



# MI-LOAN PROGRAM CREDITWORTHY LOAN APPLICATION



**NOTE:** Using WHITEOUT on this application will make the application null and void.  
**PRINT IN ENGLISH USING DARK INK OR TYPE**

**Required Reading on Back**

<b>1. SCHOOL NAME:</b>	<b>Campus Location/City:</b>	<b>2. Grade Level (1-9):</b>
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**APPLICANT INFORMATION**

3. Applicant Last Name:	First Name:	MI:	4. Social Security Number:	-	-
5. Permanent Address:	City:		State:	Zip:	
6. Billing Address:	City:		State:	Zip:	
7. Permanent Telephone: ( )	Billing Telephone: ( )		8. Date of Birth:	/	/
9. Requested Loan Amount: \$ .00	10. Interest Rate: <input type="checkbox"/> Fixed <input type="checkbox"/> Variable		11. Loan Period (mm/yy):	/	To /
12. Are you an U.S. Citizen or permanent resident? <input type="checkbox"/> Yes <input type="checkbox"/> No			13. Are you in default on an education loan? <input type="checkbox"/> Yes <input type="checkbox"/> No		
14. Driver's License #:	Issuing State:		15. E-mail Address:		
16. Reference Name: (Nearest relative or friend, NOT living with you at your permanent address listed above, and NOT the cosigner)					
17. Reference Street Address:	City:		State:	Zip:	
18. Reference Home Telephone: ( )			Business Telephone: ( )		
19. If the applicant is not the student, Student's Name:			20. Student's Social Security Number:	-	-
21. Relationship to Student: <input type="checkbox"/> Parent <input type="checkbox"/> Legal Guardian			22. Is the student in default on an education loan? <input type="checkbox"/> Yes <input type="checkbox"/> No		

**PRIMARY COSIGNER INFORMATION (IF APPLICABLE)**

23. Check here if the credit standard is to be reviewed based on the combined income and debt for you and your cosigner and you share household income and debt. <input type="checkbox"/>					
24. Last Name:	First Name:	MI:	25. Social Security Number:	-	-
26. Address:	City:		State:	Zip:	
27. Home Telephone: ( )			28. Date of Birth:	/	/
29. Are you an U.S. Citizen or permanent resident? <input type="checkbox"/> Yes <input type="checkbox"/> No			30. Are you in default on an education loan? <input type="checkbox"/> Yes <input type="checkbox"/> No		
31. Driver's License #:	Issuing State:		32. E-mail Address:		
33. Reference Name: (Nearest relative or friend, NOT living with you, and NOT the applicant)					
34. Reference Street Address:	City:		State:	Zip:	
35. Reference Home Telephone: ( )			Business Telephone: ( )		

**SECONDARY COSIGNER INFORMATION (IF APPLICABLE)**

36. Last Name:	First Name:	MI:	37. Social Security Number:	-	-
38. Date of Birth: / /					
39. Are you an U.S. Citizen or permanent resident? <input type="checkbox"/> Yes <input type="checkbox"/> No			40. Are you in default on an education loan? <input type="checkbox"/> Yes <input type="checkbox"/> No		
41. Driver's License #:	Issuing State:		42. E-mail Address:		

**CREDIT STANDARD REVIEW - PLEASE READ THE FOLLOWING INSTRUCTIONS BEFORE CONTINUING.**

- ✓ **No Cosigner** - Enter your information in the APPLICANT OR PRIMARY COSIGNER section.
- ✓ **One Cosigner - You reside together, share household income and debt, AND you want the credit standard review to be based on your combined income and debt.** - Enter your information in the APPLICANT OR PRIMARY COSIGNER section, and enter your cosigner's information in the SECONDARY COSIGNER section.
- ✓ **One Cosigner - You do not reside together and share household income and debt. -OR- You do, but do not want the credit standard review to be based on your combined income and debt.** - Enter your cosigner's information in the APPLICANT OR PRIMARY COSIGNER section.
- ✓ **Two Cosigners** - Enter one cosigner's information in the APPLICANT OR PRIMARY COSIGNER section, and the other cosigner's information in the SECONDARY COSIGNER section.

