

# Loan Repayment Assistance Program

## STUDENT 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”). This Program is designed to provide loan repayment assistance (“Repayment Assistance”) to certain graduates (“Qualifying Graduates”) in the form of reimbursement of all or a portion of their eligible educational loan payments (“Eligible Loan Payments”) as provided below. There is no cost to you for this Program. The cost of your participation in this Program is paid for by your Designated Institution. Ardeo Education Solutions, LLC administers this program on behalf of your Designated Institution. If the Designated Institution does not remain current on their fees owed under the Program, you will not be eligible to receive repayment assistance.

### PROGRAM SUMMARY

**To receive Repayment Assistance under this Program, you must:**

- a. Enroll in and earn a bachelor’s degree from the Designated Institution, with the majority of your courses each term designated as delivered on-campus (i.e., not online); and
- b. Qualify for Repayment Assistance by meeting the Initial Eligibility Time Frame Criteria within the Initial Eligibility Time Period, as defined herein; and
- c. Qualify for Repayment Assistance in subsequent months and years by meeting the Eligibility Criteria, as defined herein.

### QUALIFYING GRADUATES

To be eligible for Repayment Assistance, you must enroll in, attend, and graduate from the Designated Institution with a bachelor’s degree. International students as defined by the Designated Institution (e.g., students who are not permanent residents of the U.S. at the time of enrollment at the Designated Institution or students attending the Designated Institution via a temporary visa) are ineligible for the program. If your parent or guardian is an employee of [INSTITUTION] or you are participating in a tuition exchange program, you are ineligible for this program. Under no circumstances will a student who enrolls in their Designated Institution but fails to complete their bachelor’s degree program satisfactorily (e.g., due to withdrawal, dismissal, or transfer) be eligible for Repayment Assistance.

In addition, to receive Repayment Assistance, you must meet the Income Qualification Criteria and Employment Qualification Criteria (collectively the “Eligibility Criteria”) during the Initial Eligibility Time Period described below and your loans must constitute Covered Loans as defined below. You also must follow the Repayment Procedures detailed below.

A graduate who meets all criteria except the Employment Qualification Criteria may nevertheless be eligible for Repayment Assistance under the following limited circumstances only:

- **Spousal qualification.** If you do not meet the Employment Qualification Criteria because you are the primary caregiver for your child(ren), you may qualify for Repayment Assistance if your spouse has a bachelor’s degree and meets the Income Qualification Criteria and Employment Qualification Criteria.
- **Teacher qualification.** Full time teachers on 9 or 10-month contracts will be deemed to have been employed for the full academic year (e.g., including the summer months following the fall and spring terms) and will be eligible to receive full-year rather than partial-year Repayment Assistance for the 12 months beginning with the start of the teaching contract.
- **U.S. military qualification.** U.S. military personnel on active duty stationed or deployed outside the U.S. 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 or eligible for deferment status will not be reimbursed. All graduates who are eligible for Repayment Assistance as described above will be referred to as “Qualifying Graduates.”

## INITIAL ELIGIBILITY TIME FRAME CRITERIA

The Program is generally designed to provide financial support in the form of Repayment Assistance to graduates with modest incomes, thus allowing them to repay student loans they incurred to finance their education at the Designated Institution. Accordingly, to receive Repayment Assistance, Qualifying Graduates must meet the Initial Eligibility Time Frame Criteria, which means meeting the Income Qualification Criteria and Employment Qualification Criteria and be approved for Repayment Assistance for three (3) months within 18 months of graduating (the “Initial Eligibility Time Period”, with extensions, as applicable, see below), according to these Terms & Conditions. Once you have met the Initial Eligibility Time Frame Criteria during the Initial Eligibility Time Period, you must qualify for at least nine (9) months of the calendar year in each subsequent calendar year to receive Repayment Assistance in that calendar year. Graduates who do not meet the Initial Eligibility Time Frame Criteria during the Initial Eligibility Time Period are not eligible for Repayment Assistance at any point in the future unless they meet one of the limited exceptions described below.

**Initial Eligibility Time Period.** The Initial Eligibility Time Period begins with the first month following the month your bachelor’s degree was conferred and expires 18 months from that date. This time period runs continuously and is paused only for Extension Activities as defined below. Except as stated herein, the Initial Eligibility Time Period cannot be paused or extended for any other reason whatsoever, including but not limited to student loan deferment, non-degree seeking continuing education, unemployment, or other hardships.

