

GEORGIA STUDENT ACCESS LOAN PROGRAM
PROMISSORY NOTE (continued), BORROWERS RIGHTS AND RESPONSIBILITIES

Initials _____

As used here in this Georgia Student Access Loan ("SAL") Program Note, "I," "Me" and "My" refer to the borrower and "the Authority" refers to the Georgia Student Finance Authority and/or holder, agents, successors or assignees.

The loan amount(s) under this Note will be determined by subtracting the Expected Financial Aid plus the Expected Family Contribution from the Cost of Attendance as certified by the Eligible Postsecondary Institution. My financial aid office will certify eligibility for the Loan. Approval of this Loan is contingent on my meeting all eligibility criteria as prescribed by the Authority. I understand the Authority is not obligated, now or at any time, to make this or any other Loan to me. The interest rate on my Loan is one percent (1%) per annum, subject to the provisions of Section F below. I understand that the Authority will transfer the proceeds of this Loan to my Eligible Postsecondary Institution electronically based upon the Eligible Postsecondary Institution's recommended disbursement date(s). I must use this money for qualified higher education expenses for the Eligible Postsecondary Institution that certified the Loan and for the time period for which the amount was certified. Qualified higher education expenses include tuition, fees, room, meals, books, supplies, transportation and personal expenses as determined by the Eligible Postsecondary Institution and as defined by Federal Title IV Program Regulations.

A. Definitions - The following terms have the meanings set forth below or as defined in the Authority's Student Access Loan Program Regulations (the "Regulations").

1. **Capitalized Interest:** Unpaid accrued interest that is added to the principal balance of the Loan.
2. **Cost of Attendance:** The estimated expenses, both direct and indirect, which may be incurred by me and my family to finance the cost of receiving a postsecondary education. These expenses may include tuition, fees, room, meals, books, supplies, transportation and personal expenses as determined by the Eligible Postsecondary Institution and as defined by Federal Title IV Program Regulations
3. **Eligible Postsecondary Institution:** As defined in the Official Code of Georgia § 20-3-519(7).
4. **Expected Family Contribution:** The amount of money the U.S. Department of Education expects me and my family to contribute to my school costs for a school year, as calculated by the U.S. Department of Education.
5. **Expected Financial Aid:** The amount of financial aid awarded to me for use toward my Cost of Attendance at an Eligible Postsecondary Institution during an award year. Such aid includes federal, state, or institutional scholarships, grants or loans, private scholarship and grants and military or veterans educational benefits, but excludes federal work-study.
6. **Grace Period:** The six-month period beginning the day immediately following the last day of the In-School Period. My Grace Period does not include any period up to 3 years during which I am called or ordered to active duty military service for more than 30 days.
7. **In-School Period:** The period beginning on the date of disbursement of the Loan and ending on the first day that I am no longer enrolled at least half-time at an Eligible Postsecondary Institution.
8. **Repayment Period:** The period beginning on the day immediately following the last day of the Grace Period. The Repayment Period shall not exceed fifteen years (180 months) not including periods of deferment.
9. **SALs:** The Loan, and all other loans made to me pursuant to the Authority's Student Access Loan Program.

B. Fees

1. **Origination Fee:** An origination fee in the amount of five percent (5%) of the original principal amount of the Loan, but not to exceed fifty dollars (\$50.00), will be charged on each Loan. The fee I am charged will be disclosed in a disclosure statement and will be deducted from the first disbursement of the Loan. The fee is non-refundable except in the event the Loan is cancelled in full by my Eligible Postsecondary Institution.
2. **Late Payment Fee:** A fee in the amount of six percent (6%) of the amount of any payment due which is not paid within thirty (30) calendar days of the due date.
3. **Returned Items:** A thirty-five dollar (\$35.00) fee will be charged to my account if a payment is returned due to insufficient funds or any other reason.

C. Credit Bureau Notification

Information concerning the amount, disbursement, and repayment of my Loan may be reported to one or more national consumer reporting agencies.

