



ARIZONA TEACHER STUDENT LOAN PROGRAM

A Program of the Arizona Commission for Postsecondary Education

Promissory Note

By virtue of submitting a signed and certified Arizona Teacher Student Loan Program application I, (hereinafter referred to as the "Borrower") for value received, understand and agree that unless I fulfill the commitment stated in Section B of this Promissory Note (hereinafter referred to as the "Agreement") which I have entered into with the Arizona Commission for Postsecondary Education (hereinafter referred to as the "Commission") on behalf of the State of Arizona, I am obligated to repay the principal sum (hereinafter referred to as the "Loan") plus any interest together with any and all charges which may become due as provided in this Promissory Note. The Borrower may at any time repay all or any part of the unpaid balance without penalty.

This Loan Contract, as authorized by Arizona Revised Statutes ("A.R.S.") § 15-1781 et seq., is governed as to validity, interpretation, construction, effect and in all other respects by the laws of the State of Arizona. In exchange for the loan, the repayment, and loan forgiveness terms described in this contract, the Borrower agrees to the following terms.

A. Consolidation of Loan

1. If the Arizona Commission for Postsecondary Education on behalf of the State of Arizona makes more than one loan with the same repayment terms to the Borrower either under the Arizona Teacher Student Loan Program or the Math, Science, Special Education Teacher Loan Forgiveness Program, the sum of the amounts advanced to the Borrower shall be consolidated for the sole purpose of repayment. Each payment made by the Borrower to the Commission shall be applied first to interest which has accrued on the unpaid principal balance and then to the principal sum of the total loan.

B. Loan Forgiveness

1. To be eligible for loan forgiveness and the Borrower's indebtedness to the State discharged the Borrower must:
 - a. Provide written evidence of employment as a full-time teacher in the subjects of mathematics, science, or special education in a public school in Arizona **or** provide written evidence of employment as a full-time teacher in a public low-income school¹, public rural school², or a public school located on an Indian reservation in Arizona.

¹ Low-income school means a public school in Arizona which sixty percent or more of the students are eligible for free or reduced price lunches under the national school lunch and child nutrition acts.

² Rural school means a public school in Arizona that is located in a county with a population of less than three hundred thousand persons.

- b. Teach full-time one year for each year of loan support, plus one additional year, in a public school in the State of Arizona.
- c. Borrowers who receive loan support for only
- d. one semester in any academic year will be obligated to teach full-time for one semester or equivalent of service, plus one additional year of service in a public school in the State of Arizona.
- e. If the Borrower fulfills the service commitment required in a public school in this state or while completing military service resulting from induction, the Borrower's indebtedness to this state may be discharged in one of the following ways:
 - i. One year of full-time service required for each year of loan support plus one additional year of service.
 - ii. Repayment to this state of the total loan amount for each year of support with interest of **SEVEN** percent (7%) annually.

C. Repayment Status

1. It is agreed that the Borrower will enter repayment status under the following conditions, unless the Borrower qualifies for and requests, in writing, an extension as described in the section titled Deferment Status.
 - a. The Borrower will begin the service commitment providing instruction in the area of mathematics, science, or special education in a public school in Arizona **or** providing written evidence of employment as a full-time teacher in a public low-income school, public rural school, or a public school located on an Indian reservation in Arizona within one calendar year after attaining a teacher degree or alternative teacher certification at an eligible Arizona institution. The service commitment shall be full-time as determined by the Commission and requires one year of service for each year of loan support plus one additional year of service.
 - b. If the Borrower engages in postgraduate studies without a lapse of more than one calendar year following the completion of the Borrower's teaching degree or alternative teacher certification program, the Borrower shall begin the service commitment required under paragraph "a" within one calendar year after completing postgraduate studies.
 - c. If the Borrower is inducted into military service, or for any other cause beyond the Borrower's control deemed sufficient by the Arizona Commission for Postsecondary Education, and is unable to begin the service commitment required under paragraph "a" within one calendar year after completing a teaching degree or alternative teacher certification program and any graduate studies, the Borrower shall begin the service commitment required under paragraph "a" within one calendar year after completing the required military service or the termination for any other cause.

