

**GUIDELINES FOR ROTARY STUDENT LOANS
AMENDED THROUGH MAY 10, 2018**

1. Student shall preferably be a graduate of a Shelby County or Collins High School.
2. Student must have a 3-point GPA on high school work (on a 6-point system) and a 2-point cumulative GPA on college work (on a 4-point system). Transcripts from high school and college to be furnished with application; ACT scores also to be furnished for records.
3. Student must secure funds from grants if eligible. Also, due to the rising costs of college, the committee does ask that the parents bear some of the expense in order that we may be able to help more deserving students. Priority will be given to undergraduate over graduate and professional school.
4. Student must apply for amount needed as to: tuition, room, meals, books, less the amount obtained from grants, jobs, family or other loans. No allowance for clothing, spending money, sorority dues or gasoline.
5. The student must meet with the committee for an interview with the initial application. A student must reapply each year and furnish up-to-date grades if he/she wishes to continue to borrow. No interview is necessary with subsequent loans unless the committee requests interview due to unusual circumstances. Student must maintain a 2-point or better cumulative GPA to continue to borrow.
6. If the student's application is approved, a Promissory Note must be properly executed by the applicant as maker and parents as co-makers, unless committee waives co-makers.
7. The office is to be notified if the student changes college from the one indicated on initial application. No additional money will be advanced to student until the application is revised and re-submitted for approval of committee.
8. Interest of 1% per annum is to be paid semi-annually while student is in school. The student must provide a transcript of grades each semester to show student status and grade point average. Payment may be made on principal but is not necessary as long as the student is enrolled in school.
9. Loan disbursements are made by semester. Student must show latest grades with a cumulative GPA of 2 point or better and also pay interest before receiving funds. Students not receiving funds must also present transcripts each semester to maintain the 1% student interest rate.
10. Once a student is no longer enrolled for ANY reason, he/she shall contact the office to arrange a schedule for repayment. If a student does not notify the office within three months of termination of schooling, the Loan Fund may demand the loan balance due in full.
11. Monthly payments shall commence six months after a student is no longer enrolled. The interest rate after six months goes to the out-of-school rate. Any account which becomes more than 30 days past due may be demanded as due in full by Loan Fund.
12. The repayment period is a period of time equal to one and one-half times the number of years for which funds are borrowed. The loan repayment period for students continuing education beyond four years of college or technical school shall be 1 year for each such year. The total

years of repayment for undergraduate and post-graduate shall not exceed 8 years, unless specifically modified by the Board of Directors. The aggregate amount due, including interest, is amortized on a direct monthly basis over the repayment period.

13. Current interest rates are:

While in school full time and six months after termination.....1%

After six month grace period and during loan repayment period...3%

If the loan repayment extends beyond the agreed maturity date, or becomes delinquent, the interest rate will be 3% over the repayment rate or 6%.

Students owing loan repayment of more than \$12,000.00 may elect to extend the repayment period for additional years in return for higher interest rates as follows:

<u>Additional Years of Repayment</u>	<u>Increased Interest Rate</u>	<u>Total interest rate for repayment</u>
2 years (8 years total)	1%	4%
4 years (10 years total)	2%	5%
6 years (12 years total)	3%	6%

14. Loans are subject to availability of funds.

15. We require at least two weeks to process a loan application depending upon how long it takes to receive transcripts and schedule for interview.

16. The minimum loan is \$500; the maximum loan is \$5,000 per year. The maximum loan over four years is \$20,000 for full time students. Part time students will be dealt with on an individual basis.

We acknowledge receipt of a copy of the amended guidelines this _____ day of _____, 2024.
