

**THE WILLAMETTE UNIVERSITY SCHOLAR ACHIEVEMENT LOAN
MASTER PROMISSORY NOTE**

Section A: Borrower Section

1. Name (last, first, middle initial) and
Permanent Address (street, city, state, zip code)

2. Social Security Number

3. Date of Birth (mm/dd/yyyy)

4. Home Area Code/Telephone Number

5. Driver's License Number (List state abbreviation first)

Section B: School Section

6. School Name and Address (street, city, state, zip code)

**Willamette University
900 State Street
Salem, OR 97301**

(503) 375-5455

7. Annual Interest Rate

0%

Terms and Conditions: (Note: Additional Terms and Conditions follow on subsequent pages)

THE SCHOLAR ACHIEVEMENT LOAN is a need based loan, awarded to students whose family financial circumstances have been negatively impacted by the global economic downturn. Eligibility is determined by the Financial Aid Office at Willamette University. The Scholar Achievement Loan is intended to supplement other need based financial aid. Scholar Achievement Loan borrowers who complete their degree at Willamette University in four years or less will be awarded forgiveness for the entire outstanding balance due on their Scholar Achievement Loan. Scholar Achievement Loan borrowers who withdraw from Willamette University prior to graduation will be required to repay their Scholar Achievement Loan balance in full. Student borrowers must earn a minimum 3.0 GPA during the semesters that they receive the Scholar Achievement Loan to be eligible for renewal. Student borrowers must maintain full-time enrollment to receive the Scholar Achievement Loan.

REPAYMENT – In the event that I withdraw from Willamette University prior to my graduation, I am obligated to repay the principal balance on my Scholar Achievement Loan to Willamette University over a period beginning 6 months after the date I cease to be at least a half-time student at Willamette University and ending 10 years later. I understand that Willamette University will report the amount of my installment payments, along with the amount of this loan to at least one national credit bureau. My repayment period may be shorter than 10 years if the monthly payment for a 10 year amortization schedule is less than the minimum monthly payment of \$40.00. My repayment period may be extended during periods of forbearance. I will make my payments in equal monthly installments.

LATE CHARGES – Willamette University may impose late charges if I do not make a scheduled payment when due or if I fail to submit to Willamette University on or before the due date of the payment, a properly documented request for forbearance benefits as described below. No late charges may exceed 20 percent of my monthly payment. The School may add the late charges to principal the day after the scheduled payment was due or include it with the next scheduled payment after I have received notice of the charge, and such notice is sent via US Mail or email before the next installment is due.

FORBEARANCE- I may apply for forbearance on my loan. During an approved forbearance period, payments may be postponed or reduced. I am responsible for submitting the appropriate requests to Willamette University on time, and I may lose my benefits if I fail to file my request on time.

DEFAULT – Willamette University may, at its option, declare my loan to be in default if (1) I fail to make a scheduled payment when due; (2) I fail to submit to Willamette University, on or before the due date of a scheduled payment, documentation that I qualify for forbearance; or (3) I fail to comply with the terms and conditions of this Note. Willamette University shall disclose to credit bureau organizations that I have defaulted and all other relevant loan information. I will lose my right to forbearance if I default on my Scholar Achievement Loan. Willamette University may accelerate my defaulted Scholar Achievement Loan. Acceleration means that Willamette University demands immediate payment of the entire unpaid balance of my Scholar Achievement Loan, including principal, late charges, and collection costs.

CHANGE OF STATUS - I will inform Willamette University of any change in my name, address, telephone number, Social Security Number, or driver's license number.

PROMISE TO PAY: I understand that by accepting any Scholar Achievement Loan disbursement issued at any time under this Note, I agree to repay all sums disbursed under the terms of this Note, plus other fees which may become due as provided in this Note, in the event that I withdraw from Willamette University prior to graduation. **I understand that multiple Scholar Achievement Loan disbursements may be made to me under this Note.** I understand that I may cancel or reduce the amount of any Scholar Achievement Loan by not accepting or by returning all or a portion of any disbursement that is issued. If I do not make any payment on any Scholar Achievement 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 that I am not required to read it. I am entitled to an exact copy of this Note. This Scholar Achievement Loan has been made to me without security or endorsement. My signature certifies I have read, understand, and agree to the terms and conditions of this Note.

