

GEORGE S. AND GRACE A. JAY MEMEORIAL TRUST
LOW INTEREST STUDENT LOANS Rules

Governing Student Loan

- 1) The total loan to any one applicant (hereinafter also known as "Student" or "Loan recipient") shall be construed as partial aid only in securing an education in the college, university, or vocational school (if accredited) of their choice.
- 2) All applications shall be appropriately filled out, signed and sent to the office of the George S. and Grace A. Jay Memorial Trust, 503 West Sheridan Avenue, PO Box 57, Shenandoah, IA 51601.
- 3) The Trust may require the parent(s) or guardian(s) of the student, as loan recipient, to co-sign any Promissory Note or to personally guarantee any Promissory Note.
- 4) Students who receive and accept a loan and then are unable to enroll in the initial school term must immediately return the money to the Trust.
- 5) Once accepted, the undergraduate student will be eligible to participate in the loan program each year the student is enrolled with full-time status (minimum 12 credit hours per semester) or graduate student (minimum of 9 credit hours per semester).
- 6) Undergraduate Student: The maximum loan amount in any one year is \$4,000.00 for the regular school year (\$2,000.00 per semester), plus an additional \$500.00 if the student is enrolled in summer school.
- 7) Graduate Student: The maximum loan amount in any one year is \$4,000.00 for the regular school year (\$2,000.00 per semester), plus an additional \$500.00 if the student is enrolled in summer school.
- 8) Each year, in order to remain eligible for additional loans, the student is required to complete a Status Report provided by the Trust and submit a grade transcript from the university, college or vocational schools registrar's office showing that the student is enrolled full-time with passing grades.
- 9) The interest rate on student loans, as provided in the Promissory Note that the student and the student's parent or guardian will be required to sign when a loan is made, shall be 3% per annum.
- 10) Interest on each loan will not be applied to the loan amount (start accumulating) until the day the student graduates. Repayment of the loan with interest will begin three (3) months after the student, as a loan recipient, completes his or her education. If the student drops out of school before completing his or her education, repayment of the loan shall begin immediately.
- 11) Repayment on the total balance of all loans (principal and accumulated interest) shall be a minimum of \$25.00 per month or 1% of the total loan balance (including interest), whichever is greater. The Trust shall provide each student with a repayment schedule setting forth all required payments upon leaving school or completing his/her education. Interest shall continue to accumulate on the total unpaid balance at the rate of 3% per annum. If the student fails to make payments according to the repayment schedule, a delinquency rate of 7% per annum shall become effective. The 7% delinquency rate may be waived or the repayment schedule modified at the sole

discretion of the Trustees in the event of hardship communicated by the student, as loan recipient, to the Trustees.

- 12) It is the responsibility of the student, as loan recipient, to keep the Trust informed at all times of address change, including graduation or leaving school, military service, name changes or other changes in status.