- d. If the Borrower fails to complete the required course of study, if the course of study is interrupted by one academic year or more for a cause or causes not resulting from induction into military service or any other cause beyond the Borrower's control deemed sufficient by the Commission, or if the Borrower fails to fully discharge the service commitment required under paragraph "a" except for delays resulting from an excusable cause as prescribed in this section, the amount of the loan not repaid or fully discharged shall be due and payable with interest at the rate prescribed in the section titled Loan Forgiveness. The Commission may extend the time of payment over a period not exceeding ten years and shall not require payment of interest during the existence of any excusable cause as prescribed in the section titled Deferment Status.
 - e. If the Borrower does not begin the service commitment required under paragraph "a" within the time prescribed in paragraph "a" but paid an agreed part of the loan, the Commission may allow the Borrower to discharge the balance of the obligation by subsequent teaching in this state.
2. The terms and conditions of repayment are as stated in this Section of the Promissory Note and shall be set forth in a separate repayment schedule which the Commission will establish and shall provide to the Borrower prior to the beginning of the repayment period. The terms for repayment set forth in this Section are not applicable at any time after this Promissory Note has been declared in default. Acceptance by the Commission of any delinquent payments shall not extend the time of payment for any amount remaining unpaid and shall not constitute a waiver of any of the Commission's other rights as set forth in this Promissory Note.

D. Deferment Status

1. On receipt of supporting documentation, the Commission for good cause shown may defer the Borrower's service commitment or repayment obligations or may enter into repayment arrangements with the Borrower.
2. On receipt of supporting documentation, the Commission for good cause shown may allow service that is equivalent to the full-time service if the Commission determined that this action is justified after a review of the Borrower's circumstances.
3. At the discretion of the Commission, the Commission may allow service by teaching in another area of recognized need in this state that is not specified in the qualified Borrower's contract, but only following prior written approval by the Commission.
4. It is agreed that, upon Commission approval of a written request from the Borrower, the Loan will be placed in a deferred repayment status during the time the Borrower:
 - a. Is temporarily disabled, for a period not to exceed five years, as established by a sworn affidavit or certification from a qualified physician, or
 - b. Has special or unusual circumstances which prevent him or her from complying with the terms of this contractual agreement with the Commission.

5. A Borrower who requests a deferment status shall promptly notify the Commission by registered or certified mail of his or her claim. The request must be accompanied by sufficient verifiable supporting evidence and documentation to assist the Commission in evaluating the request. The Commission will notify the Borrower of its decision within sixty (60) business days after the receipt of the request.

E. Cancellation

1. The obligation to repay the loan evidenced by this Promissory Note shall be canceled:
 - a. Upon submission to the Commission documentation of the Borrower's death during the period of the Borrower's education or practice as a teacher, the Borrower's obligation to this state under this article ceases.
 - b. Upon the acceptance by the Commission of the statement of a physician verifying the Borrower's total and permanent disability, the Borrower shall promptly notify the Commission by registered or certified mail and request cancellation of the repayment obligation. The request must include a sworn affidavit from the physician. If the claim is verified when the Commission contacts the physician, then the Loan Balance, which remains will be immediately canceled. If the physician does not verify the claim, the Commission will deny the request.

F. Default Status

1. This Promissory Note may be declared in default at any time if it is determined that the Borrower has failed to make an installment payment when due provided that the Borrower's failure persists for 180 days, or if the Borrower has failed to meet other terms of the Promissory Note under circumstances leading the Commission reasonably to conclude that the Borrower no longer intends to honor the obligation to repay. Upon the Borrower's default, the full amount of this Promissory Note shall be immediately due and payable to the Commission.
2. The Commission may report the Borrower's failure to pay the loan to any credit bureau. If the Borrower fails to repay the loan evidenced by this Promissory Note, the Commission may institute legal action through the Office of the Arizona State Attorney General to require the Borrower to repay the loan and collection costs. Venue for all legal accounts in which the agency is a part shall be proper in Maricopa County. Borrower will be required to pay all attorney fees and any late or finance charges that accrue. A.R.S. § 41-191.04.