**Extension of Initial Eligibility Time Period.** You will qualify for an extension of the Initial Eligibility Time Period if, during the 18 months after you graduate, you engage in the following activities: (1) you enroll full-time in continuing education of an equal or greater level than the degree associated with this award (i.e., enrolling in graduate school after receiving a bachelor’s degree or enrolling in a second bachelor’s degree program after receiving your initial bachelor’s degree); or (2) you reside outside the U.S while you are employed or working in a volunteer capacity (for up to a maximum of three years) (together, the “Extension Activities”). The Initial Eligibility Time Period will be paused during the time of an Extension Activity, thereby extending the Initial Eligibility Time Period for the length of time (i.e., months) you are actively participating in that activity. However, these months will not count towards meeting the Initial Eligibility Time Frame Criteria. Once you have met the Initial Eligibility Time Frame Criteria during the Initial Eligibility Time Period, if you begin any Extension Activities, you will not be eligible for Repayment Assistance while engaged in such activities. When your participation in Extension Activities ends, you will qualify to receive Repayment Assistance provided that you meet all other Eligibility Criteria and are approved for such assistance. Months spent in Extension Activities will count towards meeting the requirement of being employed for at least 9 months of that calendar year.

## INCOME QUALIFICATION CRITERIA

To qualify for Repayment Assistance, Qualifying Graduates must earn an Annual Income of less than the Upper Income Threshold designated in their Award Letter. “Annual Income” is defined as the greater of (A) your Personal Income per calendar year or (B) if you are married, one-half of the sum of your Personal Income plus your spouse’s Personal Income per calendar year. 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), excluding any Repayment Assistance paid to you or on your behalf. Graduates who otherwise meet all criteria but earn an Annual Income as much or more than the Upper Income Threshold are not entitled to Repayment Assistance under any circumstances, including if your Annual Income in a subsequent year decreases to an amount below the Upper Income Threshold. For purposes of calculating the amount of Repayment Assistance to which a Qualifying Graduate is entitled, a baseline income threshold is set at \$20,000 and shall be referred to as the “Lower Income Threshold.” 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”, which is defined below.

## EMPLOYMENT QUALIFICATION CRITERIA

To qualify for Repayment Assistance, Qualifying Graduates must:

1. be engaged in Qualifying Employment (as defined below), working on average at least 30 hours per week; and
2. be paid at least the U.S. federal minimum wage; and
3. be a U.S. citizen or lawful permanent resident residing and working in the United States (i.e., the fifty States or District of Columbia, or any U.S. territory).

Qualifying Employment is defined as (i) working at least thirty (30) hours per week on average per calendar month and (ii) earning at least the U.S. federal minimum wage, except as otherwise provided herein. Employment shall not include (i) pursuing academic education or vocational training; (ii) volunteering in an unpaid position; (iii) working in an unpaid internship, externship, or other training programs; or (iv) working for persons or entities controlled by persons who are related to the graduate by blood or marriage as a parent, sibling, child, grandparent, uncle, aunt or cousin. Employment may include self-employment provided that you provide documentation (e.g., copies of your invoices to clients and documentation of income received) indicating that clients are paying you an amount at least equal to the federal minimum wage on an hourly basis and that you are working an average of 30 hours per week. 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.

**Academic study.** Full or part-time academic study does not qualify as Qualifying 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).

## COVERED LOANS

This Program is designed to offer Repayment Assistance for certain educational loans certified by your Designated Institution’s financial aid office and borrowed to attend your Designated Institution for your bachelor’s degree. Loans that are eligible for Repayment Assistance are those taken for each term during the first six (6) academic years after receiving your Award (the “Covered Loans”). Covered Loans cannot exceed \$17,000 in any academic year or \$75,000 in aggregate. Covered Loans must be on a minimum ten-year repayment schedule.

Covered Loan types are:

- Federal Direct Subsidized loans;
- Federal Direct Unsubsidized loans;
- Parent PLUS loans;
- Private educational loans from a bank or other student loan lender, except loans made by your Designated Institution, that are certified by your Designated Institution’s financial aid office; and
- Private educational loans in your parents’ or legal guardians’ name from a bank or other student loan lender, except loans made by your Designated Institution, that are certified by your Designated Institution’s financial aid office.

All other loan types or extensions of credit or cash advances that are not expressly identified herein do not qualify as Covered Loans. Common types of loans that do not qualify as Covered Loans include, but are not limited to:

- Student loans borrowed for education at a school other than your Designated Institution;
- Credit card debt, including but not limited to cash advances;
- Mortgages, home equity loans, and lines of credit;
- Loans from family or friends;
- Loans made by non-U.S. (i.e., foreign) government loan programs;

- Institutional loans from your Designated Institution; and
- Any other loan or extension of credit or cash advance, including any loan not certified by your Designated Institution's financial aid office.

**Loan consolidation or refinancing.** You may consolidate or refinance your student loans; however, to maintain Covered Loan status, loans must still 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, or refinance 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

**Overview of Process.** Repayment Assistance is paid retroactively on a quarterly basis to reimburse monthly Eligible Loan Payments actually made on a Covered Loan pursuant to the terms outlined herein. At the close of any quarter within the calendar year (January to March, April to June, July to September, October to December), a Qualifying Graduate may seek reimbursement of one or more monthly payments made on a Covered Loan, assuming such payments constitute Eligible Loan Payments as described below. Qualifying Graduates have up to one (1) year after the end of a quarter to seek reimbursement. Reimbursement shall be based on a Qualifying Graduate's projected Annual Income for the year based on earnings to date. We reserve the right to recover any overpayment made where a Qualifying Graduate's actual annual income is higher than was projected. Generally, recovery of overpayments will be made as an offset to future Repayment Assistance benefits.

