

<p><b>LENDER</b></p> <p>Georgia Student Finance Authority</p> <p>2082 East Exchange Place</p> <p>Tucker, GA 30084</p>	<p><b>BORROWER</b> <i>(Print your name and permanent address including county. No post office boxes.)</i></p>
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I, \_\_\_\_\_ the undersigned student enrolled or accepted for enrollment (*hereinafter referred to as "Borrower"*) in the University of North Georgia (UNG) of Dahlonega, Georgia, and recipient of a University of North Georgia Military Scholarship (Loan) pursuant to O.C.G.A §§ 20-3-420 et seq (*hereinafter called "Act", which is by reference incorporated into and made a part of this note*) understand and agree the note represents a service repayable military scholarship that shall automatically convert to a cash repayable loan upon loss of scholarship eligibility, failure to complete military service for and under the prescribed timeframe, or noncompliance with any program requirements as established and determined by GSFA.

I further understand and agree that this Master Promissory Note ("MPN" or "Note") may represent a single year or a multi-year promissory note based upon the actual period of enrollment and the extent funds are advanced within the \_\_\_\_\_ academic years of study allowed for loan eligibility. The MPN requires the borrower to sign once upon obtaining the initial loan and the borrower's signature remains in effect for receipt of additional loans in subsequent years of academic enrollment at UNG. The borrower may receive more than one loan under this MPN over a period of no more than \_\_\_\_\_ academic years of study and may request in writing that no further loans be disbursed under the MPN. The borrower may also be required to sign a new MPN, if requested by the Lender. The borrower shall be responsible for repayment to the extent funds are advanced.

**PROMISE TO PAY**

I, therefore, **PROMISE TO PAY** the GEORGIA STUDENT FINANCE AUTHORITY (GSFA), its successor(s) or assign(s) in interests (*hereinafter called "Holder"*), the sum of \_\_\_\_\_, \$\_\_\_\_\_, TO THE EXTENT SUCH SUM IS ADVANCED TO ME, plus simple interest and any additional amounts that may be applied to the loan.

Interest shall calculate and accrue at the rate prescribed, published, established by GSFA, and in effect as of the date of execution of this agreement. Interest shall accrue from the date borrower's participation in the Military Scholarship Program ends at the simple interest rate of **8% per annum**, as stated in regulation, unless applicable or revised law or regulation governing the program expressly effects a new rate on loans made prior to enactment, and said rate is expressly adopted by GSFA. Interest shall not accrue during documented, approved, and eligible periods of service repayment, as determined by GSFA. However, interest shall accrue during periods of cash repayment at the prescribed rate.

This Master Promissory Note ("MPN" or "Note") evidences a service or cash repayment obligation arising from and in consideration of the disbursement of a UNG Scholarship Loan ("Loan") from GSFA to Borrower. The University of North Georgia Military Scholarship Loan Program ("Program") is governed by O.C.G.A. §§20-3-420 et seq, the UNG Military Scholarship Loan Program Regulations ("Regulations") adopted by GSFA, the terms and conditions of the program application ("Application"), and any and all notices to be issued to Borrower, including but not limited to notices of awards, or notice of replacement of awards ("Notices"). The Regulations, Application, and Notices are incorporated herein by this reference. Copies of the Regulations may be obtained by contacting GSFA by mail, email, fax, phone, or access to on-line resources.

**A. ELIGIBILITY FOR LOAN.**

Pursuant to the program regulations, the borrower must be enrolled as a full-time student for the school term in order to be eligible to receive disbursement of funds, and the borrower must maintain eligibility for the duration of the program.

- 1. Loan Eligibility Requirements.** By executing this Promissory Note, Borrower herein represents and covenants that Borrower is eligible and understands the consequences of failure to maintain, verify, and document eligibility for the Loan:
- 2. Certification of Eligibility.** Borrower shall cause the University of North Georgia ("School") to certify Borrower's eligibility for educational loans under this Note. Borrower shall request that the Georgia National Guard Supervising Officer (or designee) to certify Borrower's termination of service that may impact continued loan eligibility.
- 3. Eligibility Term.** Notwithstanding Borrowers ability to meet the eligibility requirements, Borrower shall not be eligible to receive the Loan for more than four (4) academic years of study.

