

GUIDELINES FOR STUDENT LOAN (Revised 4/23)

Purpose of Program

The Student Loan Fund has been established to provide financial assistance to young Salvationist students who desire to enroll in a program of post-high school education. This program is governed by Section #23, Minute #1.

If you are applying for a loan for the College for Officers Training, this is not the correct information packet. Please obtain the Guidelines for Candidate Loan packet.

Eligibility

To be eligible you must:

1. Be a soldier in good standing of the Central Territory; AND
2. Be under age 29 and have a demonstrated financial need; AND
3. Be currently enrolled, or planning to enroll for the next school year, in one of the following:
 - Studies above the high school level for which credits are given towards a college degree and for which credits are transferable to an accredited school of higher learning
 - Bible college
 - Post-graduate courses
 - Specialized studies offered by an accredited, recognized professional agency and/or authorized by the appropriate state
 - Courses of a post-high school nature which are designed to help physically- and/or children with learning disabilities toward a vocation, offered by an accredited, recognized professional agency and/or authorized by the appropriate state; AND
4. Be a citizen of the United States, or hold a valid Alien Registration Card ("green card"); AND
5. Maintain a "C" average (2.0 on a 4-point scale) or better.

Maximum Amount

A maximum amount of \$9,000 may be borrowed over an eight-year period.

The normal loan amount for one year of full-time (at least 24 semester or 36 quarter hours) schooling is \$2,250. The normal loan amount for one year of part-time (at least 12 semester or 20 quarter hours) schooling is \$1,125.

If you are enrolled in an accelerated program (required to attend school 12 months in an academic year), the maximum amount of \$9,000 may be allowed over 3 years, as opposed to 4. No more than \$3,000 per year of accelerated schooling will be authorized.

If you are a full-time student with previous schooling for which you have not borrowed an annual amount, you may borrow the accumulated amount for which you are eligible (\$1,125 per every 12 semester or 20 quarter hours completed), in addition to the amount for the current year, provided the age requirement has not be exceeded.

Applications

Each time you apply for a loan under this program, you must complete a new application. Be sure to use the correct & current 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 Youth Secretary. Use the "Student Loan" form. Do *not* use the "Candidate Loan" form. They look similar but they are not identical.

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.

Page 8 of the application is the promissory note for the loan. The Promissory Note must be completed using the amount of the current loan request and all previous territorial loans, whether some amount has been repaid. The note 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 who has 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.

The application requires proof of registration from the college or university you will be attending. The proof of registration must show the total number of hours for which you are enrolled.

If you have received a previous territorial education loan, or are applying for retroactive funds, a transcript or grade report showing at least the requisite number of hours completed (see "Maximum Amount" section), must be submitted.

Keep pages 1 through 4 which are only the guidelines/explanations portion of this packet, and keep a photocopy of pages 5 through 7 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 the packet to your Divisional Youth 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 the 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, loan funds are drawn at THQ and sent directly to the loan recipient.

Repayment of Loans

Loan repayment is to begin within 3 months of graduation or the conclusion of the school term. It is your responsibility to keep the Territorial ORD Department informed as to your enrollment status. The easiest way to do this is to send in a copy of your registration as soon as you receive it each term. If you do not enroll for a given term, you should notify the Territorial ORD Department at the beginning of that term. To help you, status letters are sent in November and February of each year, if your registration status is not on file. If we do not hear from you, the billing process will be started and/or a \$25 service charge may be assessed.

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

<u>Total 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 on 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.

Provision for Cadetship

If you make an application for Officership in The Salvation Army, your monthly payments will be deferred when you become a fully accepted candidate by the Territorial Candidates' Council. Your monthly payments will continue to be deferred until your Training experience ends.

If you make an application for Officership in another territory, you must inform the ORD department of the Central Territory so that your monthly payments can be deferred. When you are commissioned, the new territory will pay off your Central Territory loan and will work directly with you regarding your loan repayment as an officer.

Repayment of Loans as an Officer

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 for the monthly payments to be fully up to date. The total amount of debt which may be forgiven this way will not exceed \$9000.

Questions?

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

APPLICATION FOR STUDENT 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 Visa.

Parent's Name _____ Home Phone _____

Address* _____

City, State ZIP _____

School of Enrollment _____ Currently Enrolled ()

Mailing Address at School* _____ Year: 1 ()

(if different from home) _____ 2 ()

_____ 3 ()

_____ 4 ()

_____ Graduate ()

I am enrolled as a (check one):

Full-time student _____ Part-time Student _____

Accelerated Program _____
number of months/type of program

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

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

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

NONE _____ Total Amount Repaid _____

This application for loan of \$ _____ Previous Loan(s) \$ _____ Total Loan(s) \$ _____
(all terr'l SA loans)

Proof of registration for the current term is required with this application. If a previous loan exists or retroactive funds are being requested, a transcript of grades must also accompany this application.

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

_____ Amount \$ _____

_____ Amount \$ _____

*Address used to issue check: Direct Deposit _____ Parent _____ Home _____

If this loan is approved, I/we agree to send a grade report or transcript for each term for which the loan is approved as well as a schedule of classes for the remaining term. 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 Student 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 Cell Phone # _____ Co-Maker's Email _____

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 the
strong 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 _____

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
STUDENT 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 find it necessary to leave school, I promise to notify the ORD Department immediately and begin payments on the loan within three (3) months of leaving school.

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.

The Salvation Army Direct Deposit Information

The Salvation Army is now providing the option of having checks sent to you from Territorial Headquarters deposited directly into your bank account.

Before selecting this option please make note of the following information:

- By selecting direct deposit **all** checks from THQ, regardless of the purpose of the check, will be deposited directly into your bank account
- Do not complete the direct deposit form if you have already done so - you only need to send one application for direct deposit and it will apply to all future checks sent to you from THQ
- You will receive an email, if we have your email address, or a letter from ORD informing you that the deposit was made and the amount that was deposited
- It is your responsibility to send ORD a new form if you have changed your bank or the account you want the deposit to be sent to
- It is your responsibility to send ORD a new form if you have decided to discontinue the direct deposit
- The form below must be completely filled out and the original sent to the following address:

The Salvation Army – ORD
5550 Prairie Stone Pkwy
Hoffman Estates, IL 60192

- A copy of the completed form should be kept in your files

This is an option that is available for your convenience – if you do not select the direct deposit option, any checks that are due to you will be sent to you through the US Post Office.

If you have any questions regarding the direct deposit you may contact USC THQ Student Services Shared <USC.THQ.StudentServices@usc.salvationarmy.org>).

THE SALVATION ARMY
Accounts Payable Reimbursement
ACH AUTHORIZATION\CHANGE FORM

NEW CHANGE DISCONTINUE*

NAME: _____

I wish to use the direct deposit information detailed below.

FINANCIAL INSTITUTION NAME: _____

ABA\ROUTING #: _____

ACCOUNT #: _____

Please indicate if above account is a Checking or Savings account:

Checking: _____ Savings: _____

To ensure accuracy, please attach a voided check

Signature: _____ Date: _____

*Please note; if you choose to discontinue ACH for AP reimbursement, you will not be able to re-activate ACH for six months.

ORD DEPARTMENT USE ONLY:

Date Received: _____ Date Sent to Finance: _____

FINANCE DEPARTMENT USE ONLY:

Entered: _____ Date: _____

Reviewed: _____ Date: _____