

## Health Professions Student Loan Program

MASTER PROMISSORY NOTE  
(SINGLE OR MULTI-YEAR)

FOR LOANS MADE ON OR AFTER NOVEMBER 13, 1998

|  |                                |
|--|--------------------------------|
| <b>Name (last, first, mi) and Permanent Address:</b> | <b>Borrower Identification</b> |
|  | <b>PID:</b>                    |
|  | <b>Social Security Number:</b> |
|  | <b>Date of Birth:</b>          |

I, \_\_\_\_\_, hereinafter called the Borrower, promise to pay to Michigan State University, hereinafter called the Institution, located at East Lansing, Michigan, the sum of such amounts as may from time to time be advanced to me with interest at the rate of Five (5) per cent 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 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 educational 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 terminating full-time student status at the Institution.
- 7. Default (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 Institution's 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 this 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 made 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

\_\_\_\_\_  
Signature of Borrower

\_\_\_\_\_  
Date

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

Yes \_\_\_\_\_  
Borrower Initial

No \_\_\_\_\_  
Borrower Initial

\_\_\_\_\_  
School Entrance Date

\_\_\_\_\_  
Borrower Initial

\_\_\_\_\_  
Anticipated Exit Date

\_\_\_\_\_  
Borrower Initial

K363A 06-2006

**HEALTH PROFESSIONS STUDENT LOANS  
STATEMENT OF RIGHTS AND RESPONSIBILITIES**

Your Health Professions Student Loan is a serious legal obligation. Therefore, it is extremely important that you understand your rights and responsibilities. When you sign this statement it means that you do understand the provisions contained herein, and you agree to honor them.

1. I understand I must, without exception, report any of the following changes to Michigan State University, Loans Receivable Division, 140 Administration Building, East Lansing, MI 48824-1046; (517) 355-5140 or (888) 913-3949 (toll-free).
  - (a) If I withdraw from school.
  - (b) If I transfer to another school.
  - (c) If I drop below full-time status.
  - (d) If I join the military service or Peace Corps.
  - (e) If I pursue advanced training.
  - (f) If my address, or my parent's address changes.
  - (g) If my name should change (for example, because of marriage).
2. When I graduate or withdraw from Michigan State University I will arrange for an exit interview by calling (517) 355-5140 or (888) 913-3949 (toll-free).
3. My first monthly payment will be due thirteen months from the time I cease to be a full-time student.
4. My monthly payment will be at least \$40.00. It may be more if the amount borrowed is sufficient to require larger payments. The maximum length of time for repayment is ten years.
5. The ANNUAL PERCENTAGE RATE of 5% will be the FINANCE CHARGE based on the unpaid balance and it will begin to accrue twelve months after I cease to be enrolled as a full-time student.
6. If I am borrowing under the Primary Care Loan program I understand that I must practice in primary health care until the loan is paid in full or be subject to an increased interest rate of eighteen (18) percent.
7. Cancellation may be granted in the event of death or permanent disability.
8. If I enter the uniformed service of the United States; Peace Corp; pursue advanced professional training; leave school but intend to return to full time student status in a health profession school; or participate in fellowship training; I may request that the payments on my loan be deferred.
9. If I fail to repay my loan as agreed, that fact will be reported to a credit reporting bureau; the loan will be assigned to a collection agency; the total loan may become due and payable immediately; and legal action could be taken against me. In addition, a late penalty charge and collection costs will be assessed according to the terms of the note.
10. I understand that I am responsible for 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 the Promissory Note.
11. I will promptly answer any communication from Michigan State University regarding my loan.
12. I may prepay at anytime. There are no penalties for pre-payment.
13. If I cannot make payment on time, I must contact Michigan State University Loans Receivable to make arrangements.
14. I realize the maximum I may borrow per academic year may be made in amounts that do not exceed the cost of attendance (including tuition, other reasonable educational expenses, and reasonable living expenses). There is no cumulative maximum amount. I also realize the acceptance of this loan will reduce my eligibility for other aid to meet my school budget.
15. I authorize Michigan State University to contact any school which I may attend to obtain information concerning my student status, my year of study, my dates of attendance, graduation or withdrawal, my transfer to another school, or my current address. This authorization is in effect until my loan is paid in full.
16. I authorize Michigan State University to report this loan to a credit reporting bureau.
17. I understand I have a right to request an itemization of the amount financed. I have received a copy of this statement.

\*\*\*THIS IS A LOAN THAT MUST BE REPAYED\*\*\*

I ATTEST THAT I HAVE READ AND UNDERSTAND THE RESPONSIBILITIES AND OPTIONS AVAILABLE TO ME, AND THAT I WILL ADHERE TO THEM.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF STUDENT

\_\_\_\_\_  
STUDENT NUMBER

**Please sign and return one copy  
and retain second copy for your records.**

\_\_\_\_\_  
PLEASE PRINT NAME

MSU is an affirmative action, equal-opportunity institution.