

Loan Repayment Assistance Program of Minnesota, Inc.
600 Nicollet Mall, Ste 380
Minneapolis, MN 55402

Truth-in-Lending Disclosures

Annual Percentage Rate The cost of your credit as a yearly rate	Finance Charge The dollar amount the credit will cost you	Amount Financed The amount of credit provided on your behalf	Total of Payments The amount you will have paid after you have made all payments as scheduled
3.0%			

Itemization of Amount Financed:			Payment Schedule:	
Amounts distributed to you:			Number of Payments:	One (1)
Amounts credited to your account:	\$	0.00	Amount of Payment:	
Amounts paid on your behalf:	\$	0.00	When Payment is Due:	10/01/9999
Prepaid finance charge:	\$	0.00		

Late Charge: There is no additional charge for late payment

Prepayment: If you pay any amounts early, you will not have to pay a penalty.

Notes:

All numerical disclosures are based on the assumption that you will meet all the terms of the Loan Agreement.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment rebates and penalties.

Borrower's Name:	
Date of Disclosure:	6/24/9999
Date of First Disbursement:	7/22/9999

By signing below, borrower acknowledges receipt of a copy of this disclosure on the date indicated above.

Borrower

The Loan Repayment Assistance Program Of Minnesota, Inc.

LOAN AGREEMENT

The Loan Repayment Assistance Program of Minnesota, Inc. (LRAP) and the Recipient of the Loan agree as follow:

1. In consideration of Recipient's commitment to be employed by an eligible public interest employer for three months, and of a duly executed promissory note evidencing the debt created under this agreement delivered from Recipient to LRAP, LRAP hereby agrees to lend the amount of \$_____ to Recipient.
2. The entire amount of this loan is hereby approved and LRAP promises to pay it in its entirety. This loan shall be paid to Recipient in July 9999.
3. The loan shall be disbursed following receipt, by hand delivery or mail, by LRAP of a signed copy of the Loan Agreement, a signed copy of the Promissory Note, and a signed copy of the Truth-In-Lending Statement.
4. Recipient agrees to apply the entire amount of the loan from LRAP toward his/her qualified educational loans on or before September 30, 9999 and to provide LRAP with written documentation of compliance with this provision. Acceptable documentation consists of the following options:
 - a copy of monthly loan statements from the lender(s) or electronic statements from a website for each loan. Statements must include the total debt owed as of that statement, the amount of the payments paid during the month, and the date and amount of the next payment due.
OR
 - a copy of a quarterly statement or letter from each lender stating the total debt owed as of that statement or letter, the amount paid during the quarter, verification that the Recipient is in good repayment status (i.e., that the Recipient is up-to-date on his/her loan payments), and indicating the date and amount of the next payment due.
OR
 - monthly bank statements showing electronic withdrawals to lenders
 - OR
 - copies of the front of checks written to the lender(s) and bank statements showing that the checks have cleared.

5. Recipient agrees to inform LRAP in writing within 30 days of any changes in the following information: his/her name, address, loan repayment status (including deferment, forbearance, or “paid in full”), salary or employment status.
6. Interest shall accrue on the LRAP loan at a rate of 3 percent per annum. Neither interest nor principal need be repaid until Recipient leaves his/her eligible employment.
7. Upon Recipient’s successful completion of 3 months of eligible employment (July 1, 9999 – September 30, 9999) and proof of loan payments described in clause 4 above, LRAP will forgive the entire amount of the LRAP loan together with accrued interest. A Forgivable Loan Recipient Verification Form, signed by the Recipient’s employer, is the documentation required for verification of eligible employment.
8. If Recipient leaves his/her eligible employment before September 30, 9999, LRAP will forgive a portion of the LRAP loan principal together with accrued interest determined by multiplying the total loan amount plus accrued interest by the number of months Recipient remained in the eligible employment divided by 3; at its discretion, LRAP may opt to forgive all interest accrued up to the date of the Recipient’s departure. However, LRAP will only forgive principle amounts for which proof of loan payments, as described in clause 4, is provided by the Recipient.
9. If Recipient leaves his/her eligible employment before September 30, 9999, the entire amount of LRAP loan plus accrued interest, less the amount forgiven by LRAP, shall immediately become due and payable. At LRAP’s option, Recipient may repay any outstanding amounts on a mutually agreed-upon schedule not to exceed six months.
10. LRAP attempted to design this structure to provide maximum potential tax benefits to participants under Section 108(f) of the Internal Revenue Code. LRAP believes it has structured this program so that the loan amounts forgiven by LRAP are not considered taxable income to Recipient under the Internal Revenue Code, and thus do not have to be reported as such on the Recipient’s federal tax return. However, Recipient remains solely responsible for any federal, state or local income tax liability s/he may incur because of the forgiveness of the LRAP loan.

