

STUDENTS' LOAN BUREAU

GUARANTEE AGREEMENT

This Packet Contains:

1. Guarantee Terms & Conditions
2. Indemnity for Program Approval
3. Waiver of Independent Legal Advice
4. Guarantor's Indemnity to the Students Loan Bureau

This document can only be witnessed by the following persons

- **Justice of the Peace**
- **Attorney at Law**
- **Medical Practitioner**
- **SLB Representative**

The document should also bear the respective seal or stamp

Please take the time to read each page carefully and seek legal advice, as deemed necessary, for further clarity.

GUARANTEE

TERMS & CONDITIONS

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.

Whilst the loan is in moratorium beneficiaries who have at least one pre-existing SLB loan , may benefit from a 2% reduction in interest rate for any subsequent student loans for their specified course of study, provided that they achieved and maintained a GPA of at least 2.5 for the prior academic year .

Whilst the loan is in repayment, a beneficiary may benefit from a 2% reduction in interest rate effective as at the date of assessment, which is done annually, provided that that he /she maintains a current loan status for at least one year (all payments are made on or before the scheduled date).

A Beneficiary employed with a registered charitable organization for at least one year whilst his/her loan is in repayment, may benefit from a 10% reduction on his/her loan balance effective as at the date of assessment, which is done annually, provided that the beneficiary maintains his/her loan at a current status for at least one year (all payments are made on or before the scheduled date).

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 31st day of August of the year following the scheduled completion date. 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 September of the following year after the scheduled completion 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 refer 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.

TERMS & CONDITIONS

For valuable consideration which is detailed below, I the undersigned Guarantor agree with the Students' Loan Bureau ("SLB") as follows:

Borrower's Name. The name of the borrower whose debt I am guaranteeing is:

(FULL NAME OF BORROWER)

2. **Borrower's TRN**_____

3. **Loan Amount.** A sum up to \$ _____ which represents the tuition disbursement for the academic year _____ (plus interest charges thereon).

4. **Program Approval.** That provided I meet all SLB's eligibility requirements I: (Please tick the appropriate box below)

Undertake to be a Guarantor for the Duration of the Borrower's course of study and accept the liability resulting therefrom

Undertake to be a Guarantor for the period indicated in 3 above only.

4.1 In the event that I have opted to sign for program approval, whereby I stand as Guarantor for the duration of the Borrower's course of study I acknowledge that my liability extends to and is inclusive of such sums and the interest thereon granted to and/or disbursed on behalf of the Borrower for the duration of his /her course of study.

5. **Guarantee.** I guarantee payment to the Students' Loan Bureau of all the Borrower's Debts. My liability under this Guarantee is limited to clause 1.02 of the section Guarantors' Covenants of this Guarantee.

GUARANTORS' COVENANTS

1. **PAYMENT**

1.01 On demand to pay to the SLB all moneys and discharge all obligations and liabilities whether actual or contingent now or hereafter due owing or incurred to the SLB by the Borrower whether on any account or otherwise in any manner whatsoever and in whatever style, name or form and whether as principal or surety including but not limited to all legal expenses and other costs such as interest and/or insurance charges, all penalties inclusive of debt recovery fees, publication fees and late charges incurred by the SLB in relation to the Borrower. Any statement of account of the Borrower signed as correct by any person duly

authorized by the SLB shall be conclusive evidence against me of the indebtedness of the Borrower to the SLB. In the event of death or permanent disability of the borrower this liability shall be settled from the SLB Insurance Fund, provided that the said indebtedness is insured and that the said insurance is valid and the premiums up to date.

