

**POLICY STATEMENTS RELATING TO THE STUDENT LOAN FUND
OF AMERICAN BAPTIST WOMEN'S MINISTRIES OF PENNSYLVANIA AND DELAWARE**

1. The American Baptist Women's Ministries of PA/DE will offer to its constituency the privilege of borrowing funds for educational pursuits through its Student Loan Fund.
2. The ministry of the Student Loan Fund shall be implemented through a Student Loan Committee and approved by the same.
3. The Student Loan Committee shall be composed of six members: Chairwoman, Treasurer, Coordinator of Church and Community, 1 member of Executive Committee, 1 member of the Board of Managers, and 1 person at large.
4. Loans may be received for college, graduate school or special vocational training under special circumstances. Applicant must be a high school graduate, active in the local church of which he or she is a member. The church must be affiliated with American Baptist Churches of Pennsylvania and Delaware or Philadelphia Region.
5. It is the policy that loan applications be considered from students enrolled in seminaries accredited by the American Association of Theological Seminaries, undergraduate schools and graduate accredited or in the process of being accredited through the six regional accrediting associations of the National Commission of Accrediting and therefore listed in the official directory of the "Federation of Regional Accrediting Commission of Higher Education: or American Baptist related institutions. Applications will not be approved from students enrolled for church-related vocations in schools which do not prepare students to meet standards of the American Baptist Churches for such related vocations.
6. The basic thrust of the loan program will be for full-time students. Special circumstances will be considered by the Loan Committee.
7. Approved loans will provide a maximum amount of \$750.00 per semester or \$500.00 per trimester.
8. Loan renewals are available for those who maintain acceptable grade levels (2.0) and satisfactorily meet the requirements of a loan, including the promissory note and providing an endorser to do likewise. Loans to one student should not exceed \$1,500.00 per year. The maximum eligibility per student is \$5,250.00. Renewal loans take precedence over new applicants. Suggested renewal loan deadline is June 30 for fall semester.
9. Before renewal loan is made, the recipient must present his or her grades to the Student Loan Chairwoman with a letter requesting a renewal loan. Grades shall continue to be submitted to the Student Loan Chairwoman until graduation.
10. A promissory note will be utilized in establishing the contract.
11. The loan must be paid in full within six years of graduation, termination, or withdrawal from a full time course of post high school study. Payment on loans begins one year after graduation, termination, or withdrawal from a full time course of post high school study to be completed in 60 equal and consecutive monthly payments (or more as circumstances permit). 1% interest will be applied to the

unpaid balance after the first year of repayment. The interest payment will be deducted from the first payment following the first year of repayment before any amount of repayment will be applied to the principal. 2% interest will be applied to the unpaid balance after the second year of repayment. 3% interest will be applied to the unpaid balance after the third year of repayment. 4% interest will be applied to the unpaid balance after the fourth year of repayment. 5% interest will be the maximum interest applied to the unpaid balance after the fifth year of repayment. 5% interest will be the maximum interest charged per year on remaining balance. The same rule of interest and repayment will apply after each year. The same rule of interest and repayment will apply to any withdrawal loans.

12. We will continue to utilize the “endorser” process. We are responsible for the continuance of the fund. Therefore, we require each loan recipient to secure a responsible endorser who will guarantee the payment of the loan.

13. A responsible endorser shall be (A) An adult (18 years of age or over), (B) A sponsoring church, (C) Not the student making the loan request.

14. A loan may be granted only after an application and references have been approved, and execution of a promissory note including signatures of the loan recipient and an approved endorser. This process shall be supervised by the Student Loan Committee.

15. The process for securing a loan shall be as follows:

- An application shall be submitted to the Chairwoman of the Student Loan Committee.
- References shall be secured for review by the Student Loan Committee.
- The potential loan recipient shall identify the proposed endorser, inform him or her of the details of the role of the endorser, and negotiate with this person for his or her commitment and signature.
- The endorser shall provide two financial credit references.
- Upon approval of the loan application and the endorser, the promissory note shall be executed and the loan granted.

16. A statement showing the status of the loan shall be sent to the endorser should the recipient fail to begin payments. Should the recipient fail to meet the obligations required of him or her, the endorser becomes fully responsible for loan repayment.

17. Loans may be disbursed to an institution or loan recipient.

18. New loan applications take three months to process.

19. If deployed to war zone or disaster area, please contact Student Loan Coordinator about possible deferment.