D. KIT Payments While Enrolled in School and During Grace Period

During the In-School Period and the Grace Period, I must make monthly Keep In Touch Payments (KIT Payments) to the Authority. Each monthly KIT Payments shall be in the amount of ten dollars (\$10). I understand that before the due date of each KIT Payment, the Authority will send to me, via email, a statement of the amount of the KIT Payment next due, accrued interest and balance, but I agree that my obligation to make each such payment is not dependent upon my receipt of the statement. The initial KIT Payment shall be due approximately 60 days after disbursement of the Loan.

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E. Repayment Period

1. I am obligated to repay the full amount of the Loan and accrued interest. It is my responsibility to notify the Authority of my postsecondary enrollment status. I will repay the principal and interest of my Loan together in periodic installments during the Repayment Period. Payments shall be at least fifty dollars (\$50) per month and will be more, if necessary, to repay the Loan within the required time period. The Authority will provide me with a repayment schedule and disclosure statement that identifies my payment amounts and due dates. My repayment schedule may include all of my SALs. I agree that the Authority may grant me forbearance for purposes of aligning payment dates on my SALs or to eliminate a delinquency that persists even though I am making scheduled payments. I may repay all or any part of the unpaid balance on my Loan at any time without penalty. All payments will be applied first to any outstanding unpaid fees, then to outstanding interest, then to principal.
 - a. **Deferment of Principal and Interest Payments During the Repayment Period:** I may apply for deferment of the collection of installments of principal and interest for such cause as unemployment, economic hardship, active duty military service, or if I am enrolled at least half-time at an Eligible Postsecondary Institution by submitting to the Authority a written request for such deferment as provided by the Regulations, in which case the Authority may grant me a deferment from making such payments for such period, if any, as the Authority shall designate in accordance with the Regulations. KIT Payments are not eligible for deferment.
 - b. **Forbearance of Principal and Interest Payments During the Repayment Period:** I may apply for a discretionary forbearance of payments, not to exceed 24 cumulative months, during the Repayment Period under certain conditions as determined by the Authority. Conditions under which forbearance may be granted include, but are not limited to:
 - 1) Economic Hardship – after maximum allotment of time is reached for deferment;
 - 2) Unemployment – after the maximum allotment of time is reached for deferment; or
 - 3) Physician documented poor health or a prolonged illness or disability that does not meet applicable disability cancellation criteria.
2. If I do not pay interest to the Authority prior to the start of the Repayment Period, such interest will be capitalized and thereafter be Capitalized Interest. If I am granted forbearance and if I choose not to pay accruing interest charges such interest charges will be capitalized and thereafter be Capitalized Interest. Interest accrues during forbearance periods, but does not accrue during deferment periods.

F. Default

1. At the option of the Authority, this Loan shall be in default after any notice required by law if I fail to make regularly scheduled payments for a period of 270 days during the Repayment Period. Upon any such default, the interest rate on my Loan shall be five percent (5%) per annum from the date of such default, until the Loan, accrued interest, and all other amounts payable to the Authority are paid in full.
2. If I default, this may be reported to national credit reporting agencies and may significantly and adversely affect my credit history. This may adversely affect my ability to obtain credit in the future.
3. Except as prohibited by federal or other state laws, individuals that fail to fulfill the terms and conditions of cash repayment may, without judicial action, be subject to garnishment of their pay, loss of a professional license, offset of lottery winnings, and offset of a state tax refund in accordance with rules and regulations promulgated by the Authority not inconsistent with the provisions thereof.
4. If I default on the loan, I shall pay to the Authority or its agents the reasonable collection fees, court costs and attorney fees not to exceed 15% of the unpaid principal balance and accrued interest after default.

G. Interest

1. **Accrual:** Interest on this Loan accrues at the fixed simple interest rates set forth above. Interest begins to accrue on the date of each disbursement and continues to accrue until the Loan is paid in full. Interest accrues on the unpaid principal sum to the extent it is disbursed, and on the unpaid Capitalized Interest. Interest is calculated on the basis of 365.25 days in a year. If I am granted forbearance and if I choose not to pay accruing interest charges, the principal balance will increase each time the Authority capitalizes unpaid interest. As a result, I will pay more interest charges over the life of the Loan. When I leave school and begin repaying the Loan, my monthly payment amount may be higher.

