

Loan Repayment Assistance Program

TERMS & CONDITIONS

General Program Features

The following Terms and Conditions govern the Loan Repayment Assistance Program (“LRAP” or “Program”) for students who receive an LRAP Offer Letter in 2014 or 2015. You are receiving this Offer Letter from your Designated Institution. LRAP Association, Inc. administers this program on behalf of your Designated Institution.

To receive Repayment Assistance under this LRAP, you must:

- (1) Enroll at the Designated Institution named in your Offer Letter;
- (2) Graduate from that Designated Institution with a Bachelor’s Degree (e.g., a B.A. or B.S.) within six years from either the date of your Offer Letter or your first enrollment date at the Designated Institution, whichever is later; and
- (3) Be employed and meet the eligibility criteria outlined herein.

Eligible Income

If your Annual Income after you graduate is below the Income Thresholds specified in your Offer Letter, you will be eligible to receive Repayment Assistance in full or in part as you repay your Covered Loans, as specified herein. If your Annual Income is below the Lower Income Threshold, you will be eligible to receive Repayment Assistance equal to the total amount of your eligible student loan payments on Covered Loans. As your Annual Income increases from the Lower Income Threshold to the Upper Income Threshold, the Repayment Assistance will be reduced by a proportionate amount. For example, if your Annual Income in a given year was half way between the Upper Income Threshold and Lower Income Threshold, then you will be eligible to receive Repayment Assistance equal to one-half of your total eligible loan payments that year.

Covered Loans

This Program covers all student loans certified by your Designated Institution’s financial aid office (except loans offered through non-U.S. government programs) and borrowed in earning your Bachelor’s Degree at the Designated Institution (within the 6 year limit specified in General Program Features), but not to exceed \$17,000 in any academic year, and not to exceed an aggregate total of \$70,000. This includes all federally subsidized and unsubsidized loans, Perkins loans, private alternative loans, and PLUS loans to parents (for payments made after graduation). This Program does not include credit card debt used to pay educational expenses or loans from your family or friends, or any other loan not certified by your Designated Institution’s financial aid office. You may consolidate your loans. Loans must be on a minimum 10 year repayment schedule. Repayment Assistance is based on the standard monthly payment amounts (i.e. you may pay additional amounts to repay your loan faster, but you will not be reimbursed for those additional amounts). For federal student loans that have a six month grace period after graduation, Repayment Assistance will begin after the six month grace period (i.e. we do not reimburse you for payments made earlier if you choose to begin repayment on those loans earlier).

Initial & Continuing Eligibility

Initial Eligibility Period. After you graduate, you must initially qualify to receive Repayment Assistance for at least three months in the 18 months after the date of your graduation. If you do not so qualify for Repayment Assistance before that deadline (with extensions, as applicable, see below), you cannot qualify later.

We will pause the Initial Eligibility Period if you are undertaking any Extension Activities, as defined herein. Pausing the Initial Eligibility Period means that we will extend the end date of the Initial Eligibility Period (i.e. the 18 months mentioned above) for the length of time you are undertaking any Extension Activities.

Continued Eligibility. Once you have qualified during the Initial Eligibility Period, then in each subsequent calendar year you must meet the Eligible Employment criteria for at least 9 months of the calendar year to receive Repayment Assistance.

After you have begun receiving Repayment Assistance, if you begin any Extension Activities, you will not be eligible to receive Repayment Assistance during the time of those Extension Activities. Once you conclude all Extension Activities, you may resume eligibility 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.

End of Eligibility. Your eligibility to receive Repayment Assistance ends if your Annual Income in any year increases to a level above the Upper Income Threshold. After that, you may not qualify later even if your income in a subsequent year decreases to an amount below the Upper Income Threshold.

Eligible Employment

To qualify for Repayment Assistance in any quarter and year under this Agreement, you must be employed at least $\frac{3}{4}$ time (i.e. working at least 30 hours per week), be a legal U.S. resident and must work in the United States (i.e. the fifty states or District of Columbia). However, US military personnel on active duty stationed or deployed outside the U.S. will remain eligible to receive Repayment Assistance.

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.

