

Minority Teachers of Illinois Scholarship Program

Terms and Conditions

1. Definitions.

A. In this Promissory Note, herein referred to as "Note", the words "I", "me", "my", and "mine" mean the borrower. Unless otherwise indicated, "you", "your", and "yours" mean the Illinois Student Assistance Commission or "ISAC", its successors and assigns, and any other holder of this Note.

B. "Award" or "award funds", or words of similar import, shall mean any funds provided to me during my postsecondary education for participation in the MTI Scholarship Program, as defined below.

C. "Convert" or "conversion" means the conversion of award funds provided to me through the Minority Teachers of Illinois Scholarship Program.

D. "Loan" or "loan proceeds" shall mean the amount of converted award funds provided to me through the Minority Teachers of Illinois Scholarship Program and owed by me under this Note. The calculation for reducing the total loan by award funds through the partial fulfillment of my teaching obligation is described in further detail below.

E. "Minority Student" means a student who is either Black (a person having origins in any of the black racial groups in Africa); Hispanic (a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race); Asian American (a person with origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, including Pakistan, and the Pacific Islands, including, among others, Hawaii, Melanesia, Micronesia and Polynesia); or Native American (a person who is a member of a federally or state recognized Indian tribe, or whose parents or grandparents have such membership) and to include the native people of Alaska.

F. "MTI Scholarship Program" means Minority Teachers of Illinois Scholarship Program authorized by the Illinois Higher Education Student Assistance Act [110 ILCS 947/50] and its implementing regulations.

G. "Qualified bilingual minority applicant" means a qualified student who demonstrates proficiency in a language other than English by (i) receiving a State Seal of Biliteracy from the State Board of Education or (ii) receiving a passing score on an educator licensure target language proficiency test.

H. "Repayment Period" will begin on the day as described in Section 5B and shall end no later than ten (10) years after such date unless otherwise extended pursuant to the terms of this note.

2. Student/Borrower Certifications and Authorizations.

A. I certify that I meet the following eligibility requirements for the MTI Scholarship Program: I am a United States citizen or eligible noncitizen; I am a resident of Illinois; I am a minority student as that term is defined by Ill. Admin. Code tit. 23, §2700.20; I am a high school graduate or a high school equivalency certificate recipient; I am enrolled or accepted for enrollment on at least a half-time basis at an institution of higher learning; I am enrolled or accepted for enrollment in a course of study which, upon completion, qualifies me to be licensed as a preschool, elementary or secondary school teacher by the Illinois State Board of Education (ISBE), including licensure as an alternative teacher, or I have

received one or more College and Career Pathway Endorsements (pursuant to Section 80 of the Postsecondary and Workforce Readiness Act) and I commit to enrolling in a course of study leading to teacher licensure, including alternative teacher licensure; during my enrollment, I will meet with an academic advisor at least once per academic year in an effort to facilitate on-time completion of my education preparation program; if enrolled at the sophomore, junior, senior or graduate level, I will maintain a cumulative grade point average of no less than 2.5 on a 4.0 scale while enrolled in a qualifying course of study; I will maintain satisfactory academic progress as determined by the institution; and I am not receiving financial assistance through any other teacher scholarship program listed at Ill. Admin. Code tit. 23, § 2763.20(b) or the Golden Apple Scholars of Illinois Program that is authorized by 110 ILCS 947/52.

B. I certify that I have not previously received funds from the MTI Scholarship Program for the equivalent of four academic years, which is the program maximum.

C. I certify that I will maintain eligibility for participation in the MTI Scholarship Program, and that a failure to maintain eligibility as described in this Note may result in the conversion of award funds into a loan.

D. I certify that all funds awarded to me through participation in the MTI Scholarship Program shall be used for qualified educational expenses at an institution approved for participation in the MTI Scholarship Program, in a course of study which, upon completion, qualifies me to be licensed as a preschool, elementary or secondary school teacher by ISBE, including alternative teacher licensure. I understand that I am responsible for repaying immediately any funds that I receive which are not used for qualified educational expenses related to my academic enrollment.

