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Aerospace Loan Program 2018-19 Payment Guaranty Promissory Note and Disclosure Statement

Borrower's Information

Last Name (Legal) _____
First Name _____
Middle Initial _____
Mailing Address (Street) _____
City, State, Zip _____
Birthdate _____
Social Security Number _____
Driver's License Number _____
Driver's License State _____
Area Code/Telephone _____
Email Address _____

Cosigner's Information (cosigner may not be a spouse)

Last Name (Legal) _____
First Name _____
Middle Initial _____
Mailing Address (Street) _____
City, State, Zip _____
Birthdate _____
Social Security Number _____
Driver's License Number _____
Driver's License State _____
Area Code/Telephone _____
Email Address _____

Cosigner Initials _____ Date ____/____/____ Borrower Initials _____ Date ____/____/____

Check the amount you wish to borrow (check all that apply):

- Up to a maximum of \$2,500 to pay for the **CORE** (online segment).
If requesting less than \$2,500, amount of request: \$ _____

AND/OR

- Up to a maximum of \$3,200 to pay for the **Second Segment** (on-site segment following CORE).
If requesting less than \$3,200, amount of request: \$ _____

Washington Student Achievement Council (WSAC) will process payment for the Second Segment (classroom training) upon successful completion of the CORE segment, and based on meeting Satisfactory Academic Progress (SAP) as defined by the Aerospace Certificate Program institution.

AND/OR

- Up to a maximum of \$3,200 to pay for the Quality Assurance Certificate (upon successful completion of the above Certification Program).
If requesting less than \$3,200, amount of request: \$ _____

Borrower may cancel or reduce loan amount prior to the issuance of any loan disbursement, if applicable. WSAC will transfer funds electronically directly to the Aerospace Certification institution or entity. The proceeds of this loan are used only for educational expenses to participate in the Aerospace Certificate Training program.

Terms & Notices

Purpose: This Promissory Note is established for the purpose of providing a low interest loan to students to pay the full cost of tuition at a Washington Aerospace Training Program. The Washington Student Achievement Council (WSAC) is the administering state agency for this loan (RCW 28B.77.005).

A. Loan Amount and Disbursements

The loan amount will be either the amount requested or an amount not to exceed the cost of the course(s) listed below, whichever is less. This loan is used to pay for a Washington Aerospace Program.

To receive the certificate, the Borrower must complete CORE and Second Segment.

B. Grace Period

No interest accrues and no payments are required of the Borrower during a single six-month grace period. The grace period begins when the Borrower falls below "continuous enrollment" or completes the Aerospace Certificate Program. Continuous enrollment means, "the period of time the Borrower is enrolled in the Aerospace Certificate Program, without stopping."

C. Interest Rate

Borrower will not be charged interest during periods of "continuous enrollment." Interest charges begin to accrue at the conclusion of a six-month grace period. The interest rate is a variable rate, adjusted annually on July 1. The annual interest rate will equal the current rate for new loans in the federal Direct Subsidized Loan program for undergraduate students. The maximum interest rate charged the Borrower shall not, however, exceed 8.25 percent.

D. Repayment

Borrower is required to repay the total amount due in monthly installments. Payments are applied to any outstanding late charges, collection costs, and interest charges that have accrued to the loan before applying credit to the principal. The maximum repayment term may not exceed four years (48 months). Borrower, at their option, may agree to a repayment period that is fewer than four years. The minimum monthly payment will be not less than \$50.00 on any amount borrowed.

E. Prepayment

Borrower may, without penalty, prepay all or part of the principal or accrued interest before such payment is due, as long as the payment is credited as indicated in item C above.

Cosigner Initials _____ Date ____/____/____ Borrower Initials _____ Date____/____/____

F. Forbearance and Deferment

Under certain circumstances, the Borrower may request forbearance and deferment. Requests will be reviewed on a case-by-case basis. If approved, the Borrower will be eligible for a postponement or a reduction of monthly payments. Borrower will provide to WSAC appropriate documentation supporting any request for forbearance or deferment. Interest will accrue during periods of forbearance. Interest will not accrue during deferments.

