

## Kaiser Permanent Student Financial Aid Program - KPSAHS Loan Disclosure Information

### **Amount Financed:**

The amount financed will be made available by check payable to the recipient, also known as the Borrower.

### **Interest:**

Borrower promises to pay interest on the loan at an annual simple interest rate of ten percent (10%). Interest will begin to accrue on unpaid principal on the first (1st) day of the seventh (7th) full calendar month after the earliest to occur of the following constitutes the "Repayment Date": (a) Date Borrower graduates from a Qualifying Course of Study; (b) Date Borrower fails to comply with any Satisfactory Academic and Clinical Progress requirement as determined by the Registrar of the school; or (c) Date Borrower ceases to be enrolled in a Qualifying Course of Study. Notwithstanding the foregoing, interest shall not accrue during period(s) that Borrower is on disability or parental leave from Qualifying Employment (as defined in the Addendum) in accordance with the employer's normal personnel policies. Interest shall be calculated on the basis of twelve (12) thirty (30)-day months and the actual number of days elapsed.

### **Federal Truth in Lending Disclosure:**

<b>ANNUAL PERCENTAGE RATE:</b>	<b>FINANCE CHARGE:</b>	<b>Amount Financed:</b>	<b>Total of Payments:</b>	<b>Number of Payments:</b>	<b>Monthly Payment Amount:</b>
Cost of loan credit as a yearly rate.	The amount the loan will cost.	Amount of loan credit.	Loan amount paid after all scheduled payments are made.		
10%	\$1,120.23	\$9,000.00	\$10,120.23	28	\$364.03
10%	\$5,297.81	\$18,000.00	\$23,297.81	64	\$364.03

**Repayment begins as stated in the above paragraph titled, 'Interest.'**

### **Forgiveness:**

The Borrower/recipient is not required to repay the loan and accrued interest thereon if borrower/recipient

1. completes the Qualifying Course of Study
2. complies at all times with the Satisfactory Academic and Clinical Progress requirements described above
3. obtains and maintains employment, with Lender or a Lender-affiliated entity after completion of the Qualifying Course of Study
  - a. as a "regular employee" who qualifies for all employee fringe benefits
  - b. works a minimum of twenty (20) hours per week at a Northern California Lender facility ("Qualifying Employment")
  - c. is in a position in the degree specialty for which the loan was received

If above are met, the Lender will forgive the loan and accrued interest thereon at a rate of Two Hundred Fifty Dollars (\$281.50) per month, for a total of up to Three Thousand Dollars (\$3,375.00) per year. The following example shows how the loan is reduced due to loan forgiveness (the example is for illustration purposes only):

**ASSUMED FACTS** Depending on specialty and award year: Loan amount of \$9,000.00\* when participating in program year prior to graduation, and \$18,000.00 when participating in both program years, provided Borrower has obtained Qualifying Employment as a regular employee after graduation from a Qualifying Course of Study.

<b>Period of Qualifying Employment Completed</b>	<b>Amount of Loan Forgiven</b>	<b>1Year Principal Loan Balance: \$9,000 *</b>	<b>2 Year Principal Loan Balance: \$18,000**</b>
After 6 months	\$ 1,687.50	\$ 7,312.50	\$16,312.50
After 12 months	\$ 3,375.00	\$ 5,625.00	\$14,625.00
After 18 months	\$ 5,062.50	\$ 3,937.50	\$12,937.50
After 24 months	\$ 6,750.00	\$ 2,250.00	\$11,250.00
After 30 months	\$ 8,437.50	\$ 562.50	\$ 9,562.50
After 32 months	\$ 9,000.00	<b>\$0</b>	\$ 9,000.00
After 36 months	\$ 10,125.00		\$ 7,875.00
After 42 months	\$ 11,812.50		\$ 6,187.50
After 48 months	\$ 13,500.00		\$ 4,500.00
After 54 months	\$ 15,187.00		\$ 2,812.50
After 60 months	\$ 16,875.00		\$ 1,125.00
After 64 months	\$ 18,000.00		<b>\$0</b>

**Repayment:**

The loan is repaid in equal monthly installments of principal and interest beginning with the month following expiration of the 6-month grace period. If the recipient does not obtain employment with Lender or Lender-affiliated entity in Northern California (see *Forgiveness*) the loan will go into repayment.

Unless the recipient contacts Kaiser Permanente Student Financial Aid Department before the end of the 6-month grace period it is agreed upon in writing that the loan can be prepaid without penalty or repaid over a shorter period, the period of time required to repay the loan will depend upon the total amount owed to Lender on this loan and all other loans the Lender has made to the recipient; provided, the recipient has not become an employee of the Lender or Lender-affiliate entity within the 6-month grace period.

If the total amount owed is:

- |                        |                                    |
|------------------------|------------------------------------|
| Not more than \$9,000  | – not more than 28 months to repay |
| Not more than \$18,000 | – not more than 64 months to repay |

**Late Fees:**

To the extent allowed by law, the Lender will charge a late fee if the scheduled installment payment is not received within 10 days after it is due. The charge for any single late installment will be \$10.00.

**Right to Accelerate:**

Lender may, at its sole discretion, accelerate the date for payment of the loan and any other amounts owed by Borrower under this Agreement or the Note and demand immediate and full payment thereof if:

1. Borrower fails to make any payment required under the Note or this Agreement, including, without limitation, any monthly payment described in Section 3 above
2. Borrower fails to comply with any Satisfactory Academic and Clinical Progress requirement described in the Addendum
3. Borrower ceases to be enrolled in a Qualifying course of Study
4. Borrower fails to comply with any other term, covenant or agreement in this Agreement, the Note or the Addendum
5. Borrower fails to graduate as determined in the loan agreement.

Upon the occurrence of any of the preceding events and at any time thereafter so long as the same shall be continuing, Kaiser Permanente or their-affiliate entity may elect, in its sole discretion, to proceed to protect and enforce all or any rights or remedies hereunder by appropriate proceedings or exercise any other right or remedy available to them at law or in equity.

**Default:**

If any one or more of the following events occur, the loan is considered in default:

1. Failing to make any payment due, including payment of late charges
2. Making any representation in connection with obtaining the loan from the Trust knowing that representation was false
3. Using loan proceeds for other than the educational purposes described by the Trust
4. Failing to enroll in the school indicated to the Trust
5. Failing immediately to notify the Trust if recipient:
  - a. Ceases to be a full-time student
  - b. Changes graduation date
  - c. Changes name
  - d. Changes address

When the recipient defaults, the Lender may declare the following amounts immediately due and payable:

1. The entire unpaid principal balance of the Promissory Note
2. The entire amount of unpaid interest on the Promissory Note
3. Late charges
4. To the extent allowed by law, all costs of collection, including reasonable attorneys' fees

Declaring these amounts immediately due and payable is at the option of the Lender, which it may do only after complying with applicable notice and other requirements of law. A decision by the Lender not to exercise this option does not constitute a waiver of the Lender's right to exercise the option at a later date.

**Self-Certification:**

The borrower may qualify for federal student financial aid. For the 2022-2023 academic year, the interest rates for Stafford loans are at 3.73% undergraduate and 5.28% graduate. Interest rates are the same for subsidized and unsubsidized Federal Stafford loans. Perkins loans are at 5%. The borrower may also qualify for state or institutional aid. A private loan may affect the borrower's eligibility for federal, state or institutional loans. You are encouraged to discuss these other types of aid with your institution's financial aid office.