

THE TAU BETA PI ASSOCIATION, INC.

INFORMATION ABOUT THE STUDENT LOAN PROGRAM

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

Loan Conditions and Provisions of the Note:

1. Loans of any amount from \$25 up to \$2,500 may be made. The rate of interest shall be six percent (6%) per annum, not compounded and accruing from the loan date, except as otherwise herein provided. No person may borrow more than \$2,500 under the Student Loan Program.
2. The application for a loan must be made on the forms provided by the Association. Student members must use one of three loan application forms—Undergraduate, Graduate, or Initiation Fee.
3. The student member shall execute and submit with his or her application a promissory note, on the form provided by the Association. The amount borrowed shall be **repayable in full** to The Tau Beta Pi Association, Inc., together with interest thereon, as stated above, no more than three years from the date of the loan.
4. The promissory 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.
5. The member, in executing the note, agrees to inform the Association in writing semi-annually or his or her current address. In the event he or she does not advise the Association semi-annually of his or her current address or does not pay the loan at maturity, he or she agrees to the payment of a penalty of \$5 for each \$100 or part thereof of the indebtedness due at the time of failure to notify or 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 loan, with interest.
6. If the loan is not paid in full at maturity, it shall bear thereafter interest at the rate of 10 percent (10%) per annum on the unpaid principal balance until the entire indebtedness is paid in full.
7. The borrower may repay on the indebtedness at any time. The final payment shall include any balance on the principal and all interest and penalty, if applicable. An extension of the note may be secured upon written approval of the Executive Director

and Director of Finance and Operations, provided application is made prior to maturity of the note and accrued interest and penalty, if applicable, 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 percent (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 non-payment 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. Should the borrower default on the loan and all attempts for collection of the indebtedness have been failed, the Association shall issue to the borrower and Internal Revenue Service, Form 1099-C, Cancellation of Debt. The borrower shall be required to report the amount of indebtedness, including principal, interest, and penalty, if applicable, as taxable income.
10. The 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.

Borrower's Copy of the Student Loan Application Form – Complete and Retain for Your Records

To enable me to remain in college or graduate school until _____,
Month and Year

or 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 _____ year(s). The note is co-signed by _____.

Date: _____