I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE SCHOLAR ACHIEVEMENT LOANS UNDER THIS MASTER PROMISSORY NOTE AND THAT I MUST REPAY SUCH LOANS.

Signature: _____

Date/Time: _____

Terms and Conditions (cont.)

DISCLOSURE OF LOAN TERMS - I understand that under this Note, the principal amount that I owe, and am required to repay, will be the sum of all disbursements issued unless I reduce or cancel any disbursements. The Office of Financial Aid at Willamette University will determine whether to make any loan under this Note after my Scholar Achievement Loan eligibility is determined. At or before the time of first disbursement for each loan, a disclosure statement will be provided to me identifying the amount of the loan and any additional terms of the loan. I may decline a loan or request a lower amount by contacting the Office of Financial Aid. Any disclosure statement I receive in connection with any loan under this Note is hereby incorporated into this Note.

GRACE PERIODS – Upon my withdrawal from Willamette University, I will receive a six-month grace period before the first payment of my Scholar Achievement Loan must be made. The six-month grace period for Scholar Achievement Loans does not include any period up to three years during which I am called or ordered to active duty for more than 30 days from a reserve component of the Armed Forces of the United States, including the period necessary for me to resume enrollment at the next available enrollment period. I must notify Willamette University of the beginning and ending dates of my service, and the date I resume enrollment. If I am in my grace period when called or ordered to active duty, I am entitled to a new six-month grace period upon completion of the excluded period.

In the event that my enrollment drops below at least half time status, my repayment begins six months from the date I became a less-than-half-time student.

PREPAYMENT - I may prepay all or any part of my unpaid Scholar Achievement Loan balance at any time without penalty. If I repay more than the amount due for an installment, the excess funds will be used to repay principal unless I designate it as an advance payment of the next regular installment.

FORBEARANCE - Upon making a properly documented written request to the School, I am entitled to forbearance of principal, renewable at intervals of up to 12 months for periods that collectively do not exceed three years, under the following conditions: If my total monthly student loan debt burden equals or exceeds 20 percent of my total monthly gross income; if the Department of Education authorizes a period of forbearance due to a national military mobilization or other national emergency; or if the School determines that I qualify due to poor health or for other reasons, including service in AmeriCorps.

DISCHARGES - My obligation to repay this loan may be partially or totally discharged for the reasons specified in paragraphs A and B below.

A. Death - In the event of my death, Willamette University will discharge the total amount owed on this loan.

B. Total and Permanent Disability - If I become totally and permanently disabled after I receive a Scholar Achievement loan, Willamette University will discharge the total amount owed on this loan based on a properly completed application that includes supporting documentation from a licensed physician.

Disclosure of Information

This Note authorizes Willamette University to disburse multiple Scholar Achievement Loans during the multi-year term of this Note upon my request and upon the Office of Financial Aid's determination of my loan eligibility.

In the event that my Scholar Achievement Loan becomes due and payable due to my withdrawal from Willamette University, the Student Loan Office at Willamette University, with the assistance of Education Computer Systems, Inc. (ECSI) will service my Scholar Achievement Loan.

Important Notice

Privacy Act Notice

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect and report on your loan(s) if your loan(s) become delinquent or in default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case by case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to local agencies, to private parties such as relatives, present and former employers, business and personal associates, and to consumer reporting agencies, in order to verify your identity, to permit the servicing or collection of your loan(s), to enforce the terms of the loan(s), to investigate possible fraud, or to locate you if you become delinquent in your loan payments or if you default.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues

If you have any comments or concerns regarding the status of your individual submission of this form, contact:

Willamette University, Student Loan Office, 900 State Street, Salem, Oregon 97301-3931 1(800) 338-9316 or (503) 375-5455.