4. **Loan Discontinuance.** The Borrower's eligibility for the Loan provided for herein shall be discontinued upon Borrower's:
- Attainment of a baccalaureate degree; or
  - Cessation of status as an active member of the Georgia National Guard, and/or active participant in the UNG ROTC program.
5. **Loss of Eligibility.** The Borrower may have a loss of eligibility for the Loan, if:
- Borrower fails to maintain good military status as an active member of the Georgia National Guard, or
  - Borrower discontinues active participation in the UNG ROTC program, or
  - Borrower fails to maintain sufficient academic standing and satisfactory academic progress (SAP) and program pursuit, as satisfactory academic progress is determined and certified by UNG and finally accepted and agreed to by GSFA, or
  - Borrower fails to demonstrate the qualities required of a commissioned officer in the United States Armed Forces, or
  - Borrower fails to abide by any other eligibility requirement listed in either the Act or GSFA regulations.
6. **Effect of Loss of Loan Eligibility.** The Borrower is no longer entitled to additional funds on the loan upon discontinuance or loss of eligibility of the loan. After a loss of eligibility, the Borrower can no longer repay the loan through fulfilling a service obligation. After a six (6) month grace period from the effective date of discontinuance or eligibility loss, the loan shall convert to repayment status. The borrower's obligation for repayment by cash begins the day after expiration of the six (6) month grace period.

## B. ENROLLMENT

The enrollment status of the borrower as either full-time, half-time, or less than half-time, as certified by the institution, shall be used to determine:

- loan eligibility, and
- the official withdrawal or termination date from the institution.

In accordance with established regulations, the enrollment dates and status shall be used to establish the borrower's eligibility for the loan, official withdrawal or termination date(s), grace period, and repayment period begin date.

Enrollment criteria and level of enrollment required to satisfy loan eligibility requirements may differ from the level of enrollment for determination of the borrower's withdrawal or termination date.

For the University of North Georgia Military Scholarship (Loan) Program:

- The borrower must be enrolled as a full-time student for the school term in order to be eligible to receive disbursement of funds, and the borrower must maintain eligibility for the duration of the program. Failure to maintain full-time enrollment status shall cause the lender to cease disbursement of funds on the loan.
- The borrower may continue institutional enrollment after full-time enrollment is ceased and loan eligibility is lost; however, the borrower shall become ineligible for disbursement of any additional loan funds under this note, if the enrollment is not full-time.
- The borrower's enrollment on at least a half-time basis shall be used to determine periods of continuous enrollment and the official last date of attendance at the institution.

## C. SERVICE REPAYMENT / CANCELLATION.

Terms of the loan afford the borrower the option for repayment of the loan with service. Service performed prior to enrollment or while participating in the Military Scholarship Program shall not cancel or forgive any portion of the repayment obligation. Service performed in the Army National Guard or the United States Army after participation in the Military Scholarship Program shall fulfill the requirements of repayment on the loan where the Borrower serves four years or, if the Borrower is a student chosen to fill a vacancy, the Borrower may serve the number of years that corresponds to the number of years he or she received the scholarship provided that the Borrower notifies GSFA of his or her service in the Army National Guard or the United States Army.

- Cancellation Eligibility.** Service may qualify the Borrower for cancellation of all or a portion of the loan, if during the repayment period the borrower completes the required duration of service, and verification of eligibility is submitted to the Holder in compliance with the requirements of the Holder for service cancellation.
- Verification of Status.** Borrower shall submit a signed Verification of Status (VOS) form, signed by Georgia National Guard Supervising Officer or United States Army Commanding Officer, to GSFA by the end of the six month grace period, or periodically as necessary to document periods of service. It shall be the responsibility of the Borrower to ensure completed verification is submitted timely and in accordance with requirements.
- Repayment Period.** The obligation for repayment begins the day after expiration of the six (6) month grace period. At the discretion of the Holder, deferments and/or forbearances may be granted on a case by case basis during the repayment period. The repayment period is exclusive of periods of deferment or forbearance.
- Repayment by Service.** Service cancellation eligibility shall apply to outstanding amounts associated with the loan, or portion thereof, as appropriate. Cancellation of the loan in full shall be determined by the Holder and based on verified service completion for a period corresponding to the period of time covered by the loan, to the extent such loan sum was advanced. Documentation must be submitted in compliance with established procedures of the Holder. Borrowers who received the loan for all four years are required to perform four years of verified service. Borrowers who were chosen to fill a vacancy may serve the number of years that corresponds to the number of years the Borrower received the loan. Borrowers who receive a military discharge of anything other than Honorable or Medical will not be allowed to fulfill their obligation through service.
- Servicemembers' Civil Relief Act (SCRA).** In accordance with SCRA, obligations established prior to active duty or activation to service are entitled to an interest rate **cap at 6% per annum** for periods of active duty served following the date the obligation was made. In the event the Loan is not canceled and interest continues to accrue during active duty status, borrowers eligible for the 6% cap are entitled to permanent forgiveness of the excess interest portion, and the excess interest shall not become due upon termination of active duty.

