

**STUDENTS' LOAN**

**BUREAU**

**MASTER AGREEMENT**

**TERMS AND CONDITIONS OF SLB LOANS**

**Please take the time to read each page carefully**

## LOAN AGREEMENT

THIS AGREEMENT is made on the \_\_\_\_\_ day of \_\_\_\_\_ BETWEEN THE BORROWER, more particularly described in the Promissory Note(s) attached to and forming part of this Agreement of the ONE PART and the STUDENTS' LOAN BUREAU a statutory body established under the Student Loan Fund Act which has its registered office at the 1<sup>st</sup> and 2<sup>nd</sup> Floors, Sagicor Sigma Building ,63-67 Knutsford Boulevard, Kingston 5 in the Parish of Saint Andrew (hereinafter called "the SLB") of the SECOND PART.

### DEFINITIONS

**Borrower:** The recipient of a Student Loan /Student Loans from the SLB granted for the sole purpose of financing tuition at the approved tertiary institution and who by signing the promissory note and loan agreement assumes a legal obligation to the SLB to repay any and all monies owed. This fund is a revolving one and consequently the borrower must repay the loan within the loan tenure of fifteen (15) years, save and except if the course of study being pursued is Medicine, Law or Nursing which have a loan tenure of Twenty Years(20) inclusive of the moratorium period, unless otherwise agreed to in writing by both parties.

**Purpose of Loan:** The loan amount detailed in the Promissory Note which forms apart hereof shall be for the sole purpose of financing tuition at a tertiary institution for the specific academic year(s) and/or semester(s) indicated thereon. Any unused portion of the sum disbursed for a specific academic year and/or semester(s) will be returned by the respective tertiary institution of study and credited to the borrower's account at the end of that period thereby reducing the borrower's and Guarantor(s) liability.

**Guarantor:** The Guarantor is a person who by signing the Guarantee Agreement assumes a legal obligation to the SLB to repay any and all monies owed to the SLB by the student borrower in the event that the student borrower defaults on the loan.

**Program Approval:** Refers to the pre-approval of loans to continue a course of study where the Borrower has already been granted a loan by the SLB. This pre-approval is restricted to the specified course of study in which the beneficiary has enrolled for an established and specified period.

**Interest:** Interest is the charge that is applied on the reducing balance, based on the prevailing annual interest rate, from the date the loan is disbursed until the loan is closed.

**Moratorium:** The interest on moratorium loans is compounded and calculated under the Reducing Loan Balance Method (RBM) based on the outstanding balance (principal balance and outstanding interest). This is the period of study during which interest accrues on the loan balance (principal balance) and no payment is required to service the loan. This period begins at the start of the borrowers' course of study and ends on the 31<sup>st</sup> day of December of the year of completion. The moratorium period for persons pursuing courses in Pharmacology, Nursing or any other course requiring a post degree licence will however end on the 31<sup>st</sup> of August of the year following the year of completion. At the end of the moratorium period, the accrued interest is added to the principal balance to form the new principal balance. Repayment begins when moratorium ends.

**Repayment:** Repayment is scheduled to start the January of the following year after the scheduled graduation date. Monthly installments/payments are due on the last business day of each month. If the monthly payment is not received by the due date, additional interest will be charged to the account.

**Licensed Professional Groups:** These are groups of persons who pursue professional courses of study which require a licence in order to practise in their respective fields including Pharmacology, Nursing.

**Completion:** Completion means the date of the final exam of the borrower's scheduled course of study, unless specifically approved by the Students' Loan Bureau.

**Debt Recovery Fees:** Charges that are levied on a delinquent account once it has been assigned to a debt collector and/or an attorney for collections activity. The debt recovery rate is agreed to by the debt collector and/or attorney and SLB.

**Publication Fees:** Costs associated with publishing the particulars of the Beneficiary (Customer) in the print media.

**Insurance Charges/Premium:** Insurance is the premium that is assessed and charged on the loan disbursed as protection in the event of death or permanent mental or physical incapacity of the beneficiary. The insurance premium is paid up immediately as a criteria for disbursement during the moratorium period and is payable monthly with the loan installment over the repayment period. It is charged at the specified rate of \$ 0.50 per \$1000.

**Late Fee:** A Late Fee is a penalty that is charged to the customer's account if the:

- a. monthly payment due is not received by the 15th of the following month;
- b. amount paid is less than the monthly installment; and
- c. loan is in arrears.

**Penalties:** Penalties are all the associated charges to the account for breaches of the terms of the loan agreement including late fees, publication fees and debt recovery fees.

**Arrears:** Arrears refers to any portion of the principal sum, associated interest and/or insurance which was not paid on the due date and remains unpaid.

