



# P.E.O. Educational Loan Fund

## POLICIES GOVERNING LOANS

### I. PURPOSE

The P.E.O. Educational Loan Fund makes loans available to qualified women who desire a higher education and are in need of financial assistance.

### II. AMOUNTS AND TYPES OF LOANS

#### Maximum

The maximum loan amount is \$10,000. A student may apply for a loan up to the amount recommended by her sponsoring chapter. Chapters should use the loan amount guidelines detailed below under Programs of Study to determine the appropriate loan amount to recommend. P.E.O. Educational Loan Fund trustees evaluate each application and determine the exact amount to be approved, according to the availability of funds.

#### Canadian Funds

Loans to Canadian women will be paid in Canadian dollars. The only exception will be if the Canadian recipient attends a U.S. university and incurs expenses in U.S. dollars, then payment may be in U.S. dollars if requested by the recipient. In this case, the borrower must agree in writing to repay the loan in U.S. dollars.

#### Programs of Study

##### *Graduate*

A graduate student, including a student in medical or law school, may draw the full amount of her loan in one academic year.

##### *Undergraduate*

A senior seeking a bachelor's degree, or a student with a bachelor's degree who returns to school for undergraduate study for certification or other purposes, may draw the full amount of her loan in one academic year. Other undergraduate students may apply for the maximum loan, receiving installments of \$5,000 in each of their last two years. (When seeking the bachelor's degree this would pertain to junior and senior year classification; when seeking the associate's degree, this would pertain to first and second year classification.)

##### *Other*

A student enrolled in a professional nurse training program, a non-collegiate commercial or technical program, or vocational program in a college or university, may apply for the maximum loan, receiving installments of \$5,000 in each year. For all such courses the sponsoring chapter shall send with the Chapter Recommendation Form a brochure or statement from the school outlining:

- Requirements for admission.
- Fees.
- Type and duration of the course.
- Proof of School Accreditation.

##### *On-Line Programs*

Loans for on-line programs in accredited schools will be considered.

##### *Foreign Study*

Loans for foreign study may be considered for students in approved programs in recognized institutions.

### III. TERMS AND REGULATIONS

#### Eligibility

To receive consideration for a loan, an applicant must be:

- Recommended by a local chapter.
- A citizen or a legal permanent resident of the United States or Canada and reside in the United States or Canada.
- A high school graduate or equivalent.
- In need of financial assistance.

If an applicant has ever been involved in bankruptcy proceedings, she will be considered for an ELF loan if a **minimum of three years** have elapsed since the date she was granted a discharge from bankruptcy.

An applicant must consent to P.E.O. International obtaining her credit report to determine her eligibility for a loan. An applicant must meet the minimum credit score (625) required by P.E.O. If consent is not granted, her application will not be processed.

At the time a loan is drawn, a student must be:

- Enrolled full time or part time in an accredited school.
- Within two years, but not less than four months, of completing the course of study for which the loan was approved.

The applications of individuals who satisfy the eligibility criteria will be evaluated on a nondiscriminatory basis without consideration of race, national origin, religious affiliation, or disability.

#### Scholastic Standing

An applicant must maintain the scholastic grade point average required for graduation by the school of her registration.

#### Transcripts

As verification of satisfactory academic standing, a transcript of grades is submitted to the P.E.O. Executive Office along with the application and, if requested, before each loan installment is drawn.

#### Cosigners

Two financially responsible adult cosigners who are citizens or legal permanent residents of the United States or Canada and reside in the United States or Canada are required for each loan. Spouses, fiancés, or partners (current, former, or future) may not cosign an ELF loan. An individual will be allowed to cosign a maximum of two (2) active ELF loans providing the first loan is in good standing. Each cosigner must consent to P.E.O. International obtaining his/her credit report and must meet the minimum credit score (650) required by P.E.O. policy. Cosigners agree to pay the debt should the borrower fail to do so.

#### Installments

A first-year student with no education past high school, in a two-year undergraduate program (associate's degree) must complete one grading period before drawing a loan installment. Each installment requires a separate six-year note provided by the P.E.O. Executive Office. Both the borrower and cosigners must sign and return the note before the check is issued. The check is sent to the student. The first check must be issued within six (6) months of the date of loan approval.

