Signature of co-maker*)

(My commission expires)

(Print or type co-maker's name)

Address _____

City, State ZIP _____

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