Employment, for purposes of qualifying to receive Repayment Assistance under this program, must pay at least the U.S. federal minimum wage. Fellowships, volunteer opportunities and such posts that pay only a nominal amount, are not covered.

If you do not meet the Eligible Employment terms, but (a) your spouse does (e.g. your spouse does not work for family, is not self-employed, and is a college graduate), (b) you are at home 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.

Repayment Assistance Procedures

Proportionality. Repayment Assistance will be reduced proportionately if you work less than full-time or less than 12 months. For example, if you work 30 hours per week, you will receive $\frac{3}{4}$ of the full-time Repayment Assistance. Also for example, if you work for 10 months of the year, you will receive Repayment Assistance for those 10 months – but not for the 2 months that you do not work. If you work less than full-time or less than the full year, your Annual Income will be annualized as if you worked full-time for the full year and this Annualized Income will be compared against the Income Thresholds in your Offer Letter. 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. 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). To calculate your Repayment Assistance, we will calculate your Annual Income as described below in the Definitions section. Your Repayment Assistance 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 Your Earn).

Process. Repayment Assistance payments are issued quarterly, as reimbursements. We evaluate your eligibility on a month to month basis (e.g. you cannot qualify based on a single week). For quarters in which you qualify for Repayment Assistance, you must submit to LRAP an LRAP Assistance Request Form after the end of each such calendar quarter in order to receive Repayment Assistance. 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 promptly (or request more information, if needed).

We pay such Repayment Assistance quarterly, based on the request for assistance that you submit each quarter. After the end of the year, to finish fully qualifying for the assistance for that year, you must provide us with a copy of your federal tax return (and W-2s or other supporting documentation, as needed), no later than April 30 of the following year, to confirm and verify the income information that you provide each quarter. 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 your in some other way do not fully qualify (e.g. you do not qualify for at least 9 months of the year), then your Repayment Assistance will be adjusted accordingly.

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). If there is a cosigner to a 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 loan.

OTHER

Assignment. You may not assign this Repayment Assistance to a third party.

Confidentiality. We will maintain the confidentiality of your information. In accepting this Offer Letter, 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 (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 Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The parties agree that the Association's total liability to any student or party covered under the Program shall not exceed the total amount of the Covered Loans outstanding at the time of such claim.

Maintaining Eligibility. To remain eligible to receive Repayment Assistance after graduation, you must maintain good standing while you are a student at the Designated Institution according to that institution's definition of such. The Designated Institution makes decisions considering good standing. You are expected to remain current on your Covered Loans. If you incur fees or penalties because you make late payments or are in default, those costs will be excluded from any Repayment Assistance. The cost of this program is paid by your Designated Institution or a donor. If your Designated Institution or donor does not remain current on their fees owed to LRAP, you will not be eligible to receive repayment assistance.

Definitions

Annual Income. Annual Income is defined as follows. First, we take the greater of (1) your total personal income from all sources (e.g., your Total Income, as defined for federal tax purposes, plus other amounts (e.g., 401(k) contributions), plus any other substantial non-taxed income (e.g. housing allowance), but excluding any employer paid health insurance premiums), or (2) one-half of your total household income (including your spouse's income) from all sources. Second, we annualize that as if you worked full-time for the full year.

Covered Loans. This LRAP covers all federal subsidized and unsubsidized loans, Perkins loans, private alternative loans and Parent PLUS loans certified by the financial aid office at the Designated Institution, borrowed within the time frame specified in your Offer Letter and for the degree specified in your Offer Letter.

Designated Institution. The college or university specified in your Offer Letter.

Extension Activities. You will qualify for an extension of the Initial Eligibility 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 Offer Letter does not cover debt you borrow for graduate school or an additional bachelor's degree.

Income Thresholds. The Lower Income Threshold and Upper Income Threshold as specified in the Offer Letter.

Offer Letter. The letter outlining your participation in this LRAP to which these Terms and Conditions are attached, which specifies your Designated Institution and your Income Thresholds.

Repayment Assistance. Payments made to you under this LRAP for which you qualify under these Terms & Conditions, to reimburse you for all or a portion of payments made on your Covered Loans.