

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS)
PUBLIC HEALTH SERVICE (PHS)
HEALTH RESOURCES AND SERVICES ADMINISTRATION
BUREAU OF HEALTH PROFESSIONS
GUIDANCE

NURSING STUDENT LOAN PROGRAM
MASTER PROMISSORY NOTE
(SINGLE OR MULTI-YEAR)
FOR LOANS MADE ON OR AFTER
NOVEMBER 13, 1998

I, _____, hereinafter called the Borrower, promise to pay to **Biola University**, hereinafter called the Institution located at **13800 Biola Ave., La Mirada, CA**, the sum of such amounts as may from time to time be advanced to me with interest at the rate of Five (5) percent per annum together with all attorney's fees, collection agent costs, and other related costs and charges for the collection of any amount not paid when in default according to the terms of this Promissory Note.

The Borrower and Institution further understand and agree that:

1. Consolidation (42 CFR 57.208): If the Institution makes more than one loan, with the same repayment terms, to the Borrower under the Nursing Student Loan program, the sum of the amounts advanced to the Borrower shall be consolidated for purposes of repayment. Each payment made by the Borrower to the Institution shall be applied first to interest which has accrued on the unpaid principal balance and then to the principal sum of the total loan.

2. Repayment (Section 836 Public Health Service Act, 42 CFR 57.310):

a. Repayment shall be made in equal or graduated periodic installments within a ten year repayment period, except that the Institution may require repayment to be made in an amount equal to not less than \$40 per month. The ten year repayment period begins nine months after the Borrower ceases to be a full-time or half-time student (as defined by the institution) at a school eligible to participate in the Nursing Student Loan program. Periods of authorized deferment are not included as part of the ten year repayment period.

b. The terms and conditions of repayment shall be set forth in a separate repayment period schedule which is approved by the Institution and agreed to by the Borrower. Payments under the repayment schedule shall be made to the Institution or its representative no less often than quarterly, except that if the Borrower is more than 60 days past due on a payment, the remaining balance of the loan shall be repaid on a monthly basis.

3. Interest (Section 836 Public Health Service Act, 42 CFR 57.310): Interest shall accrue from the beginning of the repayment period.

4. Deferment (Section 836 Public Health Service Act, 42 CFR 57.310): Periodic installments of principal and interest need not be paid, and interest shall not accrue, while the Borrower: (a) serves on active duty as a member of a uniformed service of the United States, for up to three years; (b) serves as a volunteer under the Peace Corps Act, for up to three years; and (c) pursues, for up to ten years, a fulltime or half-time course of study at a collegiate school of nursing leading to a baccalaureate degree in nursing or equivalent degree, or a graduate degree in nursing, or otherwise pursues advanced professional training in nursing or training to be a nurse anesthetist. Advanced professional training shall include full-time or half-time training, beyond the first diploma or degree in nursing received by the particular borrower, of at least 1 academic year which will advance the borrower's knowledge of and strengthen his or her skills in the provision of nursing services.

5. Prepayment (42 CFR 57.310): The Borrower may, at his or her option and without penalty, prepay all or any part of the principal and accrued interest at any time.

6. Exit Interview (42 CFR 57.310): The Borrower agrees to attend an exit interview prior to completing or terminating full or half-time student status at the Institution.

7. Default (Section 835 Public Health Service Act, 42 CFR 57.302): If the Borrower fails to make an installment payment when due or fails to comply with any other term of this Promissory Note, the loan will be considered in default.

8. Late Charge (Section 836 Public Health Service Act, 42 CFR 57.310): The Institution shall assess a late penalty charge for failure of the Borrower to pay all or any part of an installment, or for failure to file satisfactory evidence of entitlement to deferment, if so entitled, at a rate, not to exceed an amount equal to 6 percent, as determined by the Institution, of the amount of such installment, on loans more than 60 days past due.

9. Acceleration (42 CFR 57.308): If the Borrower fails to make a scheduled repayment or fails to comply with any other terms of this Promissory Note, the entire unpaid balance of the loan, including interest due and accrued and any applicable penalty charges, will, at the option of the Institution, become immediately due and payable.

10. Credit Bureaus (42 CFR 57.310): The Institution may disclose the Borrower's loan, and any other relevant information, to credit bureaus. If the Borrower is more than 120 days past due in making a scheduled repayment, the Institution will disclose the Borrower's delinquent status and any other relevant information to credit bureaus.

11. Collection Agents, Litigation, and Withholding of Services (42 CFR 57.310): If the Borrower fails to make a scheduled repayment, or fails to comply with any other term of this Promissory Note, the Institution may: (a) refer the Borrower's loan to a collection agent for further collection efforts; (b) initiate legal proceedings against the Borrower; (c) withhold Institutional services, such as transcripts and letters of recommendation, from the Borrower; (d) refer the Borrower's loan to the Secretary of the U.S. Department of Health and Human Services (DHHS) for collection assistance, including offset of Federal salaries; and (e) obtain the Borrower's address from the Internal Revenue Service, through the Secretary of DHHS, if the Institution has no current address for the Borrower.

12. Death or Disability (Section 836 Public Health Service Act, 42 CFR 57.311): In the event of the Borrower's total and permanent disability or death, the unpaid indebtedness remaining on the Promissory Note shall be canceled.