**Default:** An account goes into default when any portion of the outstanding balance becomes due and payable for a period of 90 days or more and no arrangements whatsoever, or no satisfactory arrangements have been made by the borrower or guarantors with the SLB.

**Termination:** This means that the loan agreement between the parties to this Agreement is brought to an end. Consequent upon termination the SLB will make no further disbursements for the next stage of the borrower's course of study. Termination can occur as a result of but is not restricted to the events outlined in Clause 8 of this Agreement.

If after the moratorium period this agreement is rescinded then the SLB shall demand from the borrower the repayment of the loan amount in full, inclusive of interest and any other associated charges if any within 30 days of the date of such notification by the SLB to the borrower.

## 1. **AMOUNT OF LOAN**

The SLB has approved a loan to the borrower for a sum not exceeding that set out in the Promissory Note(s) which is intended to and shall form a part of this Agreement. Any excess sum disbursed on behalf of the beneficiary above the actual tuition for the respective academic year and or semester(s) for which the beneficiary registered will be returned to the Students Loan Bureau and applied to the principal balance on the beneficiary's account. This will effectively reduce the liability of the Beneficiary and or their Guarantor(s).

The interest applicable to the loan(s) is the rate agreed to in the Promissory Note(s) which forms

part of the Loan Agreement and is a variable rate.

2. **PURPOSE OF THE LOAN**

The Purpose of this loan is solely to finance the tuition fee of the BORROWER for an agreed course of study over a specified period.

3. **COMMENCEMENT AND TERM OF AGREEMENT**

3.1 This Agreement shall come into force upon the execution (whether manually or electronically) of this document by the parties.

4. **BORROWER'S OBLIGATIONS**

The Borrower shall: -

4.1 Truthfully complete the loan application, failing which statutory penalties may apply, or the SLB may cancel the said loan and demand full repayment inclusive of any interest due and other associated charges.

4.2 Pay the required insurance on the loan(s) for both the moratorium and the repayment periods. This charge is variable and is reviewed periodically.

4.3 Provide a valid bank account number in the name of the applicant on the application form which will be used to facilitate the transfer of funds to the Borrower for Grants if eligible and for refunds if applicable.

4.4 Execute a Salary Deduction Order to be effected at the beginning of the repayment period or upon gaining employment, and provide the SLB with the current name and address of the place of employment once same is secured.

4.5 Execute a Promissory Note on successful application for program approval and Promissory Notes indicating the sums payable per loan on an annual basis.

4.6 Execute the Application for/Status Report Form online before the Last working day in May of each academic year if the Borrower's entire program of study has been pre-approved for Funding, or the Borrower intends to apply for a loan during the subsequent academic year.

4.7 Use the sum advanced solely to finance the tuition fees of the borrower failing which the consequences in 4.1 may apply.

4.8 In the event that the Borrower has been approved for a Student Loan and Grant-in Aid the Borrower shall immediately advise the SLB of any change in enrollment status, which may render the borrower ineligible for receipt of the grant funds, or any portion thereof;

4.8.1 In the event that the Borrower has been approved for a Student Loan and Grant-in Aid the Borrower shall immediately advise the SLB of receipt of other financial assistance including: a grant, scholarship or financial award. The Borrower accepts that this may render him/her ineligible for the grant.

4.8.2 Immediately repay any sums disbursed as a Grant-in Aid grant in full, in the event that the Borrower cancels his/her loan application regardless of any reason whatsoever for the said cancellation.

4.9 Begin the repayment of the principal sum with accrued interest on or by the 31<sup>st</sup> day of the January of the year following the completion of the borrower's course of study , or on September

1 of the year following the year of completion for persons pursuing pharmacology, nursing or any other approved course which requires a post Degree license as per the terms and conditions outlined in the promissory note, or alternatively in the event of unemployment or underemployment to arrange a meeting with the borrower, the guarantors and the SLB representatives to establish a suitable payment arrangement.