- 1.02 The total amount recoverable under this Guarantee shall be limited to the maximum principal sum described in Clause 3 above with interest thereon and all costs, charges and expenses referred to in Clause 1.01. hereof. It is understood and agreed that I will be advised of the exact tuition disbursed for the period mentioned in clause 3 and to which I will be held liable, once same is furnished to the SLB by the respective tertiary institution institution in which the Borrower is enrolled.
- 1.03 All loans disbursed to the Borrower are consolidated upon commencement of the repayment period and all sums paid towards the loans are allocated towards the reduction of this consolidated sum and not towards individual loans. Provided however, that in the event that I am making a payment, I may by written instruction request that said payment is applied to the loan guaranteed by me herein.
- 1.04 I hereby agree to pay interest (to the extent that such interest is not paid by the Borrower or by virtue of any insurance coverage) from the date of demand until payment on all moneys obligations and liabilities hereby guaranteed (as well as after or before any demand or judgment or the death, bankruptcy, insanity or other incapacity of the Borrower) at such rate as may from time to time be payable by the Borrower or would have been payable but for the death, bankruptcy, insanity or other incapacity of the Borrower or any arrangement or composition with the creditors of the Borrower upon such days and upon such terms as you may from time to time determine and such interest shall be compounded daily in the event of it not being punctually paid in accordance with your usual practice but without prejudice to the right to require payment of such interest when due.
- 1.05 Where this Guarantee is signed by more than one party, the liability of each of them hereunder to the SLB shall be joint and several and every agreement and undertaking on their part shall be construed accordingly.

2. CONTINUING SECURITY

This Guarantee is a continuing security and shall secure the ultimate balance from time to time owing by the Borrower in any manner whatsoever notwithstanding the death, bankruptcy, insanity or other incapacity or any change in the Borrower's circumstances or any change in my circumstances.

- 2.1 Provided that the loan is insured as per the conditions of the Certificate of Agreement for Coverage of Student Loan (Insurance Agreement), in the event of death or permanent disability of the borrower, the insurance coverage extends to the outstanding balance on the account plus interest, but does not cover arrears if any have accrued on the account.
- 2.2 I acknowledge and understand that in the event that the borrower is not eligible for coverage under the Student Loan Agreement for Coverage of Insurance of the Student Loan(s), I shall

be responsible for repaying any outstanding sums on the account plus accrued interest and penalties notwithstanding the death or incapacity of the borrower.

3. **PROTECTIVE CLAUSE**

3.1. If any purported obligation or liability of the Borrower which, if valid, would have been the subject of this Guarantee is not or ceases to be valid or enforceable against the Borrower on any ground whatsoever, whether or not known, including but not limited to material misrepresentations by the Borrower, I shall nevertheless be liable to you in respect of that purported obligation or liability as if the same were fully valid and enforceable and I were the principal debtor in respect thereof. I hereby agree to keep you fully indemnified against all damage, loss, costs and expenses arising from any failure of the Borrower to carry out any such purported obligation or liability.

3.2 I hereby authorize the SLB in the event of a failure by me to make good any debt arising under this Guarantee to take all steps necessary for the full recovery of this loan including but not limited to legal proceedings and the use of collection agencies. I understand that in the event that these steps are taken I will be responsible for the additional costs incurred.

4. **INDEMNITY FOR PROGRAMME APPROVAL**

4.1 Whereas the SLB:

(a) agrees to grant Student Loans to the borrower for the duration of his/her approved course of study and for any additional period requested by the beneficiary and approved by the SLB ;and

(b) Agrees to notify me in writing at the address provided by me of the maximum tuition sums for each year prior to disbursement of same; and

I, the Guarantor:

(a) Acknowledge and understand that in the event that I desire to be removed as a Guarantor for an upcoming year, a suitable replacement Guarantor has to execute an Agreement to indemnify the SLB in regards to the said loan(s) which I had indemnified/Guaranteed; and

(b) Acknowledge and agree that such desire for replacement has to be communicated to the SLB during the application period for the relevant academic year(s).

I agree to indemnify the SLB, its assigns or appointees against all costs, loss or liability including interest, fees and other costs sustained by it as a result of granting of the said loans to the borrower for any or all the years of the borrower's course of study, or for any breach by the borrower of his or her obligations under the Loan Agreement, or for the non-fulfillment of a condition precedent or any loss arising from death, incapacity or otherwise of the borrower in the absence of valid insurance coverage.

