

## GUIDELINES FOR STUDENT LOAN (Revised 8/24)

### **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 #2 Part 1.

Candidates 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, applicant 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.

Accelerated Programs: While accelerated programs are allowed by minute, demonstrated requirement for accelerated schedule and graduation from the institution is needed. If eligible, 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 an applicant is a full-time student with previous schooling for which they have not borrowed an annual amount, applicants may borrow the accumulated amount for which they 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**

A new application must be completed each time a student applies for a loan under this program. Please be sure to use the correct & current form, which may be downloaded from the Central Territory's website at [www.usc.salvationarmy.org](http://www.usc.salvationarmy.org), by calling the ORD Department at Territorial \

Headquarters, 847-294-2392, or by calling the 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 the loan applicant and the person guaranteeing the loan (the co-maker). The co-maker must be a person who has financial capacity to repay the loan if necessary. If an applicant is married, the spouse cannot qualify as 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 being attended. The proof of registration must show the total number of hours for which the student is enrolled.

If an applicant has 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 personal files.

When completed and notarized, give this completed application and attachments to the corps officer. Corp officers will submit complete application and corps council minutes via TSAMM to the 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 via TSAMM to the Officer Resource & Development Department at THQ for consideration by the Territorial Education Committee. 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 the loan recipient's responsibility to keep the Territorial ORD Department informed as to enrollment status. The easiest way to do this is to send in a copy of current registration as soon as it is received each term. If the loan recipient does not enroll for a given term, they should notify the Territorial ORD Department at the beginning of that term. To help, status letters are sent in September and January of each year, if the registration status is not on file. If ORD do not hear from the student, the billing process will be started and/or a \$25 service charge may be assessed.

Repayment is based on the 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 17<sup>th</sup> of each month and be received at THQ ORD by the 21<sup>st</sup> of each month. If the repayment check is not received by the due date, the account is considered past due. Delinquent means that the payment was not received at all or was received following the month end.

Loan recipient and co-maker need to know that if they do not make the required payments, then the co-maker will become responsible for repayment, including this loan, previous loans, and all accruing interest and service charges. If both student and co-maker 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, both applicant and co-maker agree that The Salvation Army may take these legal steps if necessary.

### **Interest**

If the loan becomes delinquent, after 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. Notification will be sent when repayment must begin along with information on how to make the monthly payments. A copy of correspondence will also be sent to the co-maker. The loan recipient is required to respond to correspondence about the loan. If they do not, a \$25.00 service charge will be added.
2. If the loan becomes one (1) month delinquent, the student will be notified of the delinquent status.
3. If the loan becomes two (2) months delinquent, the student 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 the co-maker and divisional headquarters.
4. If the loan becomes three (3) months delinquent, the student will be notified that interest has been assessed. They will also be forewarned that at six (6) months the loan would be transferred to the co-maker. A copy of the correspondence will be sent to the co-maker and divisional headquarters.
5. If the loan becomes five (5) months delinquent, notification will be sent to the 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 the student and divisional headquarters.
6. If the 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 the student and divisional headquarters.

### **Deferment**

If a student is in repayment and matriculate into a new degree program, they may be eligible for deferment. Deferment will be granted for students who are fully enrolled in an institution of higher education when enrolled as a full-time student. Verification with the institution of enrollment status will be required each semester to maintain deferment. Repayment will resume within 30 days upon completion of deferment status.

### **Provision for Cadetship**

If a student makes an application for Officership in The Salvation Army, their monthly payments will be deferred when becoming a fully accepted candidate by the Territorial Candidates' Council. Their monthly payments will continue to be deferred until the Training experience ends.

If a student makes an application for Officership in another territory, they must inform the ORD department of the Central Territory so that the monthly payments can be deferred. When commissioned, the new territory will pay off the student's Central Territory loan and will work directly with the student regarding their 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 a loan recipient ceases 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.

### **Documentation:**

Documentation presented for educational benefits for verification and audit purposes must be clear, legible, and unaltered in any way, and identifies both the student and the institution associated to represent the information required for submission. To this extent,

- 1- Documents submitted must be sent via PDF. Screenshots, phone pics, cut and paste items will be returned. PDFs derived from these ineligible items will be returned at ORD discretion.
- 2- Signatures must be a clear and reasonable representation of the individual claimed for signatures related to legal and financial agreements. Font-typed, computer/AI-created signatures (unoriginal to the individual), and PDF signature stamped documents do not constitute a valid signature. DocuSign documents or other credible online verifiable document-signing agencies (i.e. digital notaries, etc.) will be accepted.

In all cases, original documents may be scanned to expedite the application process through TSAMM or other official approval processes. However, original documents with signatures for items such as promissory notes and other financial agreements must be sent to ORD for archiving. In such cases, payment or authorization for payment may be withheld until such documents are received in ORD.

### **Questions?**

The Divisional Youth Department and the territorial Officer Resource & Development Department are excellent resources to answer any additional questions. 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 \_\_\_\_\_

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.) being received:

\_\_\_\_\_ 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 8-24). 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 TSAMM/Stamp

Signature/TSAMM Stamp 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 check deposits sent from Territorial Headquarters directly into the student's 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 the student's bank account
- Do not complete the direct deposit form if done in the past – only one application for direct deposit is needed as it will apply to all future checks sent from THQ
- A notification email or letter will be sent from ORD that the deposit was made and the amount was deposited
- It is the student's responsibility to send ORD a new form if the bank has changed or the desired account for deposit has changed
- It is the student's responsibility to send ORD a new form if deciding 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 for personal files

This is an option that is available for the student's convenience – if the direct deposit option is not desired, any checks that are due to the student will be sent through the US Post Office.

Any questions regarding the direct deposit may be directed to 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 choosing to discontinue ACH for AP reimbursement, re-activation of ACH will be unavailable for six months.

ORD DEPARTMENT USE ONLY:

Date Received: \_\_\_\_\_ Date Sent to Finance: \_\_\_\_\_

FINANCE DEPARTMENT USE ONLY:

Entered: \_\_\_\_\_ Date: \_\_\_\_\_

Reviewed: \_\_\_\_\_ Date: \_\_\_\_\_