E. I agree to observe and comply with all the administrative rules applicable to this program and that I must inform ISAC within 10 days of any changes occurring in my postsecondary enrollment status or personal information. Personal information includes but is not limited to, name changes, current address, current home and cell phone numbers, current email address, current employers, and citizenship status.

F. I acknowledge that I may appeal any ISAC administrative decision in accordance with 23 Ill. Adm. Code 2700.70.

G. In the event the awarded funds convert to a loan under this Note, including any interest assessed in accordance with this Note, you and your agents may report the repayment status of the resulting loan to all credit bureaus. Therefore, to maintain a good credit rating, it is to my advantage to comply with the terms of this Note and to meet my responsibilities as a borrower under the MTI Scholarship Program.

H. I authorize you and your agents to request and receive from others, credit-related information about me.

I. Unless prohibited by applicable law, you and your agents are authorized to share information about this Loan, including but

not limited to my name, Social Security number (SSN), address, and account status with your agents and affiliates, other creditors, my parents, and spouse and other persons or organizations permitted by law to receive such information.

J. I understand that in the event the awards are converted to a loan, this loan is a qualified educational loan and is made under a program which is funded in part by a nonprofit organization and/or government unit and, as such, is not dischargeable in bankruptcy.

K. When you receive my signed Note, you are not guaranteeing the award of funds through the Minority Teachers of Illinois Scholarship Program. The award of funds and any disbursement thereof will be made in accordance with the procedures described in the Illinois Higher Education Student Assistance Act [110 ILCS 947/50] or its implementing regulations, found at Ill. Admin. Code tit. 23, § 2763. All awards are subject to appropriation for the MTI Scholarship Program by the State of Illinois.

L. I certify that I am not in default on an educational loan and do not owe a refund on any federal or state grants.

M. I understand that this application will not be considered complete until my Free Application for Federal Student Aid (FAFSA®) has been completely processed and received by ISAC.

N. I authorize you and your agents to request any information from the educational institution or institutions that I attend, of the status of my eligibility, of the status of the award(s), or of this Loan.

O. I authorize my future employers or their agents to release any information requested by you and your agents regarding my employment and my continued eligibility to participate in the MTI Scholarship Program.

3. Disbursement.

I understand that you may either electronically transfer funds or mail funds to the postsecondary institution in which I enroll to complete a qualifying course of study under the MTI Scholarship Program. I authorize you to issue means of payment made payable to the postsecondary institution through the Illinois Comptroller's Office for payment to my student account at the postsecondary institution.

4. Terms of Conversion

A. Following the awarding of any funds to me as a result of my participation in the MTI Scholarship Program, I understand and agree during the award terms to (i) remain enrolled on at least a half-time basis as an undergraduate or graduate student at a qualified Illinois postsecondary institution in a course of study which, upon completion, qualifies me to receive licensure as a preschool, elementary or secondary school teacher by ISBE, including alternative teacher licensure, (ii) earn a cumulative grade point average of 2.5 on a 4.0 scale throughout my postsecondary course of study; and (iii) maintain satisfactory academic progress toward graduation as determined by the postsecondary institution in which I am enrolled.

B. Following graduation from my postsecondary course of study, I agree to (i) teach, on a full-time basis, for one year in return for each full year, or portion thereof, of assistance received through this program; (ii) begin teaching within one year following completion of the postsecondary education degree or license program for which the award funds were provided and shall teach on a continuous basis for the required term thereafter; (iii) fulfill the teaching requirement described above at a nonprofit Illinois public, private, or parochial preschool, elementary or secondary school at which no less than 30 percent of the enrolled students are African American/Black, Asian American, Hispanic American, or Native American students, as certified by ISBE; or if I receive MTI as a qualified bilingual minority applicant, I may also fulfill my teaching obligation in a transitional bilingual education program (as defined by Article 14 C of the School Code) or in a school in which at least 20 English learner students in the same language classification are enrolled; and (iv) provide you with evidence of compliance with the program requirements.