5. **POWERS**

The SLB shall be entitled to retain this Guarantee for my liability hereunder after as well as before the payment discharge or satisfaction of all moneys, obligations and liabilities that are

or may become due owing or incurred from the Borrower for such period as may be determined.

6. **MISCELLANEOUS**

- 6.01 Any notice or demand for payment by you hereunder shall be in writing addressed to me. Without prejudice to any other effective mode of service notice or demand shall be deemed to have been properly served on me if served on me or delivered or sent in writing by post to me at my residence or principal place of business. Any such notice or demand sent by post shall be deemed to have been served on me at noon on the next business day following the day of posting or dispatching notwithstanding that it be undelivered or returned undelivered and in proving such service it shall be sufficient to prove that the notice or demand was properly addressed and posted or dispatched as the case may be. In the case of my death and until receipt by you of notice in writing of the grant of representation to the estate, any notice or demand by you sent by first class letter post as aforesaid addressed to me or to my personal representatives at any one of our usual or last known place of abode or business shall be effected as if I was still living.
- 6.02 I acknowledge that it is my duty to inform the SLB of any change of name, address, place of employment and other contact information.
- 6.03 No failure or delay by the SLB in exercising any right or remedy shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any right or remedy preclude its further exercise or the exercise of any other right or remedy.
- 6.04 Each of the provisions of this Guarantee is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
- 6.05 The headings to Clauses are for convenience only and have no legal effect.
- 6.06 This Guarantee is and will remain the property of the SLB.

7. **DEFINITIONS**

- 7.01 In this Guarantee:
- (a) Any reference to the SLB shall, where the context admits, include its successors in title and/or assigns under this Guarantee.
 - (b) Any reference to me shall mean and include every person liable hereunder or any one or more of us;
 - (c) The expression 'this Guarantee' shall be construed as including each separate or independent stipulation or agreement herein contained;

8. **JURISDICTION**

This Guarantee shall be governed by and interpreted in accordance with Jamaican Law.

8.01 I hereby irrevocably submits to the exclusive jurisdiction of the Supreme Court of Judicature in Jamaica.

9. **INDEPENDENT LEGAL ADVICE**

The Students' Loan Bureau has advised me of my right to obtain Legal Advice from an Attorney -at-Law with regards to my Guarantee/Indemnity of the Students Loan(s) granted to the borrower.

I further certify that the SLB has explained the nature of the Guarantee/Indemnity Document to me and I fully understand that by giving it I will become liable for the debt.

10. **COPY RECEIVED**

I acknowledge having received a copy of this Guarantee.

GUARANTOR 1

WITNESS'S NAME (record in full)

GUARANTOR'S NAME (record in full)

WITNESS'S SIGNATURE
(Medical Doctor/ Justice of the Peace/Attorney)

GUARANTOR'S SIGNATURE

WITNESS'S ADDRESS

GUARANTOR'S ADDRESS

GUARANTOR'S E-MAIL ADDRESS

GUARANTOR'S PHONE NUMBER

Kindly Affix Seal or Stamp here

Date _____

For Official Use only	Program Approved: Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
	Number of years	<input type="checkbox"/>		
	Reinstate	<input type="checkbox"/>		

GUARANTOR 2

WITNESS'S NAME (record in full)

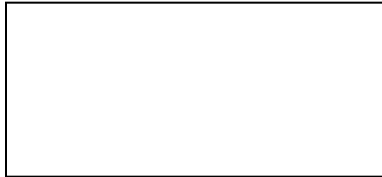
GUARANTOR'S NAME (record in full)

WITNESS'S SIGNATURE
(Medical Doctor/ Justice of the Peace/Attorney)

GUARANTOR'S SIGNATURE

WITNESS'S ADDRESS

GUARANTOR'S ADDRESS



Kindly Affix Seal or Stamp here

GUARANTOR'S E-MAIL ADDRESS

GUARANTOR'S PHONE NUMBER

Date _____

For Official Use only	Program Approved: Yes <input type="checkbox"/>	No <input type="checkbox"/>
	Number of Years <input type="checkbox"/>	
	Reinstate <input type="checkbox"/>	