H. Service Cancellation

1. **Service Cancellation for Teaching:** Notwithstanding the foregoing payment terms of this Note, if after graduating from an Eligible Postsecondary Institution, I am employed for not fewer than 90 days during any academic year by a public school in Georgia as a teacher in a science, technology, engineering or mathematics field (referred to in the Regulations as a “STEM Field”) at the elementary, middle or secondary level and my employment

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has been certified by an authorized official of the public school, and if I request service cancellation pursuant to the Regulations on account of my employment (called "**Service Cancellation**") by notifying the Authority of my request for Service Cancellation before the end of the Repayment Period and within 12 months after the end of the academic year and by furnishing to the Authority such evidence of my employment as the Authority may require, then I will earn service credit on account of my employment during such academic year (called "**Service Credit**"), which will be applied to release, discharge and satisfy the payment obligations outstanding under my SALs in an amount that shall be determined and applied as provided in paragraph I.1. "Service Credits" below.

2. **Service Cancellation for Public Service:** Notwithstanding the foregoing payment terms of this Note, if I am employed full time by the State of Georgia; an agency or instrumentality of this state; the executive, legislative, or judicial branch of government of this state; a political subdivision of this state; the University System of Georgia or any unit of the university system; an authority or public corporation of this state; a local board of education of this state; or an agency or instrumentality of a political subdivision of this state during any state fiscal year after completion of my program of study, and my employment has been certified by an authorized official at my employer, and if I request service cancellation pursuant to the Regulations on account of my employment (called "**Service Cancellation**") by notifying the Authority of my request for Service Cancellation before the end of the Repayment Period and within 12 months after the end of the state fiscal year and by furnishing to the Authority such evidence of my employment as the Authority may require, then I will earn service credit on account of my employment during such state fiscal year (called "**Service Credit**"), which will be applied to release, discharge and satisfy the payment obligations outstanding under my SALs in an amount that shall be determined and applied as provided in paragraph I.2. "Service Credits".

I. Service Credits

1. If I satisfy the conditions for Service Cancellation on account of my employment during any academic year as provided in paragraph H.1., "Service Cancellation for Teaching" above, then the following provisions apply: If I have been employed as a teacher in a STEM Field for not fewer than 90 but not more than 135 days during the academic year, the Service Credit I earn on account of my employment will be a "**One-Half Year Service Credit.**" If I have been so employed for more than 135 days during an academic year, the Service Credit I earn on account of my employment will be a "**One Year Service Credit.**" Service Credit (whether a One-Half Year Service Credit or a One Year Service Credit), when earned, shall be applied to release, discharge and satisfy my outstanding payment obligations in the amount of such Service Credit under this Note or, if the Authority has made more than one SALs to me, under the earliest SAL that has not been paid in full and to which no Service Credit has been previously applied. The amount of my Service Credit will be, if a One-Half Year Service Credit, one-half of the original principal amount of the applicable note or, if a One Year Service Credit, the entire original principal amount of the note. Any such release, discharge and satisfaction of this Note or any other SAL shall be applied as a prepayment on such SAL. In no event shall Service Credit be applied to a SAL that exceeds in amount the balance of such SAL outstanding at the time I satisfy the conditions for Service Cancellation with respect to such SAL.
2. If I satisfy the conditions for Service Cancellation on account of my employment during any calendar year as provided in paragraph H.2., "Service Cancellation for Public Service" above, then the following provisions apply: If I have been employed full-time as a employee as described in such paragraph H.2. above for **more than 275 days** during a state fiscal year, the Service Credit I earn on account of my employment will be a "**One Year Service Credit.**" No partial year Service Credit shall be awarded. Service Credit, when earned, shall be applied to release, discharge and satisfy my outstanding payment obligations in the amount of such Service Credit under this Note or, if the Authority has made more than one SAL to, under the earliest SAL that has not been paid in full. The amount of such Service Credit will be seven hundred-fifty dollars (\$750). Any such release, discharge and satisfaction of this Note or any other SAL shall be applied as a prepayment on such promissory note. In no event shall Service Credit be applied to a note that exceeds in amount the balance of such note outstanding at the time I satisfy the conditions for Service Cancellation with respect to such promissory note.
3. I may be eligible for Service Cancellation under paragraph I.1. above, or I.2. above, but not both

J. Loan Discharge

I acknowledge that this Loan is subject to the limitations on discharge ability in bankruptcy contained in the provisions of United States Bankruptcy Code, including, but not limited to, 11 U.S.C. §523.

