

Loan-to-Scholarship Promissory Note

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| Name (last, first, middle initial) | Social Security Number |
| Permanent Address: Street | Date of Birth (mm/dd/yyyy) |
| Permanent Address: City, State, Zip Code | Driver's License Number (List State abbreviation first) |
| Telephone Number | Annual Interest Rate 5% |
| Academic Year for Loan (yyyy-yyyy) 2023-2024 | Loan Amount Borrowed |

Terms and Conditions

Repayment – I am obligated to repay the principal and the interest that accrues on my loan(s) to La Sierra University (hereinafter called the School) over 10 years beginning 6 months after the date I cease to be at least a half-time student at an institution of higher education. I understand that the School will report the total loan amount borrowed along with the payments made to at least one national credit bureau. Interest on this loan shall accrue from the beginning of the repayment period, after my six-month grace period ends. My repayment period may be extended during periods of deferment or forbearance. I will make my installment payments in equal monthly installments.

Minimum Monthly Payment – I will make a minimum payment of at least \$50 per month. The minimum monthly payment will be based on the combined total of my Loan-to-Scholarship loans, to be repaid within 10 years.

Late Charges – The School may impose late charges if I do not make a scheduled payment when due or if I fail to submit to the School on or before the due date of my payment, a properly documented request for any of the forbearance, deferment, or cancellation benefits described below. No late charges may exceed 20 percent of my monthly payment. The charge will be included with the next scheduled payment after I have received notice of the change, and such notice is sent before the next installment is due.

Grace Period – I will receive a six-month grace period once I fall below half-time enrollment before the first payment of my Loan-to-Scholarship is due. Interest does not accrue during the grace period.

Change of Status – I will inform the School of any change in my name, address, telephone number, Social Security Number, or driver's license number.

Default – The School may, at its options, declare my loan to be in default if (1) I fail to make a scheduled payment when due; (2) I fail to submit to the School, on or before the due date of a scheduled payment, documentation that I qualify for a forbearance, deferment, or cancellation; or (3) I fail to comply with the terms and conditions of this Note or written repayment agreement. The School shall disclose to credit bureau organizations that I have defaulted and all other relevant loan information. I will lose my right to defer payments and my right to forbearance if I default on my loan.

Prepayment – I may prepay all or any part of my unpaid loan balance, plus any accrued interest, at any time without penalty.

Forbearance, Deferment, or Cancellation – I may apply for a forbearance, deferment, or cancellation on my loan. During an approved forbearance period, payments of principal will be deferred, but interest will continue to accrue, and payment of the interest amount will be required. During an approved deferment period, payment of principal and interest is deferred, and interest will not accrue. If I meet the eligibility requirements for a cancellation of my loan, the institution may cancel up to 100 percent of the outstanding principal amount. Information on eligibility for forbearances, deferments, and cancellations is provided below. I am responsible for submitting the appropriate requests on time, and I may lose my benefits if I fail to file my request on time.

Forbearance – To request forbearance, I will need to make the request in writing or call the School. I am allowed a total of 36 months of forbearance, renewable at intervals of up to 12 months, not exceed a total of three years. I may request forbearance due to poor health, financial hardship, or for other acceptable reasons determined by the school, including missionary service. Interest will accrue monthly and will need to be paid during any period of forbearance.

Hardship Deferment – To request hardship deferment, I must make the request in writing and provide supporting documentation required by the School. I am allowed a maximum of 36 months (three years) of deferment, renewable at intervals of up to 12 months. I may request deferment due to unemployment, or when I'm receiving any state or federal assistance, or when I'm serving as an active military member during a war or other national emergency.

In-School Deferment – To request an in-school deferment, I must make the request in writing and provide supporting documentation to the School. During an in-school deferment, one needs to be enrolled and attending as at least a half-time student at an eligible School as defined by the Higher Education Act of 1965 as amended to defer principal and interest. There is no limit to an in-school deferment.

Cancellation – In the event of my graduation from La Sierra University with my first bachelor degree, La Sierra University will cancel the current amount owed on this loan. This loan will convert to a scholarship. Prepaid amounts and past due amounts are not part of this cancellation clause and shall not be refundable.

Discharge – My obligation to repay this loan will be totally discharged in the event of my death. Or, upon making a properly documented written request to the School, the total amount owed on this loan may be discharged if it is determined that I am totally and permanently disabled (using the definition established by the U.S. Department of Education for Title IV loans).

Promise to Pay – I promise to pay the School all sums disbursed under the terms of this Note, plus interest and other fees which may become due as provided in this Note. I understand that by accepting any disbursement issued at any time under this Note, I agree to repay the loans. I understand that I may cancel or reduce the amount of any loan by not accepting or by returning all or a portion of the disbursement issued. If I do not make any payment on any loan under this Note, when it is due, I promise to pay all reasonable collection costs, including attorney fees, court costs, and other fees. I will not sign this Note before reading the entire Note, even if I am told I am not required to read it. I am entitled to a copy of this Note. This loan has been made to me without security or endorsement. My signature certifies that I have read, understand, and agree to the terms and conditions of this Note. This note is made and delivered in the City of Riverside, State of California, and shall be governed by the laws of the State of California.

I promise to repay the loan made under this promissory note.

Borrower's Signature

Date