G. Cancellation of Loan

- 1) If WSAC has not disbursed any funds, the Borrower has a right to cancel this Promissory Note without penalty. Borrower may cancel by letter or by email. If the Borrower does not enroll in classes for the Aerospace Loan in the same academic year they sign and date this Promissory Note, this Promissory Note becomes "null and void." Borrower is required to complete a new Promissory Note for the correct academic year once enrolled.
- 2) WSAC will cancel the loan if the Borrower dies or becomes totally or permanently disabled as defined in the rules and regulations of WSAC.

H. Collection Charges

Borrower agrees to pay WSAC or its billing/collection agent late charges, skip-tracing fees, court costs, attorney fees, returned check fees, and any other charges which WSAC incurs in collecting any amount the Borrower owes under the Promissory Note if not paid when due. If the billing agency or WSAC does not receive payment within 20 days after its due date, a late charge at the rate of \$5.00 or 5% of the payment, whichever is less, will be assessed.

I. Rights and Considerations

- 1) WSAC makes no representations regarding the quality of the institution the Borrower selected, or the appropriateness of any program of study for the Borrower's educational or career plans. In choosing an institution or entity, Borrower must carefully consider academic and other information provided by the institution or entity.
- 2) It is the Borrower's responsibility to keep WSAC apprised of current name, address, enrollment status, or any other event affecting the discharge of Borrower's responsibilities under the conditions of the Promissory Note, including these Terms and Notices. Any notice, other than service of process, that is required by law to be given to the Borrower will be effective when sent by first class mail or by electronic mail to the latest address WSAC has on file for the Borrower. It shall be no defense that the Borrower did not receive any notices so addressed.
- 3) WSAC's failure to enforce or to insist that the Borrower comply with any terms of the Promissory Note is not a waiver of WSAC's rights. Alterations cannot be made to the Promissory Note. No provision of the Repayment Schedule and Disclosure Statement can be waived or modified except by writing, signed by the party or a representative of the party against whom the modification is offered as a defense.

J. Credit Bureau Notification

WSAC will report the status of this loan to any of the credit bureau organizations during the life of the loan. If the Borrower becomes delinquent or defaults, this result may have a significant and adverse effect on the Borrower's credit rating.

K. Privacy Notices

Certain information required on the application is made confidential by the Privacy Act of 1974 (5 USC 552a); nevertheless, the requested information is necessary for participation in the Aerospace Certificate Program to verify the Borrower's identity and to determine eligibility for the program and for any benefits from it. The Privacy Act provides that an agency may continue to require disclosure of an applicant's Social Security Number (SSN) as a condition for the granting of a right, benefit, or privilege if the agency required this disclosure prior to January, 1975. WSAC has, for years prior to 1975, required the disclosure of the SSN of all applicants for the programs that it administers.

The SSN is used to verify the Borrower's identity, and as an account number (identifier) throughout the life of the loan, in order to make certain that WSAC records necessary data accurately. The SSN is used as an identifier in program activities such as determining program eligibility, certifying attendance and student status, determining eligibility for deferment of repayment, determining disability and death, and for locating Borrowers and their assets in cases of delinquent or defaulted loans.

Cosigner Initials _____ Date ____/____/____ Borrower Initials _____ Date____/____/____

L. Taxability

Refer to IRS Publication 970 Tax Benefits for Education (Section 6 – Tuition and Fees Deduction) and/or consult a tax expert.

M. Reporting

Borrower agrees to provide to WSAC the nature of their employment upon completing the Aerospace Certificate Program, including: 1) type of job, 2) whether the job is full-time, part-time, or temporary, and 3) annual wage.

N. Governing Law, Jurisdiction, and Venue

Washington State law shall apply to any dispute arising out of this Contract or that concerns or is related to it, except federal law may apply to bankruptcy actions. Jurisdiction and venue shall be in Thurston County Superior Court or the United States Bankruptcy Court for the Western District of Washington at Seattle.

Repayment Schedule and Fees

Borrower has a six-month grace period before the first payment is due (see Section B under “Terms and Notices”).

Repayment Cost Examples

The interest rate is a variable rate, adjusted annually on July 1. The annual interest rate will equal the current rate for new loans in the federal Direct Subsidized Loan program for undergraduate students. The maximum interest rate charged the Borrower shall not exceed 8.25 percent.

