THE TAU BETA PI ASSOCIATION
INFORMATION ABOUT THE STUDENT LOAN PROGRAM

To enable an undergraduate or graduate student member of Tau Beta Pi, who would otherwise be without sufficient funds to remain in school until the end of the present term or year, or to complete his or her course, or to permit a student member to pay his or her Tau Beta Pi initiation fee, the Tau Beta Pi Association will lend money, so far as funds permit, under the following conditions:

1. Loans of any amount from $25 to $2,500 may be made. The rate of interest shall be 6% per annum, not compounded and accruing from loan date, except as otherwise herein provided. No person may borrow more than $2,500 under the Student Loan Program.

2. Application for a loan must be made on a special form provided by the Association. The appropriate one of three application forms — for an undergraduate student, for a graduate student, or for an initiation-fee loan — must be used.

3. The note must be co-signed by an independently-responsible person of legal age, preferably the borrower’s parent or guardian, who is a citizen of the United States. Under Tennessee law, a spouse is not considered an independently responsible person.

4. The member shall execute and submit with his or her application a promissory note, on the form provided by the Association. The amount to be borrowed shall be **repayable in full** to The Tau Beta Pi Association, Inc., together with interest thereon as above provided, within not more than three years after date of loan.

5. The member, in executing the note, agrees to inform the Secretary-Treasurer of the Association in writing semi-annually of his or her current address. In the event he or she does not advise the Secretary-Treasurer semi-annually of his or her current address or does not pay the note at maturity, he or she agrees to the payment of a penalty of $5.00 for each $100.00 or part thereof of the indebtedness due at the time of failure to notify or the default occurs, and in such event, the borrower and co-signer shall then owe the Association the penalty incurred plus the balance due on the note with interest.

6. The borrower may re-pay on the indebtedness at any time or times in multiples of $10.00. The final payment shall include any balance on the principal and all interest and penalty, if any. An extension of the note may be secured upon written approval of the Executive Council of the Association, provided application is made prior to maturity of the note and accrued interest and penalty, if any, are paid. An extension, if granted, shall be for a period of not more than one year and the rate of interest during said extension shall be 10% per annum, not compounded, and repayment shall be made at least quarterly during the period of extension.

8. The borrower and co-signer waive presentment, protest, demand, notice of protest, dishonor and nonpayment of this note and expressly agree if this note is placed in the hands of an attorney-at-law or collection agency for collection or has to be sued on, they will pay all costs of collection, including a reasonable attorney’s fee incurred in the collection of this note. The obligation of the borrower and co-signer shall be joint and several.

9. This note is made in Tennessee and shall be interpreted under the laws of the State of Tennessee. Where in this instrument the word “Association” appears, it shall be construed and be intended to mean The Tau Beta Pi Association, Inc.

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(Student’s copy of Application form; fill out and keep.)

To enable me to remain in college or graduate school until _________________, or to meet the financial obligations of membership in Tau Beta Pi, I hereby apply for a loan of ___________________________ dollars, ($ ____________). I agree to the loan conditions and note provisions and enclose my promissory note for the above amount. The note states that I shall repay the loan in ____________ years. The note is co-signed by ____________________________________ .

Date__________________________
(Signed)_________________________________________

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