**What Constitutes an Eligible Loan Payment.** Eligible Loan Payments consist of those payments the Qualifying Graduate was required to make and, in fact, did make on a Covered Loan after graduation from the Designated Institution. Payments and/or overpayments made voluntarily, whether intentionally or by mistake, do not constitute Eligible Loan Payments, including but not limited to any payment or overpayment made during a grace or deferral period that was not required to be made under the terms of the Covered Loan. Missed payments that were not, in fact, made are not Eligible Loan Payments. Payments made before graduation from the Designated Institution are not Eligible Loan Payments, including but not limited to interest payments that would otherwise accrue. 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 the Program. 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 programs that give you the lowest monthly payment (e.g., one of the federal income-driven repayment plans such as Pay As You Earn (PAYE)).

**How Repayment Assistance Is Calculated.** Repayment Assistance due to a Qualifying Graduate is calculated by taking the Qualifying Graduate's Eligible Loan Payments, as adjusted for the Borrowing Proration, for months in which they meet the Eligibility Criteria, multiplied by the Time Worked Proration and the Income Proration. Repayment Assistance is calculated on a monthly basis based on a Qualifying Graduate's projected Annual Income, by taking the Annual Income you have reported to date and projecting that income forward on an annualized basis. A Qualifying Graduate need not be eligible for all months in a quarter to receive Repayment Assistance for any single month; however, they do need to meet the Eligibility Qualification Criteria and Income Qualification Criteria for an entire month to be eligible for Repayment Assistance for that month's Eligible Loan Payment (i.e., Repayment Assistance is not available on a weekly basis). Repayment Assistance is prorated based on the following prorations:

**Time Worked Proration:** Qualifying Graduates working 40 hours per week on average in a calendar month will be eligible to receive up to 100% of Repayment Assistance, depending on their Income Proration and Borrowing Proration. Qualifying Graduates working less than 40 hours, but at least 30 hours, per week on average in a calendar month will be entitled to a prorated portion of available Repayment Assistance. The prorated portion to which a Qualifying Graduate may be entitled is equal to the average number of hours worked in a calendar month divided by 40. Thus, where Qualifying Graduates work an average of 30 hours per week, the prorated portion to which they may be entitled is equal to 30/40 or seventy-five percent (75%) of the available Repayment Assistance.

**Income Proration:** Qualifying Graduates earning an Annual Income less than the Upper Income Threshold are entitled to Repayment Assistance based on a prorated formula. The Income Proration is calculated by comparing your projected Annual Income on an annualized basis against the Upper Income Threshold and Lower Income Threshold specified in your LRAP Award and Terms & Conditions. For example, if your Annual Income in a given year is halfway 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).

**Borrowing Proration:** Qualifying Graduates borrowing more than the expressed limit in the Covered Loans section (i.e., \$17,000 in any academic year or \$75,000 in aggregate) are entitled to Repayment Assistance based on a prorated formula. If you borrow more than the limit in a specific year (e.g., \$20,000), then only the limit-specified proportion of the payments would be eligible for reimbursement (e.g.,  $\$17,000/\$20,000 = 85\%$ ). Likewise, if you borrow more than the aggregate limit, and you do not borrow more than your yearly limit, but borrow more in total (e.g., \$80,000), across the covered years, then only the limit-specified proportion of your total loan payments would be eligible each quarter (e.g.,  $\$75,000/\$80,000 = 93.75\%$ ).

**How to Request Repayment Assistance.** To receive Repayment Assistance for any month, you must submit an LRAP Assistance Request 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. For example, if you are seeking reimbursement for a monthly payment made in April, your request would be due by June 30 of the following year. 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 from your Designated Institution during your student loan exit interview. You may also obtain the form by emailing [Service@myLRAP.org](mailto:Service@myLRAP.org), or by calling 877-577- 5727, or by visiting [www.myLRAP.org](http://www.myLRAP.org).

**Direction of Payments.** If there is a cosigner to a Covered Loan, and the cosigner is the one making the actual payments on that loan, and if you authorize us to do so, the cosigner will be reimbursed directly for the Repayment Assistance for which you qualify for that Covered Loan and will receive an IRS Form 1099-MISC.

**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 return (and supporting documentation, including for your spouse if applicable), no later than April 30<sup>th</sup> of the following year, for confirmation and verification of the income information that you previously provided each quarter.

## OTHER TERMS

**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 Ardeo Education Solutions, LLC (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.