

Preachers' Aid Society of New England Clergy Parent Loan Program

The Clergy Parent Loan program allows parents to refinance their Stafford or other qualifying parent loans taken for the purpose of putting their children through college.

Terms and Conditions:

- 1) All applications and all loan documents are subject to the approval of the Pastoral Care Committee in its discretion.
- 2) The maximum aggregate amount of loans to be refinanced at one time cannot exceed \$30,000 per family.
- 3) Principal and interest is due monthly. A loan under this program matures at the earlier of:
 - a) Fifteen (15) years from the date of the loan;
 - b) When the clergy parent retires from active ministry; or
 - c) When the clergy parent reaches age 65.
- 4) "Clergy parent" means either:
 - a) An ordained pastor or full-time local pastor serving under appointment in the New England Annual Conference of the United Methodist Church (the "Conference") at the time the Society approves the loan; or
 - b) The surviving spouse or ex-spouse of a person described in (a).
- 5) "Child" means the natural or adopted child of the ordained pastor or full-time local pastor serving under appointment in the Conference.
- 6) The initial interest rate is 5% per annum with a forbearance of 3% as long as the loan payments are current and any applicable ordained pastor or full-time local pastor is under Conference appointment.
- 7) To be eligible for a refinance:
 - a) The parent loan is only for the residual **parent** debt for a child's undergraduate education.
 - b) The child has been awarded his or her undergraduate degree.
 - c) The parent loan has been paid on time for three consecutive months and is current.
- 8) The Society will fund its loan by direct payment to the financial institution that holds the loan to be refinanced and not to a parent.
- 9) The Society may require credit life insurance which will be arranged by PAS at their expense.
- 10) The ordained pastor or full-time local pastor must pay in full all other loans with the Society before receiving a loan under this program.
- 11) At its discretion, the Society may change these terms and conditions and waive any requirement from time to time.