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K. Cancellation for Disability or Death

1. In the event that I become totally and permanently disabled,
 - a. I will furnish to the Authority a statement of a qualified physician satisfactory to the Authority, made under oath to that effect, then all outstanding obligation under this Note shall be deemed released, discharged and fully satisfied.
 - b. I will not receive a discharge due to total and permanent disability based on a condition that existed before I applied for the loan, unless a physician certifies that the condition substantially deteriorated after the loan was made.
2. In the event that I die, and the Authority receives a death certificate certifying my death or other evidence of my death that is conclusive under Georgia law then all outstanding obligations under this Note shall be deemed released, discharged and fully satisfied.

L. Loan Sale or Transfer; General Provisions

The Authority may sell, or otherwise transfer, one or all of my SALs without my consent. Should ownership of a SAL be transferred, I will be notified of the name, address and telephone number of the new holder if the address to which I make my payments changes. Sale or transfer of my SALs to a subsequent holder does not affect my rights and responsibilities. Failure by the Authority to enforce any term of this Note shall not be a waiver of any right to later enforce that term. No provision of this Note may be modified or waived except in writing. If any provision of the Loan or this Note is determined to be unenforceable or in violation of law, the remaining provisions shall remain in force.

M. Borrower Certification and Authorization

I declare that the following are true and correct:

1. The information contained in the Student Borrower Information Section of the application is true, complete and correct to the best of my knowledge and belief and is made in good faith.
2. I understand that if I make any false written statement in applying for this Loan then my loan application shall be denied. Any false written statement made at any time after loan approval shall result in an automatic 5% repayment interest rate and may result in the Authority initiating legal action against me to the fullest extent authorized by Georgia law.
3. The proceeds of this Loan will be used only for educational expenses associated with attendance at the Eligible Postsecondary Institution listed on the application. I hereby authorize such Eligible Postsecondary Institution to pay to the Authority any refund which may be due up to the amount of this Loan.
4. I understand that I am required to notify the Authority in writing if any of the following events occur before the Loan is repaid: (a) I change my address; (b) I change my name (e.g., maiden to married); (c) I fail to enroll at least half-time for the loan period certified, or at the Eligible Postsecondary Institution that certified the application; (d) I withdraw from such Eligible Postsecondary Institution or drop to a less than half-time status; (e) I graduate; (f) I change my email address; or (h) I have any other change in status that would affect my Loan status.
5. I authorize the Eligible Postsecondary Institution, the Authority, or its agents to contact me regarding my Loan at the telephone number I have provided or which I provide in the future, even if that number is a cellular telephone number. I understand that automated telephone dialing equipment or an artificial pre-recorded voice message may be used.
6. I authorize the Eligible Postsecondary Institution, the Authority, or its agents to contact my references regarding my Loan at the telephone number I have provided or which I provide in the future. I understand that automated telephone dialing equipment or an artificial pre-recorded voice message may be used.
7. I authorize the Authority to investigate my credit record and to report information concerning my Loan status to persons and organizations permitted by law to receive such information.
8. I authorize the release of information pertinent to this Loan (a) to the school; and (b) to members of my immediate family unless I submit written directions otherwise; and (c) to other organizations to the extent permitted by law (i.e., credit reporting agencies, collection agencies, the Georgia Department of Revenue and others).
9. If any discrepancy exists between the content of the Regulations and this Note that I have signed, the Note shall control.

The complete Promissory Note and Self Certification must be submitted to GSFA within 14 days of receipt of them.

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