C. If I fail to comply with all the requirements listed in Subsections A and B immediately above, any funds awarded to me for participation in the MTI Scholarship Program shall convert into a Loan under this Note plus interest at a rate equal to five percent (5%) per annum and other costs, including reasonable collection costs and attorneys' fees.

D. In the event that I begin my teaching requirement, but fail to complete my obligation, the Loan balance shall be determined by first calculating the entire amount of the awards granted plus interest at a rate equal to five percent (5%) per annum and, if applicable, reasonable collection fees, then reducing that amount pro rata by the fraction of the teaching obligation that I completed.

E. I shall not be considered to have failed to fulfill my commitment to begin teaching following graduation if (i) I serve, for not more than three years, as a member of the United States Armed Forces; or (ii) I am enrolled full-time in a graduate course of study related to the field of teaching at an institution of higher learning; or (iii) I am temporarily totally disabled, for not more than three years, as established by the sworn affidavit of a qualified physician; or (iv) I am actively seeking but unable to find full-time employment as a teacher at a school that satisfies the criteria described above, for one continuous period not to exceed two years; or (v) I am taking additional courses, on at least a half-time basis needed to obtain licensure as a teacher in Illinois; or (vi) I am fulfilling teaching requirements associated with other programs administered by you and cannot concurrently fulfill them in a period of time equal to the length of the teaching obligation.

5. Repayment

A. If any portion of the awards is converted into a loan, then said amount, plus any accrued interest or fees must be repaid within ten (10) years of entering repayment status. The loan and any accrued interest may be extended for a period not to exceed three years as a result of (i) my service, for not more than three years, as a member of the United States Armed Forces; or (ii) I am temporary disabled, and my disability is established by a sworn affidavit of a licensed qualified physician; or (iii) I am enrolled in a graduate course of study on a full-time, continuous basis, not to exceed three (3) years; or (iv) I am seeking and unable to find full-time employment for one continuous period not to exceed two years, and am able to provide evidence of that fact; or (v) my full-time enrollment as an undergraduate student in an unrelated academic discipline after withdrawing from a course of study leading to

licensure or approval to teach. Any extension permitted by this subsection shall entitle me to a deferment of principal and interest during which time interest shall not accrue.

B. I shall enter repayment status on the earliest of the following dates: (i) the first day of the first calendar month after I cease to pursue a course of study leading to licensure as a teacher, but not until six (6) months have elapsed after cessation of at least half-time enrollment in such a course of study; (ii) the date you learn that I do not plan to fulfill or I have failed to fulfill the teaching obligation described in Section 4, or (iii) the day after the latest date by which I must begin teaching to fulfill the teaching obligation.

C. If I enter repayment status due to my failure to fulfill the teaching obligation described in Section 4, but within five (5) years of entering said repayment status I begin to teach at a school meeting the description contained in Section 4, the amount of the loan I owe may be reduced in proportion to the amount of the teaching obligation that I complete.

D. I understand that, during the Repayment Period, you may send me a monthly electronic notice, statement or coupon book. The monthly statements will cover periods beginning on the first day of the Repayment Period and will cover one contractual month based on your billing periods. I will make consecutive monthly payments in the amounts and on the payment due dates shown on my monthly statement or coupons until I have paid all of the interest and principal or any other charges I may incur under this Note.

E. I will repay this Loan in equal consecutive monthly installments of principal and interest necessary to amortize the unpaid balance of this Loan (as of the date of calculation) at a fixed rate imposed by law over the number of months remaining in the Repayment Period. If an adjustment to my repayment terms is required (a) because the final payment on this Loan will be a different amount than the preceding monthly payments on this loan, you may, at your option, adjust the terms of my repayment or the amount of my monthly payments.

F. Interest shall accrue on this loan at the rate of five percent (5%) per annum throughout the Repayment Period until the principal, accrued interest and any other costs incurred on this Loan are paid in full. Interest will be calculated on the basis of a 365-day year for the actual number of days elapsed.