#### **D. CASH REPAYMENT.**

1. **Cash Repayment Status.** GSFA shall convert Borrower to Cash Repayment status if GSFA determines that Borrower is not in compliance with the Loan Eligibility or Service Repayment Requirements or the Borrower's loans were discontinued. The Loan shall be repayable in cash, at the interest rate specified herein.

2. **Cash Repayment Options.** Upon designation by GSFA that Borrower is in Cash Repayment Status, Borrower shall have the option to either:

(a) Repay, in full, the amount of the Loan received plus accrued interest; or

(b) Begin making monthly payments of the payment amount shown in cash in the Cash Repayment Schedule as defined in (D)(4) of the Note.

3. **Interest Rate.** The interest rate shall be fixed at the rate of 8% for the Cash Repayment term. Interest is computed daily and will begin accruing on the Outstanding Principal Amount on the first day immediately following the date GSFA determined Borrower is in Cash Repayment Status.

4. **Cash Repayment Schedule.** Within a reasonable time after it has been determined that Borrower is in Cash Repayment Status, GSFA will provide Borrower with a Cash Repayment Schedule. The Cash Repayment Schedule will specify the principal amount to be repaid, interest rate, total interest due, number of months over which the Loan will be paid, and the monthly payment. The minimum payment will be FIFTY DOLLARS AND NO CENTS (\$50.00).

5. **Monthly Waivers, Consents on the Cash Repayment Schedule, and Covenants.** Borrower hereby waives demand, presentment, dishonor, protest, and notice of dishonor or protest. Borrower is and shall be obligated to pay principal, interest, and any and all other amounts which become payable hereunder (including reasonable attorney's fees and all other costs for collection) or under any other documents or instruments executed in connection herewith absolutely and unconditionally and without any abatement, postponement, diminution, or deduction and without any reduction for counterclaim or setoff.

#### **E. OBLIGATION TO REPAY**

I understand and agree, pursuant to the Act and *all incorporated references, my obligation for repayment and that:*

A. In consideration of verified services rendered by me, the note shall not become payable in cash and payment hereof shall be fulfilled by my service by Holder:

a) If I, while enrolled continuously and on at least a full-time basis, maintain eligibility for and meet standards and requirements for continued eligibility for the UNG Military scholarship (loan); AND

b) If I, upon graduation or termination of such enrollment, serve as a commissioned officer, an enlisted member in the Georgia Army National Guard, or an enlisted member in the United States Army upon concurrence by the Georgia Army National Guard, for a period of not less than \_\_\_\_\_ years based on the following time periods:

1. Borrowers who received the loan for all four years are required to perform four years of verified service.

2. Borrowers who were chosen to fill a vacancy may serve the number of years that corresponds to the number of years the Borrower received the loan. Borrowers who receive a military discharge of anything other than Honorable or Medical will not be allowed to fulfill their obligation through service.

; AND

c) If I, in compliance with the procedures established by the Holder, submit acceptable documentation, as determined by GSFA or designee or assigns and in compliance with established procedures of the Holder. I understand that a military discharge other than Honorable or Medical will not satisfy the requirements of acceptable documentation.

B. In consideration of occurrence of certain events, the note shall become payable in cash and payment hereof shall not be cancelled by Holder:

a) If there is a loss of eligibility while in school;

b) If there is a failure to complete requisite military service for the prescribed timeframe, unless service shall not be required by reasons of health determined as provided for in the "Act"; OR

c) If there is noncompliance with any program requirement or procedure established by GSFA and as determined by GSFA or designee or assigns.

