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| Title: | Student Loans | Number: | PF 09 |
| Category: | Finance | Effective: | 04/04/2020 |
| Change Authority: | Executive Council | Last Modified: | 04/04/2020 |

Purpose and Scope

This policy specifies how the Tau Beta Pi Association (the Association) Student Loans shall be administered.

Background

In 1950, the Executive Council (EC) established a permanent Student Loan Fund by transferring \$3,500 from unappropriated surplus moneys in the Tau Beta Pi Trust to the fund. The fund provides loans to Association student members who otherwise would be without sufficient financial resources to remain in college.

Until 1950, student loans were limited to \$250 per individual and were available only to undergraduate student members. The 1950 Convention voted to include graduate student members to those eligible and increased the loan limit to \$500. The 1979 Convention raised the loan limit to \$1,000. The 1996 Convention raised the loan limit to \$2,500.

Applies To

This policy applies to collegiate chapters, initiates, members, Headquarters staff, and the Executive Director.

Loan Administration

The Executive Director shall administer the Student Loan Program.

Loan Amounts

Loans up to \$2,500¹ may be made to an applicant.

The repayment period for loans shall be no longer than three years at an interest rate of six percent per annum on the unpaid balance beginning from the time the loan is made.

If not fully paid during the repayment period, the interest on the unpaid principal balance accrues at an annual rate of ten percent.

Loan Application Procedure

A member of the Association desiring a loan shall make application on a form to be provided by Executive Director of the Association. The application shall set forth the name and college address, as well as permanent address of the applicant, the name and address of the applicant's parent or guardian, and the amount of the loan requested. The application shall be certified as correct by the student's faculty advisor or the head of the department under which the student is enrolled. The President, Recording Secretary, and Treasurer of the local chapter shall also certify the application. Such certification shall indicate the loan is needed in order for the applicant to complete the work toward a degree. The application, together with a promissory note, shall be transmitted to the Executive Director for appropriate action.

Approval

The Director of Finance and Operations shall determine whether the applicant is eligible to receive a student loan, whether the application is in proper order, and whether sufficient funds are available from which to make the loan. The information shall be forwarded to the EC for approval.

¹ 1996 Convention



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Payment

Upon approval of a loan application and execution the promissory note, the Executive Director shall transmit to the applicant the amount of loan requested. The rate of interest shall be as determined by the Executive Director. The period of the loan shall be for not more than three years, renewable at the discretion of the EC upon written application thereto.

Rules and Regulations

The EC is empowered to make such additional rules and regulations relative to the issuing and repayment of student loans as it deems necessary.