



P.E.O. Educational Loan Fund

POLICIES GOVERNING LOANS

I. PURPOSE

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

II. AMOUNTS AND TYPES OF LOANS

The maximum loan amount is \$12,000 for undergraduate degrees (e.g. associate's and bachelor's), \$15,000 for master's degrees and \$20,000 for doctoral level degrees. A student may apply for a loan up to the amount recommended by her sponsoring chapter. The P.E.O. Educational Loan Fund trustees evaluate each application and determine the exact amount to be approved, according to the program of study and availability of funds.

Monies received from the P.E.O. Educational Loan Fund shall not be used for debt reduction (educational, personal, etc.).

Qualified Programs of Study

Associate, bachelor, master, or doctoral degree programs from accredited schools qualify for the ELF loan.

Other

Non-degree programs such as commercial or technical, vocational in a college or university or professional training, and post-degree certification, endorsement or licensure programs will be evaluated on an individual basis and may qualify for the maximum undergraduate loan amount.

Online Programs

Loans for online programs at accredited schools will be considered.

Foreign Study

Internships or study abroad programs that are included in the approved U.S. or Canadian degree program may be eligible.

Loan Installments

A woman may draw up to the maximum loan in one installment if she is in the final year of obtaining her associate's or bachelor's degree, is a graduate or doctoral student, or is enrolled in a post-degree certificate/licensure/endorsement program.

Other undergraduate students may apply for the maximum loan, receiving installments of \$6,000 in each of their last two years. 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 promissory note provided by the P.E.O. Executive Office. Both the borrower and cosigners must sign, notarize and return each 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.

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.

Interest

Following the graduation date originally stated on the application, interest will begin accruing and will be billed on an annual basis. The current loan interest rate can be found in The P.E.O. Record and on the P.E.O. International website (www.peointernational.org).

Scholastic Standing/Transcripts

An applicant must maintain the scholastic grade point average required for graduation by the school of her registration. A transcript of grades is submitted to the P.E.O. Executive Office as part of the application process and, if requested, before each loan installment is drawn.

III. TERMS AND REGULATIONS

Eligibility

A woman is eligible to receive consideration for an ELF loan if she:

- is recommended by a chapter of the P.E.O. Sisterhood
- is a citizen or legal permanent resident of the United States or Canada and resides in the United States or Canada
- is enrolled in an accredited U.S. or Canadian postsecondary institution
- is a high school graduate or equivalent
- meets the minimum credit score of 625 required by P.E.O.
- does not exceed the indebtedness limit for her degree level
- has 2 qualified cosigners for the loan

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 has been approved.

Indebtedness Limits (these **do not** include home mortgages)

- \$25,000 . . . for technical, commercial and special courses
- \$75,000 . . . for undergraduate degrees (including associate's)
- \$100,000 . . . for master's degrees.
- \$175,000 . . . for doctoral degrees (PhD, law, medicine, etc.)

ELF may consider graduate level applicants who exceed the indebtedness limits on a case by case basis.

An applicant must consent to P.E.O. International obtaining her credit report to determine her eligibility for a loan. If consent is not granted, her application will not be processed.

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

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.

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.

Student Application

The P.E.O. Executive Office provides a link for the student to access the online application. The application includes: cover letter, application form with a checklist and application instructions, Proof of Enrollment form, 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. Loans up to \$15,000 will be due in full eight (8) years from stated graduation date; loans greater than \$15,000 will be due in full ten (10) years from stated graduation date. Monthly payments of principal will commence in an amount established under the terms of the promissory note, and upon the earliest of (i) six (6) months following the stated graduation or (ii) withdrawal from school. **Interest accruals and monthly loan payments will not be deferred if the student continues with further study or joins a service organization.**