#### **F. DEFAULT OF SERVICE AND CASH REPAYMENT.**

Failure to perform the requisite service obligation shall constitute default of the service obligation and cause the note to convert to a cash repayment obligation. Default shall occur on the cash repayment obligation for failure to make regularly scheduled payments for a period of 270 days, or other period as may be subsequently revised and stated in the regulations, as amended. If there shall be any event of default, this Note shall accelerate and all principal, and interest, fees, and any and all other amounts shall become due and payable.

1. **Events of Default.** In addition to the default of the Loan Eligibility Requirements, the following are events of default hereunder: (a) failure to pay or perform any obligation, liability or indebtedness of Borrower to GSFA, or any affiliate or subsidiary of GSFA, whether under this Note or any other instrument, when due (whether upon demand, at maturity or by acceleration); (b) determination by GSFA that any representation or covenant made to GSFA by Borrower, is untrue or misleading; (c) seizure or forfeiture of, or the issuance of any writ against Borrower, which GSFA, in its sole discretion, deems to be of a material nature; (d) determination by GSFA that it is insecure for any reason; (e) determination by GSFA that a material adverse change has occurred in the financial condition of Borrower.

2. **Remedies upon Default of Cash Repayment.** Whenever there is an event of default under this Note, the entire balance outstanding hereunder and all other obligations of Borrower (however acquired or evidenced) shall, at the option of GSFA, become immediately due and payable and any obligation of GSFA to permit further borrowing shall immediately cease and terminate.

Additionally, GSFA shall have all rights and remedies available at law and equity.

**G. APPEAL OF GSFA DECISION.** Determination made by GSFA regarding Borrower's compliance with any provision of this Note or the Regulations, may be appealed by Borrower by giving notice in writing to GSFA of Borrower's objection to the determination and requesting reconsideration. Any such notice shall specify: (1) GSFA'S determination that is being appealed by Borrower; and (2) Reasons Borrower believes the determination to be contrary to the provisions of this Note or the Regulations; and (3) must be received by GSFA within thirty (30) days from the date of receipt by Borrower of the determination being appealed. GSFA shall attempt to notify Borrower in writing within sixty (60) days from the receipt of the request of GSFA'S decision on the appeal. The determination of GSFA on any appeal shall be final, binding, and conclusive.

**H. LIMITATION ON TERM.** Within five (5) years of graduation or termination from enrollment, the borrower must repay the outstanding dollar amount of the Loan not satisfied by service. The repayment period must not exceed a five (5) year repayment term, Periods of deferment or forbearance are excluded from the five (5) year period.

#### **I. MISCELLANEOUS PROVISIONS.**

1. **Definitions.** All terms not herein defined shall assume the definitions contained in the Regulations.

2. **Non-Waiver.** The failure at any time of GSFA to exercise any of its options or any other rights hereunder shall not constitute a waiver thereof, nor shall it be a bar to the exercise of any of its options or rights at a later date. All rights and remedies of GSFA shall be cumulative and may be pursued singly, successively or together, at the option of GSFA. The acceptance by GSFA of any partial payment shall not constitute a waiver of any default or of any of GSFA's rights under this Note. No waiver of any of its rights hereunder, and no modification or amendment of this Note, shall be deemed to be made by GSFA unless the same shall be in writing, duly signed on behalf of GSFA; each such waiver shall apply only with respect to the specific instances involved, and shall in no way impair the rights of GSFA's or Borrower's obligations to GSFA in any other respect at any other time.

3. **Applicable Law, Venue, and Jurisdiction.** This Note and the rights and obligations of Borrower and GSFA shall be governed by and interpreted in accordance with the laws of the State of Georgia. In any litigation in connection with or to enforce this Note, Borrower consents to and confers personal jurisdiction on the courts of the State of Georgia or of the United States located within the State of Georgia and expressly waives any objections to Fulton County being the exclusive venue for enforcement of this Note. Nothing contained herein shall, however, prevent GSFA from bringing any action or exercising any rights within any other state or jurisdiction or from obtaining personal jurisdiction by any other means available under applicable law.

4. **Partial Invalidity.** The unenforceability or invalidity of any other provision herein and the invalidity or unenforceability of any provision of this Note to any person or circumstance shall not affect the enforceability or validity of any other provision or of such provision as it may apply to other persons or circumstances.

5. **Binding Effect.** This Note shall be binding upon and inure to the benefit of Borrower, and GSFA and their respective successors, assigns, heirs and personal representatives, provided however, that no obligations of Borrower hereunder can be assigned without prior written consent of GSFA.