Repayment Options & Sample Costs Examples:

	Amount Borrowed	Interest Rate	Loan Term (loan must be paid within four years)	Assumes a Monthly Payment of:	Total Paid	Interest Paid
Example 1	\$2,500	5.05%	4 years	\$ 57.63	\$ 2,766.23	\$ 266.23
Example 2	\$ 3,200	5.05%	4 years	\$ 73.77	\$ 3,540.78	\$ 340.78
Example 3	\$ 5,700	5.05%	4 years	\$ 131.40	\$ 6,307.02	\$ 607.02
Example 4	\$ 5,700	5.05%	*3 years	\$ 170.97	\$ 6,154.64	\$ 454.64
Example 5	\$ 8,900	5.05%	4 years	\$ 205.17	\$ 9,847.74	\$ 947.74
Example 6	\$ 5,700	5.05%	Immediately	n/a	\$5,700	0

*Repayment is set up on a four-year plan, but borrowers have the option to pay more than the minimum monthly payment.

Interest will not start to accumulate until after the six-month grace period. Payments made prior to that will be applied to the principal and reduce the total that will have interest. The minimum monthly payment will be not less than \$50.00 on any amount borrowed.

Fees

Late Fee: For any payment not received by the billing agency or WSAC within twenty (20) days after its due date, a late charge is assessed at the rate of \$5.00 or 5% of the payment, whichever is less.

Returned Check Charge: Up to \$50 (does not include any fees charged by banks or other institutions).

Collection and Legal Fees: Any necessary expenses for collection of any amount not paid when due (to the extent permitted by law) including attorney’s fees, whether or not legal proceedings have begun.

Some schools may have financing resources not detailed on this form. Borrowers should contact their school’s financial aid office. State or federal student financial aid does not apply for academic programs that are seven semester hours/credits or less, or twelve quarter hours/credits or less.

Terms of Acceptance

Borrower has 30 days from the approval date on the Award Letter to accept this offer, and must enroll in class within 60 days of the date of the award letter, or the offer becomes “null and void.”

Cosigner Initials _____ Date ____/____/____ Borrower Initials _____ Date____/____/____

Payment Guaranty

1. In consideration of this loan, I the Borrower agree that, if the loan payments are not paid promptly when due for any reason other than death or permanent and total disability, the full amount of the loan will become due and payable immediately to WSAC under this Promissory Note, including collection fees, any court costs, and attorney fees awarded in litigation.
2. I agree to provide WSAC information on my whereabouts, assets, and income.
3. I agree to notify WSAC of any change in my address.
4. I understand that I am not eligible for any postponements, deferments, or reductions in payment except in special circumstances as noted in Section F above. I understand that the terms of the Promissory Note will be accelerated upon the occurrence of any of the events enumerated in the Terms and Notices.
5. I am aware of and agree to WSAC's application of payments made by the Borrower, as described in Section D of the Terms and Notices.
6. I intend to seek work in the state of Washington in the aerospace industry.
7. I agree to provide WSAC with the legislatively required annual information regarding my current employment status.

NOTICE TO COSIGNER: You are guarantying this debt. **Think carefully before you do.** If the Borrower does not pay the debt, you will have to. Be sure you can afford to, and that you want to accept this responsibility. You may have to pay up to the full amount of the debt if the Borrower does not pay. You may also have to pay late fees, collection costs, and attorney fees, which increase this amount. The lender can collect this debt from you without first trying to collect from the Borrower. The lender can use the same collection methods against you as are used against the Borrower, such as filing suit against you. If this debt is ever in default, that fact may become part of your credit record.

By signing below, I acknowledge that I have read, understand, and agree to all terms and conditions of this Promissory Note set forth herein.

Borrower's Signature

Date

Cosigner's Signature

Date

Cosigner Initials _____ Date ____/____/____

Borrower Initials _____ Date ____/____/____

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Do not mail this page

Mail completed Promissory Note and application to:

WSAC/ALP
PO Box 43430
Olympia, WA 98504-3430

Questions? Call 888-535-0747, option 5 or alp@wsac.wa.gov

**Document must be mailed—faxed copies will not be accepted.
Retain a copy of this document for your records.**

WSAC is not responsible for documents lost in the delivery process. To verify that your Promissory Note was received at WSAC/ALP, we recommend using a *return receipt* if mailed through the U.S. Postal Service, or use of another method of tracked delivery (FedEx, UPS, etc.).