- 4.9.1 Immediately begin repayment of the principal sum with accrued interest and all other charges in the event that the Borrower for whatever reasons ceases his/her education before completion.
- 4.9.2 Provide the SLB with the names, occupations and addresses of at least two guarantors, and ensure that the acceptable Guarantors have signed and agreed to the terms and conditions of the loan and guarantee. A variation of this requirement may be considered on a case by case basis.
- 4.9.3 Notify the SLB in writing within 20 days of each and every change of address of the Borrower during the term of this loan.
- 4.9.4 Notify the SLB in writing within 20 days of the death, bankruptcy, disability and/ or change of address or employment circumstances of the guarantors of the loan.
- 4.9.5 Promptly propose a new guarantor (subject to the SLB's approval) in the event that a guarantor has declared bankruptcy or is deceased.
- 4.9.6 Promptly notify the SLB in writing of any change of the course of study and/or change of faculty if the length of the course of study changes from the length of study contemplated at the time of the execution of this agreement and to advise the SLB of the Borrower's proposed graduation date.
- 4.9.7 Promptly notify the SLB of the name, address of all of the Borrower's employer(s) during the term of this agreement, or until the loan is repaid in full. The Borrower must also indicate his/her position with the said employer(s).
- 4.9.8 Appoint a representative resident in Jamaica subject to the SLB'S approval and provide a forwarding address in the event that the Borrower intends to be being domiciled outside of the jurisdiction for 90 days or more. Such appointment should be in writing, signed and dated by the Principal Borrower. It is explicitly understood that service or communication with the said representative shall be deemed communication with the Borrower for the purposes of this Agreement.
- 4.9.9 Refrain from terminating effected Salary Deductions prematurely or at all without the authorization of the SLB, failing which the entire sum owed becomes due and payable.

## 5. **SLB'S OBLIGATIONS**

The SLB is to provide:-

- (a) A repayment schedule upon the commencement of the repayment period.
- (b) Three months' notice of any impending change in the rate of interest applicable to this loan(s).

## 6. **BORROWER'S AUTHORIZATIONS**

- 6.1 The BORROWER explicitly authorizes the SLB to share information with the Borrower's indicated Tertiary Institution of Study regarding the Borrower's academic, registration, personal contact and other information required to facilitate the registration and completion of the Borrower's loan application, and disbursement of funds to the Tertiary Institution on the

Borrower's behalf.

- 6.2 The BORROWER explicitly authorizes the SLB to provide continuous updates to the Guarantors on the Borrower's loan status, payment pattern, contact details and any other information relating to the loan account.
- 6.3 The BORROWER explicitly authorizes the SLB to request any unused portion of the sum disbursed for a specific academic year and/or semester(s) be returned by the respective tertiary institution of study, and to credit the borrower's account with the said sum at the end of that period thereby reducing the liability.
- 6.4 The BORROWER explicitly authorizes that in the event there are arrears on the Borrower's account to apply a charge per month until the account is made current.
- 6.5 The BORROWER explicitly authorizes the SLB in the event of default and failure of the borrower and/or Guarantors to bring the account current one month after written notice of the said breach to effect a salary deduction order to deduct the BORROWER's wages, income and other benefits due to the Borrower directly from present or future employers. The sum endorsed thereon in these circumstances will be derived from the total arrears which includes principal arrears, interest arrears as per contract and any late fees or charges on the account at the time of enforcement payable in monthly installments.
- 6.6 The BORROWER expressly authorizes his /her employer(s) in the event of arrears/default to effect the salary deduction orders sent from the SLB to deduct from the BORROWER's wages, income and other benefits due to the Borrower at source and to remit same to the SLB directly. The Borrower expressly agrees to indemnify both the employer(s) and the SLB for any effects whatsoever, losses, damages or any other liabilities that may arise from such deductions being made.
- 6.7 The BORROWER explicitly authorizes the TERTIARY INSTITUTION to which a Student Loan(s) was disbursed for a particular course of study being pursued by the BORROWER to place a lien on and/or withhold the granting of any and all degrees, diplomas, certificates transcripts, referrals or other qualification and the associated rights and privileges to the BORROWER until a proposal for repayment has been satisfactorily completed and accepted by the SLB.
- 6.8 That in the event that he/she is in breach of his/her loan agreement(s) with the SLB, the SLB is authorised to access his/her updated contact information from the above stated educational institution, any professional body to which the borrower belongs and /or is associated with, any government agency, or any past, current, or future employer.
- 6.9 The BORROWER explicitly authorizes the SLB in the event of default to publish the BORROWER'S name, picture, address, course of study, the details of the loan, and the fact of the default in the print, electronic and mass media and the SLB will not be responsible for any losses, damages or any other liabilities that may arise from such action.
- 6.9.1 The BORROWER explicitly authorizes the SLB in the event of default to disclose full details of loan obligations and/or arrears to his /her current/past/future employers, professional bodies to which the Borrower is a part without any liability for damages or loss which may flow from such actions.
- 6.9.2 The BORROWER explicitly authorizes the SLB to provide established Credit Bureaus with all the details of the Borrower's loan accounts inclusive of payment history, and account status.
- 6.9.3 The BORROWER explicitly authorizes the SLB to disclose the Borrower's loan status and details of the Loan account to the Passport and Immigration Office without any liability for damages or

loss which may flow from such disclosure.