LOAN AGREEMENT: CERTIFICATION BY RECIPIENT

I certify that I understand and agree to all of the terms and conditions stated above. I understand that failure to fulfill my obligations under these terms and conditions could result in immediate discontinuation of my eligibility to participate in LRAP, forfeiture of any future loan installments, and required repayment to LRAP of any loan funds, plus accrued interest, used in any manner in violation of the terms and conditions.

Recipient’s full name (print): _____
 Recipient’s signature: _____
 Date: _____

Loan Repayment Assistance Program of Minnesota, Inc.

PROMISSORY NOTE

I, (Recipient), promise to pay to the Loan Repayment Assistance Program of Minnesota, Inc. (LRAP), on the principal sum of \$_____ and interest on the outstanding principal balance from the date of its disbursement to me at the rate of 3% percent per annum. This note evidences indebtedness incurred under and subject to the terms and conditions of a loan agreement (the Agreement) between Recipient and LRAP.

I further agree and understand as follows:

Repayment:

Repayment of the principal and the interest that accrues on it shall be made no later than the date ten months from the date of disbursement to me.

Interest:

Interest on the unpaid balance shall accrue at the rate of 3 percent per annum.

Default:

Failure to remain employed on a full-time basis with an eligible public interest employer through September 30, 9999 and/or failure to apply the entire amount of the principal toward my qualified educational loans on or before September 30, 9999 will constitute a default and the entire amount of the unpaid indebtedness together with accrued interest shall become immediately due and payable. In the event of such a default, LRAP shall have the right to offset this amount due against any amount LRAP may owe Recipient.

Usury Clause:

Notwithstanding any other provision of this note, interest under this note shall not exceed the maximum rate permitted by law; and if any amount is paid under this note as interest in excess of such maximum rate, then the amount so paid will not constitute interest but will constitute a prepayment on account of the principal amount of this note.

Expenses:

The Undersigned agrees to pay on demand all expenses of collecting and enforcing this note and any guarantee or collateral securing this note, including, without limitation, expenses and fees of legal counsel, court costs and the cost of appellate proceedings.

Cancellation:

Recipient is entitled to have up to 100 percent of the amount of this indebtedness, including accrued interest, canceled upon completion of three months of eligible employment and proof that the Recipient has applied the principal toward his/her educational loans, and Recipient is entitled to have a pro-rated amount of this indebtedness canceled upon earlier departure, all according to the terms of the Agreement.

Governing Law:

This note and the obligations of the Undersigned shall be governed by and construed in accordance with the laws of Minnesota. For purposes of any proceeding involving this note or any of the obligations of Recipient, Recipient hereby submits to the non-exclusive jurisdiction of the courts of Minnesota, and agrees not to raise and waives any objection to or defense based upon the venue of any such court or based upon forum non conveniens.

Waiver of Presentment, Etc.:

The Undersigned waives presentment for payment, demand, protest and notice of protest and of non-payment.

Delay; Waiver:

The failure or delay by the holder of this note in exercising any of its rights hereunder in any instance shall not constitute a waiver thereof in that or any other instance. The holder of this note may not waive any of its rights except by an instrument in writing signed by the holder.

Prepayment:

The Undersigned may prepay all or any portion of the principal of this note at any time and from time to time without premium or penalty. Any such prepayment shall be applied against the installments of principal due under this note in the inverse order of their maturity and shall be accompanied by payment of accrued interest on the amount prepaid to the date of prepayment.

Severability:

If any provision of this note is held invalid or unenforceable, such invalidity or unenforceability shall not effect any other provision of the note that can be given effect without the invalid or unenforceable provision.

By:

Printed name of Recipient: _____

Signature of Recipient: _____

Date: _____