

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

**LOAN FOR DISADVANTAGED STUDENTS
PROGRAM HEALTH PROFESSIONS STUDENT
LOAN PROGRAM MASTER PROMISSORY NOTE
FOR LOANS MADE ON OR
AFTER NOVEMBER 13, 1998**

I, _____, hereinafter called the Borrower, promise to pay to NEOMED, hereinafter called the Institution located at 4209 St Rt 44, Rootstown, OH, 44272 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 (Section 722 Public Service Act):

If the Institution makes more than one loan, with the same repayment terms, to the Borrower under the Health Professions 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 722 Public Health Service Act, 42 CFR 57.210):

a. Repayment shall be made in equal or graduated periodic installments within the repayment period, except that the Institution may require repayment to be made in an amount equal to not less than \$40 per month. The repayment period begins one year after the Borrower ceases to be a full-time student at a school eligible to participate in the Health Professions Student Loan program. The repayment period shall not be less than ten years, nor more than 25 years, at the discretion of the Institution. Periods of authorized deferment are not included as part of the 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 722 Public Health Service Act, 42 CFR 57.208):

Interest shall accrue from the beginning of the repayment period.

4. Deferment (Section 722 Public Health Service Act, 42 CFR 57.210):

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; (c) pursues advanced professional training, including internships and residencies; (d) pursues a full-time course of study at a health professions school eligible for participation in the Health Professions Student Loan program; (e) leaves the Institution, with the intent to return to the Institution as a full-time student, to engage in a full-time educational activity which is directly related to the health profession for which the Borrower is preparing, as determined by the Secretary of Health and Human Services (the Secretary), for up to two years; and (f) participates in a fellowship training program or a full-time education activity which is directly related to the health profession for which the Borrower prepared at the Institution, and is engaged in by the Borrower within 12 months after the completion of the Borrower's participation in advanced professional training (described in 4(c) above) or prior to the completion of the Borrower's participation in such training, for up to two years.

5. Prepayment (Section 722 Public Health Service Act):

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 57.210):

The Borrower agrees to attend an exit interview prior to completing or termination full-time student status at the Institution.

7. Default (Section 721, 42 CFR 57.208):

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 721 Public Health Service Act, 42 CFR 57.210):

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 57.208):

If the Borrower fails to make a scheduled repayment or fails to comply with any other term 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 57.210):

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 (Section 722 Public Health Service Act, 42 CFR 57.210):

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 for collection assistance, including offset of Federal salaries; and (e) obtain the Borrower's address from the Internal Revenue service through the Secretary, if the Institution has no current address for the Borrower..

12. Death or Disability (42 CFR 57.211):

In the event of the Borrower's total and permanent disability or death, the unpaid indebtedness remaining on the Promissory Note shall be canceled. Subject to the regulations of the Secretary, the Institution may assess a charge on the Borrower's loan to cover the costs of insuring against death or disability cancellations.

13. General:

The Borrower will promptly inform the Institution of any change in name or address after he or she ceases to be a full-time student at the Institution. The terms of this Promissory Note shall be construed according to the Federal statute and regulations governing the administration of the Health Professions Student Loan program, copies of which shall be kept by the institution.

Notice About Subsequent Loans Made Under This Master Promissory Note:

This Note authorizes the Institution to disburse multiple loans during the multi-year term of this Note upon the Borrower's request and upon the Institutions determination of the Borrower's loan eligibility. Subsequent loans may be made under the Note for the same or subsequent periods of enrollment at this Institution. The Institution however, may at its' discretion, close the Note at any time and require the Borrower to sign a new Note for additional disbursements. If the Institution chooses to make subsequent loans under this Note, no such loans will be made after the earliest of the following dates (i) the date this Institution receives the Borrower's written notice that no further loans may be disbursed under this note; (ii) the date of withdrawal from the Institution by the Borrower. Any amendments to the Public Health Service Act governs the terms of any loans disbursed on or after the effective date of such amendment, and such amended terms are hereby incorporated into this Note.

NOTICE:

The Institution must require security or endorsement if the Borrower is a minor and if, under the applicable State law, the Note signed by him or her would not create a binding obligation. The Institution may not require security or endorsement in any other circumstances. The Institution shall supply a copy of this Note to the Borrower.

WARNING:

Any person who knowingly makes a false statement or misrepresentation in obtaining these funds is subject to penalties which may include fines and imprisonment under Federal statute.

I agree to the terms and conditions of this Promissory Note.

I accept use of this form as my Master Promissory Note for all Loan for Disadvantaged Students (LDS) Program loans received under the Health Professions Student Loan (HPSL) program.

Borrower's Signature

Date

Social Security #:			
Permanent Address:			
City, State, Zip:			
Date of Birth :			

**Northeast Ohio Medical University
4209 State Route 44 – P.O. Box 95, Rootstown, Ohio 44272-0095**

Final Loan Disclosure

The loan packet you submitted has been received, please see the attached copies of your Truth-In-Lending statement for disclosure of your loan amount and repayment terms.

ADDITIONAL FEES:

Returned Check Charge: \$25.00

Late Fees

Foundation Loan and Alice B. Taggart Loan - \$1 for the month or part of the month by which the installment is late, and \$2 for each month or part of month thereafter.

Primary Care Loan - 6 percent on loans more than 60 days past due.

Loan for Disadvantaged Students - 6 percent on loans more than 60 days past due.

RIGHT TO CANCEL – You have a right to cancel this transaction, without penalty, within 3 days of the postmark of this mailing. No funds will be disbursed to you until after this time. You may cancel by contacting the Accounting Department at 330-325-6399, or by email at jkovach1@neomed.edu.

For immediate disbursement of funds please sign below to acknowledge receipt of your final loan disclosure.

Signature of Receipt: _____ **Date:** _____