- 6.9.4 The BORROWER explicitly authorizes the SLB in the event of default to take all steps necessary for the full recovery of this loan. This includes the recovery of any interest and/or insurance charges accrued as well as all penalties inclusive of late fees, debt recovery fees and publication fees through legal proceedings, use of collection agencies, mass media publications of the beneficiary's particulars and through any other legal means available to the SLB. The costs of such action are to be borne fully by the Principal Borrower.

## 7. INDEMNITY

The borrower acknowledges and agrees as follows:

- (a) To indemnify the educational Institution to which he/she attends, any professional body to which the borrower belongs and /or is associated with, any government agency, or the borrower's past, current or future place of employment in respect of disclosure of personal contact information to the SLB in the event that he/she defaults on the loan agreement.
- (b) To indemnify the Passport and Immigration Office in respect of disclosure of personal contact information to the SLB in the event that he/she defaults on the loan agreement.
- (c) That updated personal contact information can be given freely to any of the above stated institutions/agencies without any attempt on the part of the Borrower to initiate legal action against them in relation to the disclosure of such information; and
- (d) That such information can be used by the SLB in the recovery of the sums owed by the borrower as per contract.
- (e) That where the SLB deposits any grant funds if applicable, refunds or other sums due to be paid directly to the Borrower into the bank account provided by the Borrower on the application form, the Borrower agrees that the SLB shall not in any way be held liable for any consequences whatsoever resulting from the provision of an invalid or incorrect bank account information.
- (f) The Borrower agrees to indemnify his/her current or future employer (s) and their employees, or appointees against all costs, losses, or liabilities which may arise as a consequence of any deductions made and remitted from the Borrower's salary or wages directly to the SLB to settle any outstanding sum due to the SLB arising from the default of the Borrower.
- (g) That the disbursement of tuition for the full program of study is contingent on the availability of funding and the policies of the Students' Loan Bureau regarding the Borrower's course of study. The Borrower therefore agrees to indemnify the SLB, its assigns or appointees against all costs, loss, or liability which may result as a consequence of the SLB not granting the said Loan(s).
- (h) To indemnify the SLB, its assigns or appointees against all costs, losses, or liabilities including interest and insurance fees and any other expenses sustained by it as a consequence of the SLB granting the said Loans to the borrower for any year or all the years of the aforesaid period of study, or for any breach by him/her of his /her obligations under the Loan Agreement signed by him/her, or the non fulfillment of any conditions precedent, or any and all losses or indebtedness arising from his/her death, incapacity or otherwise.

## 8. EVENTS OF TERMINATION

- (a) Falsification of Qualifying Documents.
- (b) Premature termination of course.

- (c) Academic performance of Borrower fails to meet matriculation requirements for the next stage of the Borrower's course.
- (d) Disciplinary action is taken against the Borrower by the Tertiary Institution.
- (e) Misrepresentation
- (f) Non-fulfillment of any of the preconditions or requirements for final approval of the Loan application.

9.0 **EVENTS OF DEFAULT**

- 9.1 Non-payment of the loan, interest and other associated charges when they become due.
- 9.2 Non-performance of the Borrowers obligations as set out under clause 4 of this agreement.

10. **CONSEQUENCES OF DEFAULT**

If the loan is in default then the loan is callable immediately, a charge levied and all the aforementioned methods of collection will be applied at the expense of the borrower and/or guarantors.

11. **WAIVER**

The non-observances of any term of this Agreement by either party to this Agreement shall not prevent the subsequent enforcement of that or any other term and shall not be deemed a waiver of any subsequent breach.

12. **VARIATION**

No variation or amendment of this Agreement shall be valid unless committed to writing and signed by or on behalf of both parties.

13. **LAW AND CONSTRUCTION**

- 13.1 This Agreement shall be governed by Jamaican Law and the parties consent to the exclusive jurisdiction of the Courts of Jamaica in all matters regarding this Agreement.

14. **NOTICES**

Any notice to be given under this Agreement shall be in writing and telexed, sent by facsimile transmission or forwarded by mail save for Default and for Termination Notices which will be forwarded by registered mail to the receiving party at the business and/or home address as last notified in writing to the other party and shall be deemed to have been given on the date of the telex or facsimile transmission or five (5) days following that on which the notice was sent by registered mail.

15. **HEADINGS**

The headings in this Agreement are for ease of reference only and shall not be taken into account in the construction or interpretation of any provision to which they refer.



16. **DECLARATION**

I, the Borrower, am acknowledging that I have read, understood and agree to all the terms and conditions contained herein on the date and time to be acknowledged and documented when I click the "I accept" button. I understand that I will be electronically signifying my acceptance to be legally bound by these terms and conditions in doing same.