<b><u>APPLICANT OR PRIMARY COSIGNER</u></b>		<b><u>SECONDARY COSIGNER</u></b>	
43. Employer:	Years There:	Employer:	Years There:
44. Work Telephone: ( )		Work Telephone: ( )	
45. Previous Employer:	Years There:	Previous Employer:	Years There:
46. MONTHLY GROSS INCOME: \$ .00		MONTHLY GROSS INCOME: \$ .00	

**47. PROMISE TO PAY:** If the school that the student is attending participates in electronic funds transfer (EFT), I authorize the school to transfer the loan proceeds to the student's account. If after the disbursement of this loan, the school determines that the student has been awarded more financial aid than he/she qualifies for, an over award situation, I authorize the school to return a part or all of the proceeds of this loan to reduce the over award.

I/We promise to pay all sums disbursed (hereafter "loan" or "loans") under the terms of the Promissory Note and Agreement (Note) included with this application, plus interest and other fees which may become due as provided in the Note as supplemented by the Loan Disclosure (as defined in the Note). If I/we fail to make payments on the Note when due, I/we will also pay reasonable collection costs, including attorney's fees, court costs, and collection fees. I/We understand I/we may cancel this loan by following the cancellation instructions provided in the "CANCELLATION" section of the Note. I/We will not sign this application before reading it, including the terms and conditions of the Note included with this application, even if otherwise advised. I am/We are entitled to an exact copy of the Note. My/Our signature certifies I/we have read, understand, and agree to the terms and conditions of this application, including the Borrower Authorization and Certification section of the Note included with this application.

Borrower Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Primary Cosigner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Secondary Cosigner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

# MICHIGAN ALTERNATIVE STUDENT LOAN (MI-LOAN<sup>®</sup>) PROGRAM CREDITWORTHY LOAN APPLICATION INSTRUCTIONS

 **READ THE FOLLOWING INFORMATION BEFORE COMPLETING THE APPLICATION!** 

## IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. **What this means for you:** When you apply for a MI-LOAN Program student loan, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

- If you make a mistake while completing the application, **LINE OUT AND INITIAL THE CHANGE - DO NOT USE WHITE OUT.**
  - Print all items in English using dark ink or type.
- Item 1.** Enter the name and location of the Michigan school the student is or will be attending.
- Item 2.** Enter the student's grade level using 1-5 (5 beyond 4<sup>th</sup> year) for undergraduate students and 6-9 (9 beyond 3<sup>rd</sup> year) for graduate or professional students.
- Items 5, 26.** A post office box number is only acceptable if your residence has not been assigned a street address. If this is the case, your reference (items 17 and 34) must have a street address.
- Item 9.** The minimum amount you may request is \$500. The maximum amount is the cost of attendance, minus estimated financial aid, as certified by the school. There is a cumulative program maximum of \$125,000. You and your cosigner(s), if applicable, **MUST** initial any change to this item.
- Item 10.** Choose a fixed or variable interest rate. You and your cosigner(s), if applicable, **MUST** initial any change to this item.
- Item 11.** Enter the beginning and ending month and year of the enrollment period this loan will cover. **The loan period cannot be more than 12 months.**
- Item 13.** Check "Yes" or "No" to confirm whether you are currently in default on an educational loan.
- Items 14, 31 and 41.** If you do not have a driver's license, enter "NONE".
- Items 16-18.** The adult reference you provide must be a person other than your cosigner(s), and must not be living with you at your permanent address (item 5).
- Items 19-20.** If you are not the student, enter the student's full name and Social Security number.
- Item 22.** Check "Yes" or "No" to confirm whether the student is currently in default on an educational loan.
- Item 23.** **If you want the credit standard review to be based on the combined income and debt of you and your cosigner AND you reside with your cosigner and share household income and debt (example: husband and wife), check this box.** If you do not check this box, the credit standard review will be based on only your cosigner's income and debt.
- Items 33-35.** The adult reference provided by your cosigner must be a person other than yourself, who does not reside with your cosigner.
- Items 36-42.** The secondary cosigner must reside with the primary cosigner and share household income and debt.
- Items 43-45.** Either the applicant or one cosigner must have been continuously employed for at least two years, unless retired. Employment does not have to be with the same employer and does not have to be full-time.
- Item 46.** Enter the **GROSS** monthly income (before withholding taxes and deductions).
- Item 47.** You **MUST** be 18 years old, or an emancipated minor, on the date the application is signed. The application must be signed, **and dated**, by the applicant and cosigner(s), as applicable.