G. General

1. The Borrower shall receive an exact copy of the Promissory Note, the terms of which are to be interpreted in accordance with applicable Arizona Statutes and procedures regarding the Arizona Teacher Student Loan Program. The Commission will make copies of the applicable laws and procedures available for the Borrower to inspect upon the Borrower's request.

2. The Borrower agrees to advise the Commission promptly in writing of any changes in name, mailing address, telephone number, email address, place of employment, and change in teaching of subject area.
3. The Borrower acknowledges that the Borrower is legally obligated to pay this Promissory Note even though he/she is less than twenty-one (21) years of age.
4. It is agreed that the Borrower may appeal any determination rendered under this program by notifying the administrating officer at the Commission Office, in email or writing, of the circumstances of the appeal. The administrating officer will provide full information of the appeal process to the Borrower.
5. The Arizona Attorney General may commence whatever actions are necessary to enforce the contract and achieve repayment of loans provided by the Arizona Commission for Postsecondary Education on behalf of the State of Arizona.
6. The Commission may enter into an agreement to transfer and authorize another agency or third party vendor to service the loans made by the Commission between the Commission and the Borrower.

H. Release of Records

I understand that Public Law 93-380, the Federal Family Education Rights and Privacy Act of 1974, requires all who hold custody of student's educational records³ to insure protection of personally identifiable information. Administration of the Arizona Teacher Student Loan Program requires the exchange of educational information about student applicants in order to provide for consideration of enrollment and transfer of funds by the State in the case of admission by the school.

Therefore, I hereby consent to the transfer of personal educational record(s) between and among the participating educational institutions and the Commission or by a party acting for the Commission.

I understand that the information referred to herein will be available only to the Arizona Commission for Postsecondary Education staff members, or by a party acting for the Commission, designated institutional officials, and State officials, as required to carry out their official duties.

I hereby waive my rights to receive specific notification of the transfer of such educational records. I understand that personally identifiable educational records will be used only to the extent necessary to carry out the purposes of the Arizona Teacher Student Loan Program including Commission approved reasonable research studies necessary to evaluate and improve state grant programs. Use of the information will be permitted only when, in the

³ Educational records include any record(s) directly related to a student and maintained by the institution or by a party acting for the institution. This includes any information or data recorded in any medium, including, but not limited to: handwriting, print, computer media, video or audio tape, film, microfilm, and microfiche. Examples of educational records include: personally identifiable information, grades and GPA, registration activity, academic progress, academic standing, enrollment status, financial aid awards and disbursements, financial aid eligibility, scholarships, loan disbursements, billing and payment history, communication history, account balances, collection activity, billing statements, ledgers, and past due amounts.

judgment of the Commission Executive Director or other designated staff members, the request for information is wholly consistent with my best interests and the purposes of the Arizona Teacher Student Loan Program.

I hereby acknowledge that I have read all provisions stated in this Promissory Note, including all the disclosures, and I have raised any questions if not understood.

I understand that if I do not meet the commitment for discharging this loan, as described in this Promissory Note, that I am obligated to repay the full amount of the loan or remaining portion, with interest as outlined above. I attest that I have read and understand the responsibilities and options available to me, and that I will adhere to them. If I do not make any payments on this loan when it is due, I will also pay reasonable collection costs, including but not limited to attorney's fees, court costs and other fees.

This note is only valid upon final approval of your eligibility status and approval of your award.

Signature of Borrower

Date

Printed Name of Borrower

Borrower SSN