6. **Controlling Document.** To the extent that this Note conflicts with the Regulations or any other document or is in any way incompatible with the Regulations, the Note will control.

7. **Changes, Modifications, Terminations.** This Note may not be changed, modified, or terminated, nor may any provision of this Note be waived except by an agreement in writing signed by the parties. GSFA retains the right to enact changes or modifications in exceptional circumstances that may arise from revision of statute or regulation that may affect the Note, without written agreement. No delay or omission by GSFA in exercising any of the GSFA's rights shall operate as a waiver of such rights, and a waiver in writing on one occasion shall not be construed as a consent to or waiver of any right or remedy on any future occasion.

8. **Notices.** Borrower shall notify GSFA immediately of any change in Borrower's name, address, telephone number, and email address, school of attendance, enrollment status, service status, or employment status. Any notice required to be given to me will be effective if mailed by first class mail, email, or other electronic means available, to the latest address I have provided to the Holder of the Note, or if the Holder reasonably determines that the address is no longer my address, to the latest address secured by the Holder from a reasonably reliable source. Rejection or other refusal to accept or inability to deliver because of changed address of which proper notice was not given shall be deemed to be receipt of the notice, request, demand, or other communication. By giving prior written notice hereof, any party may from time to time and at any time change its address for notices hereunder.

9. **Enforceability.** If any provision of the Note is determined to be unenforceable, the remaining provisions shall remain in force.

10. **Transfer and Assignment.** The Holder may transfer or assign the loan, account, or the Note and all the rights, responsibilities and/or obligations associated hereunder to any third party without notice. The transfer or assignment by the Holder to another entity may be for any purpose, including, without limitation, collection of unpaid amounts, reorganization, or sale of assets.

11. **Debt Cancellation.** In the event of death or total and permanent disability of the Borrower, GSFA or Holder may cancel the obligation in accordance with established regulation and procedure, provided validated and required documents are submitted in compliance with requirements.

[SIGNATURES ON FOLLOWING PAGE]

THIS WRITTEN PROMISSORY NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. I HEREBY COVENANT THAT I HAVE READ AND UNDERSTAND THE FOREGOING IN ITS ENTIRETY AND FURTHER COVENANT TO USE ANY AND ALL LOAN FUNDS AWARDED TO ME FOR MY EDUCATIONAL-RELATED EXPENSES ONLY. I UNDERSTAND FAILURE TO DO SO WILL RESULT IN FORFEITURE OF MY GEORGIA NATIONAL GUARD SERVICE CANCELABLE LOAN. READ, SIGNED, SEALED, AND DELIVERED BY BORROWER WHO ACKNOWLEDGES AND AGREES TO THE TERMS OF THIS PROMISSORY NOTE.

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Borrower's Signature

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Print Name

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Borrower's Social Security Number

# FACTS

## WHAT DOES GEORGIA STUDENT FINANCE AUTHORITY DO WITH YOUR PERSONAL INFORMATION?

### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

### What?

The types of personal information we collect and share depend on the product or service you have with us. When you are *no longer* a customer, we continue to share your information as described in this notice. This information can include:

- Social Security number and Transaction History
- Account Balances and Payment History
- Credit History and Account Transactions

### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons **Georgia Student Finance Authority** chooses to share; and whether you can limit this sharing.

your personal information	Does Georgia Student Finance Authority share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	No	We Do Not Share
<b>For joint marketing with other financial companies</b>	No	We Do Not Share
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	No	We Do Not Share
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No	We Do Not Share
<b>For our affiliates to market to you</b>	No	We Do Not Share
<b>For nonaffiliates to market to you</b>	No	We Do Not Share

### What we do

<b>How does Georgia Student Finance Authority protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does Georgia Student Finance Authority collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>■ give us your Income information</li> <li>■ provide employment information</li> <li>■ provide account information</li> <li>■ give us your contact information</li> <li>■ pay us by check</li> </ul> <p>We also collect your personal information from other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>

### Definitions

<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ <i>Georgia Student Finance Authority has no affiliates.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ <i>Georgia Student Finance Authority does not share with non-affiliates so they can market to you.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>■ <i>Georgia Student Finance Authority does not jointly market.</i></li> </ul>

### Questions?

Call toll-free 1-888-414-2692 or go to [www.pathways2gsfa.org](http://www.pathways2gsfa.org)