## NOTICE TO COSIGNER(S):

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility. You may have to pay up to the full amount of this debt if the borrower does not pay. You may also have to pay late charges and/or collection costs, which increase this amount. The lender can collect this debt from you without first trying to collect from the borrower. The lender can use the same collection methods against you that can be used against the borrower, such as suing you, garnisheeing your wages, etc. If this debt is ever delinquent or in default, that fact may become a part of your credit record. This notice is not the contract that makes you liable for the debt.

**BEFORE MAILING THE APPLICATION**, make sure all required information is filled in. Lack of any required information will delay the processing of your application. You may submit your application up to three months prior to the beginning of the loan period and it must be received by Firstmark Services no later than the last day of the last month of the loan period.

For application questions, contact Firstmark Services toll-free at **800-935-2275**.

**Mail the completed application to: Firstmark Services, P O Box 25410, Woodbury, MN 55125-0410**



# MICHIGAN ALTERNATIVE STUDENT LOAN (MI-LOAN<sup>®</sup>) PROGRAM

## CREDITWORTHY LOAN

### PROMISSORY NOTE AND AGREEMENT



**KEEP FOR YOUR RECORDS, ALONG WITH A COPY OF THE CREDITWORTHY LOAN APPLICATION**



In this Promissory Note and Agreement, the words “I”, “me”, “my”, and “borrower” refer to the individual who signs the application as the borrower. “Cosigner” refers to the primary and secondary cosigners who sign the application. “Student” refers to the individual for whose education this loan is being undertaken. “You”, “your”, and “Student Loan Authority” refer to the Michigan Higher Education Student Loan Authority (MHESLA). “Servicer” refers to an agent(s) selected by you to administer the Loan. “Loan Disclosure” refers to the disclosure required by the federal Truth in Lending Law.

#### 1. APPROVAL OF THE LOAN

My signature on the application certifies that I have read, understood, and agreed to the terms and conditions of this Promissory Note and Agreement. You have not agreed to make me a loan in the amount I have requested or in any amount. You or the servicer will notify me in writing if my request for a loan is refused. If you agree to make me a loan, you will notify me of the amount and other terms as specified in the Loan Disclosure, the terms of which are incorporated by reference herein as if stated in their entirety. If I do not want this loan, I will cancel it by following the cancellation instructions provided in the “CANCELLATION” section of this Promissory Note and Agreement.

#### 2. INTEREST RATE

I will pay you simple interest at a fixed or variable rate (as I identified on the front of the application) on the unpaid principal balance of my loan from the date you disburse the loan until the loan is paid in full. The Loan Disclosure that you provide me will identify the applicable interest rate for this loan. Any fixed interest rate will remain the same throughout the life of the loan. Any variable interest rate is adjusted annually on July 1<sup>st</sup> and will be equal to the London Interbank Offered Rate (LIBOR) annual average as of the preceding June 1<sup>st</sup>, plus 1.50%, provided that, if the LIBOR ceases to exist, the Authority, in its sole discretion, may determine another formula which provides a comparable rate. The maximum interest rate, whether fixed or variable, will not exceed the rate permitted by Michigan law. If I do not wish to accept this loan at the disclosed interest rate, I understand that I can cancel the loan by following the cancellation instructions provided in the “CANCELLATION” section of this Promissory Note and Agreement. I understand that if I do not cancel the loan, I am responsible for payment of the interest and principal to the date that the loan is paid in full.

#### 3. DISBURSEMENT

If the application for the loan evidenced by this Promissory Note and Agreement is approved, the Loan Disclosure will be sent to me at the time that the loan is disbursed. There will be **one or more** disbursements. Disbursement may be by a check payable jointly to the borrower and the school, by a check payable only to the borrower, or by electronically transmitting the disbursement funds (EFT) directly to the school for or on behalf of the borrower. I and my cosigner(s) will be contractually obligated on this Promissory Note and Agreement as supplemented by the Loan Disclosure if the loan is not cancelled in accordance with the cancellation instructions provided in the “CANCELLATION” section of this Promissory Note and Agreement.

#### 4. RESERVE FEE

I will pay a reserve fee, which will be deducted from my loan proceeds. You will show me the exact amount of the reserve fee on the Loan Disclosure that you will send me if you approve my loan. I will not be entitled to a refund of the reserve fee if I fail to cancel the loan in accordance with the cancellation instructions provided in the “CANCELLATION” section of this Promissory Note and Agreement.

