



# P.E.O. Educational Loan Fund

## POLICIES GOVERNING LOANS

### I. PURPOSE

The P.E.O. Educational Loan Fund (ELF) makes loans available to qualified women who desire a higher education and are in need of financial assistance.

### II. LOAN INFORMATION

The P.E.O. Educational Loan Fund trustees evaluate each application and determine the specific amount to be approved. The decision is based on the program of study and availability of funds. A student may apply for a loan up to the amount recommended by her sponsoring chapter.

Maximum loan amounts are:

- \$12,000 for a non-degree accredited program, an associate or bachelor's degree
- \$15,000 for a master's degree
- \$20,000 for a doctoral degree

**Monies received from the P.E.O. Educational Loan Fund shall not be used for debt reduction (educational, personal, etc.).**

#### Qualified Accredited Programs of Study

All programs and schools must be accredited U.S. or Canadian postsecondary institutions. Qualified programs of study include:

- Non-degree programs such as commercial, technical, vocational, professional training, certification, licensure or an endorsement will be evaluated on an individual basis
- An associate, bachelor's, master's or doctoral degree program
- Loans for online programs at accredited schools will be considered
- An internship or study abroad program that is included in an approved U.S. or Canadian degree program may be eligible

#### Loan Installments

Eligibility for one installment:

- Final year of associate or bachelor's degree
- Master's or doctoral degree
- Certificate, license or endorsement

Eligibility for two equal installments:

- Associate degree first-year student must complete one grading period before drawing a loan installment
- Bachelor's degree in the final two years
- Master's or doctoral degree

**When paid in two installments, each check will represent one-half of the approved loan amount. Each installment requires a separate promissory note provided by the P.E.O. Executive Office. Both the borrower and cosigners must sign, notarize and return each note before the check is issued.** The check is sent directly to the student. The first check must be issued within six months of the date of loan approval.

#### Canadian Funds

Loans to Canadian women will be paid in Canadian dollars. The only exception will be if the Canadian recipient attends an accredited U.S. postsecondary institution and incurs expenses in U.S. dollars. Payment may then be in U.S. dollars if requested by the recipient. In this case, the borrower must agree in writing to repay the loan in U.S. dollars.

#### Interest

Following the graduation date originally stated on the application, interest will begin accruing and will be billed on an annual basis. The current loan interest rate can be found in The P.E.O. Record and on the P.E.O. International website ([www.peointernational.org](http://www.peointernational.org)).

#### Scholastic Standing/Transcripts

An applicant must maintain the scholastic grade point average required for graduation by the school of her registration. A transcript of grades is submitted to the P.E.O. Executive Office as part of the application process and, if requested, before each loan installment is drawn.

### III. TERMS AND REGULATIONS

#### Eligibility

A woman is eligible to apply and receive consideration for an ELF loan if she:

- is recommended by a local chapter of the P.E.O. Sisterhood with a favorable voice vote on the amount of the loan
- is a citizen or legal permanent resident of the United States or Canada and resides in the United States or Canada
- submits application within six to twenty-four months prior to stated graduation or course completion date
- is accepted in an accredited U.S. or Canadian postsecondary institution
- has a high school diploma or equivalent
- meets the minimum credit score of 625
- does not exceed the indebtedness limit for degree level
- has two qualified cosigners for the loan
- needs financial assistance

At the time a loan is disbursed, a student must be enrolled full time or part time in an accredited U.S. or Canadian postsecondary institution. Proof of enrollment is required before each loan installment is paid. Final disbursement must be at least four months prior to stated graduation or course completion date.

#### Indebtedness Limits (these do not include home mortgages)

- \$25,000 . . . non-degree program
- \$75,000 . . . associate or bachelor's degree
- \$100,000 . . . master's degree
- \$175,000 . . . doctoral degree

ELF may consider graduate level applicants who exceed the indebtedness limits on a case by case basis.

An applicant must consent to P.E.O. International obtaining her credit report to determine her eligibility for a loan. If consent is not granted, her application will not be processed.

If an applicant has been involved in bankruptcy proceedings, she will be considered for an ELF loan if a **minimum of three years** has elapsed since the date she was granted a discharge from bankruptcy. The applications of individuals who satisfy the eligibility criteria will be evaluated on a nondiscriminatory basis without consideration of race, national origin, religious affiliation or disability.

#### Cosigners

Two financially responsible adult cosigners, who are citizens or legal permanent residents and reside in the United States or Canada, are required for each loan. Spouses, fiancés or partners may not cosign an ELF loan. An individual will be allowed to cosign a maximum of two active ELF loans providing the first loan is in good standing. Each cosigner must consent to P.E.O. International obtaining his/her credit report and must meet the minimum credit score of 650. Cosigners agree to pay the debt should the borrower fail to do so.

#### Repayment

Loans up to \$15,000 will be due in full eight years from stated graduation date; loans greater than \$15,000 will be due in full 10 years from stated graduation date. Monthly payments of principal will commence in an amount established under the terms of the promissory note, and upon the earliest of six months following the stated graduation or withdrawal from school. **Interest accruals and monthly loan payments will not be deferred if the student continues with further study or joins a service organization.**