

Washington Student Achievement Council
2014-15 Aerospace Loan Program
Payment Guaranty - Promissory Note and Disclosure Statement
(You will need to submit a Cosigner Application with this Promissory Note)

Borrower's Information						
1. Last Name	First Name	MI	2. Social Security #	3. Driver's License # State of issuance		
4. Permanent Address			5. Home/Cell Phone Number: ()	6. Date of Birth (month/day/year)		
City	State	Zip Code	7. Email address			
Cosigner's Information <i>(cosigner cannot be spouse)</i>						
1. Last Name	First Name	MI	2. Social Security #	3. Driver's License # State of issuance		
4. Permanent Address			5. Home/Cell Phone Number: ()	6. Date of Birth (month/day/year)		
City	State	Zip Code	7. Email address			
TERMS AND NOTICES						
<p>PURPOSE This promissory Note is established for the purpose of providing a low interest loan to Washington students that demonstrate the inability to pay the full cost of tuition at Washington Aerospace Training and Research Center Program (WATRC). The Washington Student Achievement Council (WSAC) is the administering state agency for this loan. (*RCW 28B.77.005)</p>						
<p>A. Loan Amount and Disbursements: The loan amount will be either the amount I requested or an amount not to exceed the cost of the course(s) listed below, whichever is less. This loan may be used to pay for the Washington Aerospace Training and Research Center (WATRC) certificate programs.</p> <p>I am applying for a loan to attend the:</p> <p><input type="checkbox"/> (\$2,400 maximum) CORE: Manufacturing Assembly, Electrical, or Tooling online segment.</p> <p>AND/OR</p> <p><input type="checkbox"/> (\$2,400 maximum) Second Segment (following CORE). <i>Upon successful completion and based on meeting Satisfactory Academic Progress (SAP) as defined by Edmonds Community College, a second payment will be processed to cover the on-site class room training segment. Disbursements will discontinue if I cease to meet any of the eligibility requirements.</i></p> <p>AND/OR</p> <p>I am applying for a loan to attend the:</p> <p><input type="checkbox"/> (\$2,400 maximum) Quality Assurance (upon successful completion of the above certification program)</p> <p>I may cancel or reduce my loan amount prior to the issuance of any loan disbursement, if applicable. Funds are transferred electronically and will be transmitted directly to my institution or entity. The proceeds of this loan must be used only for educational expenses to participate in the Washington Aerospace Training and Research Center (WATRC) program.</p>						
_____ Cosigner Initials		_____ Date		_____ Borrower Initials		_____ Date

TERMS AND NOTICES - *Continued*

B. Interest Rate: No interest is charged the Borrower during periods of “continuous enrollment.” Continuous enrollment means the period of time the Borrower is enrolled in the twelve-week WATRC Program, without stopping. Interest charges begin to accrue at the conclusion of a three month grace period or if the borrower ceases to be enrolled or does not meet satisfactory academic progress as defined by the WATRC program. The interest rate is a variable rate, adjusted annually on July 1. The annual interest rate shall generally parallel the current rate for new loans in the primary federal student loan program for undergraduate students. The maximum interest rate charged the Borrower shall not, however, exceed 8.25 percent.

C. Repayment: I will repay the total amount due in monthly installments in accordance with the Repayment Schedule described and incorporated in the Promissory Note. Payments will be applied to any outstanding late charges, collection costs, and interest charges that have accrued to the loan before principal is credited. At my option, I may agree to a repayment period that is fewer than three years.

D. Prepayment: I may, at my option and 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.

E. Forbearance and Deferment: Under certain circumstances I may request forbearance and deferment. Requests will be reviewed on a case by case basis. If approved I will be eligible for a postponement or a reduction of monthly payments. I 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.

F. Collection Charges: I agree to pay WSAC or its billing/collection agent, late charges, skip-tracing fees, court costs, attorney's fees, returned check fees and any other charges which the WSAC incurs in collecting any amount I owe under the Promissory Note if not paid when due. If any payment has not been received by the billing agency or the WSAC 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.

G. Rights and Considerations:

- (1) The WSAC makes no representations regarding the quality of the institution I have selected, or the appropriateness of any program of study for my educational or career plans. In choosing an institution or entity, I must consider carefully academic and other information provided by the institution or entity.
- (2) It is my responsibility to keep WSAC apprised of my current name, address, enrollment status, or any other event affecting the discharge of my 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 me will be effective when sent by first class mail or by electronic mail to the latest address WSAC has on file for me. It shall be no defense that I did not receive any notices so addressed.
- (3) WSAC's failure to enforce, or to insist that I comply with, any terms of the Promissory Note is not a waiver of WSAC's rights. No alterations can 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.
- (4) My loan will be cancelled if I die or become totally or permanently disabled as defined in the rules and regulations of the WSAC.