#### 5. REPAYMENT

The payment schedule for my loan is subject to the following requirements: (a) my loan must be repaid in full no later than twenty-five (25) years after the first disbursement of the loan; and (b) my minimum monthly payment for all of my loans combined will total fifty dollars (\$50.00). If a fifty-dollar (\$50.00) monthly payment is not sufficient to pay each loan in full within its maximum repayment term, my monthly payment will be increased to an amount that will permit each loan to be paid in full within its maximum repayment term. The first monthly installment will be due within sixty (60) days of the first disbursement (date of the check or EFT transfer). The Loan Disclosure, which you will send me, will identify the date that my first payment is due. Thereafter, payments shall be made monthly, due on the same day of the month as the first payment was due. If you approve, the day of the month that the payment is due may be changed. Payments received shall be applied in the following order: (a) to accrued interest; (b) to outstanding principal; (c) to late charges due or other amounts I owe you. If I have several loans within an account, you will apply payments made on my account to delinquent amounts due then proportionately to the loans contained within the account. The amount of my last payment may be different than disclosed. Payments made early or late, forbearance and capitalization will affect the amount of the final payment. If the amount of my last payment is different from the scheduled payment, you will send me a statement showing the date and the amount of the last payment, before it is due. Your failure to send me a final statement does not release me or my cosigners from the obligation to remit payment for the balance due on the loan account.

#### 6. PAYMENT BILLING

You will send me a coupon book or monthly bill, the option is yours, for each payment due on my loan. I will make my payment on or before the scheduled due date. Payments on this Promissory Note and Agreement shall be made to the servicer at the address provided or as otherwise requested by you. Failure to be billed does not alleviate my responsibility to make the regularly scheduled payments.

#### 7. LATE CHARGES AND COLLECTION COSTS

If I make a payment after its due date, interest on the unpaid balance will be computed to the date the payment is received, and the total finance charges I pay will be increased. If I fail to make a payment when due, and if it is overdue more than thirty (30) days, I will pay a late charge of up to, but not to exceed, six cents (.06) for each dollar for each late installment. In the event of default, I agree to pay all of your collection and court costs, including reasonable attorney’s fees.

#### 8. PREPAYMENT

I may prepay all or part of my loan at any time without penalty. If I prepay part of the principal balance of my loan, I must continue to make all scheduled monthly payments until my loan is paid in full. If I make multiple payments on my loan within the same month, the due date of my loan will not be advanced more than thirty (30) days into the future, unless you approve my request to have it advanced.

#### 9. FORBEARANCE

I can request forbearance of principal payment (thus allowing for interest only payments) or forbearance of principal and interest payments (with the accrued interest capitalized at the end of the forbearance period) for a period up to twelve (12) consecutive months at a time. Forbearance may be granted up to the cumulative maximum allowed of sixty (60) months. I understand that forbearance is not an option if I default.

## **CREDITWORTHY LOAN PROMISSORY NOTE AND AGREEMENT – CONTINUED**

### **10. COSIGNER LIABILITY**

The cosigner(s) is responsible for all the obligations owed to you under this Promissory Note and Agreement. The cosigner's obligations include the obligation to pay the principal and interest on this loan, give notice of cosigner address and name changes, and pay collection costs. You may notify the cosigner(s) if I become delinquent on this loan or if I default on this loan. You are not required to send the cosigner(s) copies of the bills you send me for payments due on my loan. The cosigner(s) consents to the personal jurisdiction of the courts of Michigan in any lawsuit involving this Promissory Note and Agreement.

### **11. RELEASE OF COSIGNER**

If the first twenty-four (24) regular payments of principal and interest owed on this loan are paid consecutively and on time, defined as those payments which are received within fifteen (15) days of the payment due date, and if the borrower meets the required credit standards, the cosigner(s) may be released from all obligations on the loan. I understand that I will remain liable for this loan after the cosigner(s) is released. It is my responsibility to contact you or your agent(s) to request the release of my cosigner(s), and to provide all information necessary to determine if I meet the required credit standards.