G. If I make payments after my payment due dates, I will owe additional interest or may be subject to the assessment of late charges. In such cases, I acknowledge that you will increase the amount of my regular monthly payment or increase the last payment to an amount necessary to repay this Loan in full.

H. During the Repayment Period, I agree to pay at least a minimum amount of \$50 each month (principal and interest) or the monthly interest charge, whichever is greater.

I. I will pay a late charge of up to five percent (5%) of my installment payment if I fail to make any part of an installment payment within 15 days after it becomes due. Additional late charges of up to 5% of my installment payment will be charged for each additional 30-day period when I fail to make any part of an installment payment.

J. If I am unable to repay this Loan in accordance with the terms of this Note, I may request in writing that you modify these terms. I understand that such modification would be solely at your discretion. I understand that I will remain responsible for payment during any period of deferment. I guarantee that I will accept any new terms for the Loan including any capitalized interest that was the result of forbearances granted.

K. I understand that, at your sole discretion, my repayment period may be extended during periods of deferment, hardship, or while in forbearance. Furthermore, I shall make graduated installments in accordance with a schedule approved by you.

L. Except as otherwise provided by law, I will be in default and you have the right to accelerate the total outstanding principal balance, accrued interest, and all other amounts payable to you under the terms of this Note. Default is defined as: (i) I fail to make any monthly payment to you when due; (ii) Any payment has not reached you within 15 days after it is due; (iii) I fail to notify you of a change in any of my personal information as stated in Section 2E within 10 days after a change occurs; (iv) I fail to comply with any term, condition, covenant, or agreement contained in this Note; (v) Any bankruptcy proceeding is begun by or against me or I assign any of my assets for the benefit of my creditors; or (vi) I make any false written or oral statements in applying for participation in the MTI Scholarship Program or this Note.

M. My failure to receive notice, a coupon book or a monthly statement does not relieve me of my responsibility and obligation of making my required Loan payments in accordance with the terms and conditions of this Note.

N. My failure to receive notice, a coupon book or a monthly statement does not relieve me of my responsibility and obligation of making my required Loan payments in accordance with the terms and conditions of this Note.

O. I authorize you or your agents to contact me regarding this Note or the Loan at the telephone number I have provided, which I provide in the future, or which ISAC reasonably believes is my current telephone number even if the number is a cellular telephone number. I understand that automated telephone number dialing equipment or an artificial pre-recorded message may be used.

P. My death or permanent disability shall discharge any obligation under the terms of this Note.

6. Governing Law

At your option, you will have the right, without further notice, to file suit against me to collect this debt. I understand that you are located in Cook County, Illinois. Your decision on whether to lend me money will be made in Illinois. Consequently, the provisions of this Note will be governed by the Laws of the State of Illinois. I agree that any suit that you bring against me will be brought in a court of competent jurisdiction in the county in which you maintain your principal place of business. In accordance with the terms of this Note, I agree to pay you reasonable costs and expenses to the extent permitted by law, including reasonable attorneys' fees, court and other collection costs, which you incur in enforcing the terms of this Note if I am in default.

7. Additional Agreements

A. My responsibility for paying this Loan is unaffected by the liability of any other persons or by your failure to notify me that a required payment has not been made. Without losing any of your rights under this Note, you may accept (i) late payments or (ii) partial payments.

B. I may not assign this Note or any of its benefits or obligations. You may assign this Note at any time.

C. The terms and conditions set forth in this Note constitute the entire agreement between you and me.

D. If any provision of this Note is held invalid or unenforceable, that provision shall be considered omitted from this Note, and such omission shall not affect the validity or enforceability of any other provision of this Note.

E. Any notice required to be given to me by you will be effective the day it is mailed by you by means of first-class mail to the latest address that I have provided you or you have otherwise learned.

F. I agree that all amounts due hereunder shall be paid in U.S. currency by draft drawn on a U.S. domiciled bank or foreign bank with a U.S. branch, in either case that shall be a member of the Federal Reserve System.