H. 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 I become delinquent or default, this may significantly and adversely affect my credit rating.

I. Privacy Notices: Privacy Act of 1974 (5 USC 552a): 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 WATRC Program, to verify your identity and to determine your 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. The WSAC has, for years prior to 1975, required the disclosure of the SSN of all applicants for the programs that it administers.

Cosigner Initials

Date

Borrower Initials

Date

TERMS AND NOTICES - *Continued*

Privacy Notices: *continued*

The SSN will be used to verify your identity and as an account number (identifier) throughout the life of the loan, in order to make certain that WSAC records necessary data accurately. As an identifier, the SSN is used in such program activities 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.

J. Taxability: Refer to IRS Publication 970 Tax Benefits for Education (section 6 – Student Loan Repayment Assistance) and/or consult a tax expert.

REPAYMENT SCHEDULE AND FEES

Upon completion of the WATRC Program, you have a three month grace period before starting repayment. If you withdraw or are terminated from the program, the three month grace period begins immediately. Your first payment will be due three months from the completion date of the program or the date of withdrawal or termination from the program.

REPAYMENT COST EXAMPLES

The interest rate is a variable rate, adjusted annually on July 1st. The annual interest rate shall generally parallel the current rate for new loans in the primary federal student loan program for undergraduate students. The maximum interest rate charged the Borrower shall not, however, exceed 8.25 percent.

Repayment Options & Sample Costs Examples:

	Amount Borrowed	Interest Rate	Loan Term (loan must be paid within three years)	Assumes a Monthly Payment of:	Total Paid	Interest Paid
Example 1	\$4.800	4.66	36 months	\$143.13	\$5,152.61	\$352.61
Example 2	\$4.800	6.80	36 months	\$147.78	\$5,139.71	\$519.71
Example 3	\$4.800	8.25	36 months	\$151.00	\$5,434.70	\$634.70
Example 4	\$4.800	3.86	24 months	\$209.00	\$4,994.59	\$194.59
Example 5	\$4.800	3.86	immediately	\$4,800	\$4,800	0

Repayment is set up on a 3 year repayment plan, but you have the option to pay more than the minimum monthly payment.

**Interest will not start to accumulate until after the 3 month grace period. Payments made prior to that will be applied to the principal and reduce the total that will have interest.*

RATES AND LOAN TERMS

Your starting interest rate: 4.66% Maximum Interest Rate: 8.5%

Fees:

Late Fee: any payment not been received by the billing agency or the WSAC 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.

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. Contact your school’s financial aid office. *State or Federal student financial aid does not apply for academic programs that are seven credits or less.*

Cosigner Initials

Date

Borrower Initials

Date

TERMS OF ACCEPTANCE

You will have 30 days from the approval date on the Award Notification Letter to accept this offer or the offer becomes null and void. The terms of this offer will not change, except that the interest rate may vary with the market rate listed above. To accept the terms of this loan you must complete this Promissory Note and return to the WSAC.

RIGHT TO CANCEL

You have a right to cancel this transaction, without penalty, if no funds have been issued. You may cancel by a written letter or by email.

This document is null and void if I am not selected for the Aerospace Loan in the year I sign and date this Promissory Note.

PAYMENT GUARANTY

- 1) In consideration of this loan, I the borrower and I the cosigner agree that, if the loan payments are not paid promptly when due for any reason other than death or permanent and total disability, I acknowledge that the full amount of the loan will become due under this promissory note to the WSAC, including collection fees, any court costs and attorney fees awarded in litigation.
- 2) I agree to provide WSAC information on the whereabouts and assets and income of me, the Borrower.
- 3) I agree to notify WSAC of any change in my address.
- 4) I understand that I am not eligible for any postponements or reductions in payment except in special circumstances as noted in Section E above. I understand that the 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 the Terms and Notices.
- 6) I intend to work in the state of Washington in the aerospace industry.

NOTICE TO COSIGNER: *You are being asked to guarantee 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 that can be 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 and/or in the Terms and Conditions of the Award Notification.

→ Borrowers Signature _____ Date ____/____/____ ←

→ Cosigner Signature _____ Date ____/____/____ ←

Mail completed Promissory Note **and** Application to:
Washington Student Achievement Council
PO Box 43430

Olympia WA 98504-3430

Questions: call Chris Wilkins 360-753-7794 chrisw@wsac.wa.gov

DOCUMENT MUST BE MAILED - FAXED COPY WILL NOT BE ACCEPTED

RETAIN A COPY OF THIS DOCUMENT FOR YOUR RECORDS

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