

## *LRAP TERMS & CONDITIONS*

The following terms and conditions govern the Loan Repayment Assistance Program (LRAP) Agreement for students initially enrolled in the LRAP in the 2010-11 or 2011-12 academic year. The Program provides substantial loan repayment assistance to graduates who find themselves with modest incomes.

To remain enrolled in this program you must maintain 'good standing' as a Huntington University student. This pertains to, but is not limited to, chapel attendance, residence life and academic status. Additionally, you must remain eligible for institutional financial aid (reference pages 79-81 in the university catalog). Huntington University reserves the right to make these decisions considering 'good standing' and financial aid eligibility.

**To receive loan repayment assistance under this Program, you must (1) enroll at Huntington University, (2) graduate from Huntington University with a B.A. or B.S. within six years and (3) be employed during the year for which you are seeking such assistance, as explained in detail below.**

If your annual income after you graduate is below the income thresholds specified in your Award Letter, we will help you repay your student loans, as specified below (including PLUS loans to your parents). If your annual income is below the lower income threshold, you will receive "Benefit Payments" equal to the total amount of your student loan payments that year. As your income increases from the lower income threshold to the upper income threshold, the reimbursement will reduce by a proportionate amount. For example, if your income in a given year was half way between the upper and lower income thresholds, then you will receive Benefit Payments equal to one-half of your total loan payments that year.

You will continue to receive Benefit Payments each year until your student loans are repaid or your income rises above the upper income threshold.

Benefit Payments are made quarterly. You submit a brief income and loan payment verification form after the end of any calendar quarter. We will mail a check within thirty days (or request more information, if needed). You should receive a copy of the form during your student loan exit interview. (You may also obtain the form by emailing [Benefits@LRAPassociation.org](mailto:Benefits@LRAPassociation.org), or by calling (877) 577- 5727). If there is a cosigner to a loan, and the cosigner is the one making the actual payments on that loan, then if you agree, the cosigner will be reimbursed directly for the repayment assistance for which you qualify for that loan.

This Program covers all student loans certified by the financial aid office and borrowed in earning your B.A. or B.S. at Huntington University (within the 6 year limit specified above), but not to exceed \$20,000 in any academic year, and not to exceed an aggregate total of \$90,000. This includes all federally subsidized and unsubsidized loans, private alternative loans, or PLUS loans to parents (for payments made after graduation). This Program does not include credit card debt used to pay educational expenses or loans from your family or friends. You may consolidate your loans. Loans must be on a minimum 10 year repayment schedule. In accepting this award, you authorize your university to share information about your academic status and student loans with the agent with whom the university contracts to administer this Program.

To qualify for a Benefit Payment in any year after graduation, you must be employed at least  $\frac{3}{4}$  time (i.e. at least 30 hours per week or in a position defined as at least  $\frac{3}{4}$  time for salaried positions), for at least 9 months of the calendar year. During the year that you graduate, you will be eligible for benefits if you are employed for at least four months (rather than 9 months). You must be a U.S. resident and must work in the United States (if you work outside the US and your income remains below the income threshold, you may resume receiving repayment assistance when you return to the US if your income continues to qualify).

If you do not meet the above employment test, but (a) your spouse does, does not work for family and is not self-employed, and your spouse is a college graduate, (b) you are at home raising children, and (c) neither you nor your spouse is enrolled as a graduate student, then you qualify for assistance based on your total household income.

Benefits will be prorated if you work less than full-time or less than 12 months (e.g., if you work  $\frac{3}{4}$  time for the full year, then you will receive  $\frac{3}{4}$  of the full benefit). Teachers on 9 or 10-month contracts will be deemed to have been employed for the full year and will receive full-year rather than partial-year benefits. Full or part-time academic study does not qualify as "employment" for purposes of receiving benefits (however, such academic study will often qualify you to defer payment on your loans; check with the lender to determine the conditions for your specific loans).

You will not be eligible to receive Benefit Payments if you are self-employed or if you are employed by your family or by a business controlled by members of your family. Family includes relatives by blood or marriage who are your parents, siblings, children, grandparents, uncles, aunts, or cousins. However, if you are self-employed as a graphic artist, you may qualify for Benefit Payments if you can document that clients are paying you for an average of 35 hours or more each week for the period.

To calculate your Benefit Payment, we will use the greater of (1) your Total Income, as defined for federal tax purposes, plus amounts in Box 13A of your W-2 (e.g., 401(k) contributions), plus any other substantial non-taxed income (e.g. housing allowance), or (2) one-half of your total household income (including your spouse's income). Your Benefit Payment will be calculated after taking into account any loan repayment assistance for which you qualify under any federal, state or other program (e.g. "IBR").

To receive Benefit Payments, you must initially qualify within the year your graduate or the following year. However, if you enroll full-time in graduate school, we will extend this deadline to initially qualify for benefits for the length of time that you are in graduate school (i.e. if you are in graduate school for three years, the deadline will be extended three years). Similarly, if you work outside the US, we will extend the deadline for the length of time you are working outside the US. After the two year deadline passes (plus extensions, if any), if your annual income in any year increases to a level above the upper income threshold, so that you do not qualify, you may not qualify later, even if your income in a subsequent year decreases to below the upper threshold.

You are expected to remain current on your educational loans. If you incur fees or penalties because you make late payments or are in default, those costs will be excluded from Benefit Payments. You may not assign these Benefit Payments to a third party.