### **12. ACCELERATION AND DEFAULT**

If I am in default, you may declare the full unpaid balance (including accrued interest, late charges and other collection costs) immediately due and owing without notice. If you declare the full unpaid balance immediately due and owing, I agree to pay interest on such amount from the date you required payment until paid in full at the same rate I have agreed to pay on this Promissory Note and Agreement. I will be in default if I and the cosigner(s) (a) do not make payments as scheduled and the payments become 120 days delinquent, (b) make any false representation in obtaining any MI-LOAN loan, or (c) fail to perform any other provisions of this Promissory Note and Agreement. If I default, I understand you will make every effort to collect the loan from me, which may include garnishment, tax levy, the confiscation of income tax refunds or other legal actions. I hereby waive presentment, demand, protest, and notices of dishonor and protest with regard to the obligation evidenced by this Promissory Note and Agreement.

### **13. CREDIT BUREAU NOTIFICATION**

You will report information about the amount of my loan and the repayment status of my loan to one or more credit bureau organizations. If I and my cosigner(s) default on this loan, you will report the default to credit bureaus. I understand that the reporting of delinquent or defaulted loans may significantly and adversely affect my credit rating and that of my cosigner(s).

### **14. CANCELLATION**

I will not be required to repay my loan if (a) I return the disbursed funds to you or your servicer within thirty (30) days of the date of the disbursement, (b) within thirty (30) days of the date of the Loan Disclosure, I request the school, in writing, with a copy to you or your servicer, to return the funds, or (c) the student becomes totally and permanently disabled or dies. However, if my cosigner(s) dies or becomes totally and permanently disabled, I will still have to repay this loan.

### **15. NOTICE OF CHANGES**

I will notify you immediately of any change in my name and/or permanent or billing address. The cosigner(s) will notify you immediately of any change in the cosigner's name and/or permanent address.

### **16. GOVERNING LAW AND ENFORCEABILITY**

This Promissory Note and Agreement is governed by the laws of the State of Michigan. I consent to the personal jurisdiction of the courts of the State of Michigan in any lawsuit involving this Promissory Note and Agreement. The invalidity or unenforceability of any provision of this Promissory Note and Agreement shall not affect the validity or enforceability of any other provision.

### **17. AMENDMENT**

The terms and provisions of this Promissory Note and Agreement may be waived, modified or amended only by a writing signed by me and you except as provided in the next sentence. Non-material changes not adverse to me and deemed by you, upon advice of counsel, to be necessary to comply with the requirements of Act 222 of the Public Acts of 1975, as amended, may be made by you and shall become effective upon my receipt of notice of such changes.

### **18. ASSIGNMENT**

I may not give my rights or responsibilities under this Promissory Note and Agreement to anyone else. You may, however, give your rights and responsibilities under this Promissory Note and Agreement to someone else. When you tell me, I will be required to make payments on this Promissory Note and Agreement to that person or entity.

### **19. ADDITIONAL AGREEMENTS**

- a. I will use the proceeds of this loan for costs associated with attendance by the student at the school named in the application for this loan.
- b. All information furnished in the Creditworthy Loan Application or other documents required for this loan is true, complete and correct.
- c. I will answer promptly and truthfully all communications forwarded to me by you or your agents.
- d. I will be notified by you or your servicer when this loan has been paid in full.
- e. Neither you nor your agents warrants or vouches for the quality or suitability of the educational programs offered by eligible schools. Loan repayment is not conditioned upon completion of the student's education or the student obtaining employment in a related field of study, but is my legal obligation.
- f. I understand that I am not required to produce a qualified cosigner(s) if I can meet the credit standards on my own behalf. If I cannot, I understand that I must have a qualified cosigner or cosigners, not to exceed two (2) cosigners.

## **BORROWER AUTHORIZATION AND CERTIFICATION**

I/We hereby authorize MHESLA or its agents to investigate creditworthiness and credit capacity, and to furnish information concerning loan credit activity to consumer reporting agencies and other persons who may receive such information. I/We understand that if the credit is approved, it will be subject to the terms and conditions of this Promissory Note and Agreement.

I/We further authorize (a) the school to gather, receive, provide and confirm information regarding attendance, financial aid, and current or prior status as may be relevant to consideration of this application; and (b) the release of information pertinent to my loans (1) by my schools, MHESLA, or their agents to members of my immediate family, unless I submit written directions otherwise, (2) by and among my schools, MHESLA, and their agents, and (3) to others in accordance with any applicable laws. I/We understand that the proceeds of this loan must be used for educational purposes. This application and supporting documentation remain the property of MHESLA and its agents.