#### Interest

**Following the graduation date originally stated on the application, interest will begin accruing and will be billed on an annual basis. Interest accruals and payments will not be deferred if the student continues with further study.** The current rate of interest can be found in The P.E.O. Record and on the P.E.O. website. Advance notice will be sent from the P.E.O. Executive Office.

#### Application Packet

The P.E.O. Executive Office mails an application packet to the student. This packet includes: cover letter, application form with a packet checklist and application instructions, school information form (proof of enrollment), request for transcript, request for permission to obtain credit report, acknowledgment of loan terms, and memo on indebtedness.

#### Repayment

The P.E.O. Educational Loan Fund is a loan program. At the end of the period of study for which the loan was approved, the loan is to be repaid in regular monthly amounts. Repayment of this loan is not deferred if the student continues with further study. Payments shall be sent to the P.E.O. Executive Office. The full amount of each note is due six years from the date of issue.

# PROCEDURE FOR SPONSORING AN APPLICANT

## I. THE LOCAL CHAPTER

### a. The P.E.O. Educational Loan Fund Committee

- Contacts the student.
- Interviews the student.
- Ascertains: program of study, present scholastic standing, reliability of applicant and cosigners (see Chapter Recommendation Form for specific information to be obtained) and financial need.
- Presents the loan request to the chapter at a regular or special meeting.
- Advises the student that the loan process should take approximately ninety days to complete.
- The completed application packet must be received in the ELF office six (6) months prior to the stated course completion/graduation date.

### b. Chapter Vote

The chapter votes on the loan request at a regular or special meeting, including the amount, using a voice vote. (See Constitution: Bylaws, Article VII, Section 6.) The chapter records the vote in the minutes of the meeting. A majority vote is required to sponsor an applicant.

### c. Chapter Recommendation Form and Chapter Letter

Following chapter approval of the loan request, the chairman of the P.E.O. Educational Loan Fund Committee:

- Completes Chapter Recommendation Form in full (use MOST current form available on the P.E.O. website, or request copies from the P.E.O. Executive Office).
- Signs the form along with the chapter president.
- Makes a copy of the completed form for chapter files.
- Signs a chapter letter introducing the applicant to the P.E.O. Educational Loan Fund board of trustees, detailing the points outlined on the Chapter Recommendation Form (**the writer of the chapter letter may be the chairman or another chapter member other than a relative of the applicant**).
- Mails Chapter Recommendation Form AND chapter letter to the P.E.O. Executive Office, 3700 Grand Avenue, Des Moines, IA 50312-2899.

### d. Chapter Assistance to Applicant

Consults with the applicant as she completes her application packet to answer any questions she may have.

If the loan is approved, the chapter shall offer encouragement and keep in close touch with recipient until the loan has been entirely repaid.

### e. Other Chapter Responsibilities

The chapter reports promptly to the P.E.O. Executive Office any matters affecting repayment of loan, such as withdrawal from school, changes in circumstances of recipient, cosigners, etc.

## II. THE P.E.O. EXECUTIVE OFFICE

- Mails Acknowledgment and Consent to Obtain Credit Report.
- Mails application packet to student upon receipt of the Chapter Recommendation Form and chapter letter.
- Forwards the completed application file to the board of trustees.
- Notifies the student, the sponsoring chapter and the state chairman of the trustees' decision.

## III. ADDITIONAL LOANS

Before an original loan has been repaid, a student who has not borrowed the maximum may apply for an additional loan, provided she has not graduated from the program for which her original loan was approved. The sponsoring chapter must request the Chapter Recommendation for Additional Loan Form from the P.E.O. Executive Office. An application for Additional Loan Form will be mailed to the student by the P.E.O. Executive Office.

## IV. OTHER LOANS

When an original loan has been entirely repaid according to agreement, a student is eligible for another loan. She must be recommended again. Second, third, etc., loans are handled as original loans.

## V. DECLINED APPLICATIONS

**Applicants will be provided with the specific reasons for the denial of their application.** Possible reasons for loan denial include:

- Current availability of funds for distribution.
- Need for financial assistance not adequately demonstrated.
- Projected income does not cover projected expenses.
- Indebtedness greater than established limits.
- Credit history.
- Grade Point Average does not meet the standard required by the institution applicant attends.
- School is not accredited.

**For privacy reasons, the chapter will be informed of the applicant's ineligibility but will not receive the specific reason for ineligibility.**