



The Scholarship Foundation of St. Louis

Interest-Free Student Loan Repayment Manual

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**8215 Clayton Road
St. Louis MO 63117
(314) 725-7990**

Dear Graduate:

Congratulations! Achieving your educational goal is a momentous occasion and the staff and board of directors of The Scholarship Foundation are proud to have played a role in helping you reach this milestone. As you know, earning your degree enhances your career choices, increases your earning potential and establishes a model of success for future generations.

We have provided valuable information in the pages of this handbook for your reference as you plan for repayment of funds loaned to you for your education. Please feel free to contact us with questions.

Best wishes!

What's Inside

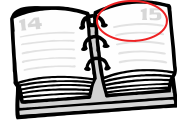
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Getting Started with Repayment

Exit Interview

Upon completion of the degree program, students are invited to The Scholarship Foundation office for an Exit Interview. Exit

Interviews are informal meetings between student, staff and board members to reacquaint the student with The Scholarship Foundation and to establish a line of communication which is encouraged throughout the repayment period. Promissory notes will be available for signing at the Exit Interview.



Promissory Note

The promissory note is a legally binding document which serves as official acknowledgement about the total amount of funds loaned from The Scholarship Foundation of St. Louis to you for your educational purposes. The expected monthly payment is also indicated on your promissory note. Your expected monthly payment is based on a 5-year repayment period. The promissory note must be signed within 30 days of graduation. *Failure to sign the promissory note results in immediate referral for repayment. No grace period is extended without a signed promissory note on file at The Scholarship Foundation.*

Grace Period

As a graduation gift, a 12 month grace period is granted to students who sign their promissory note and submit a final official academic transcript, exit interview worksheet and two updated local references. Repayment of the interest-free student loan will begin 12 months after graduation, provided necessary documentation has been submitted within 30 days of graduation.

Payment Due Date

Full monthly payment is expected on the **15th day of each month**. In effort to save administrative costs, The Scholarship Foundation does not send a statement to you each month. Rather, repayment envelopes are provided at the beginning of your repayment term for your use in making timely payment on your account and again with a year-end statement about your account. Automatic payment options are available. Please call our office for more information.

Questions? Please call 314-725-7990

While In Repayment

What Happens If...

While a significant number of interest-free loan recipients tend to repay their loans earlier than the 5 year scheduled repayment, ***you are not alone*** if you find yourself in a situation where repayment of the interest-free loan funds becomes difficult to maintain. The Scholarship Foundation recognizes certain circumstances under which an adjustment to the repayment schedule will be considered.

- **Deferment:** an agreement made between the student and The Scholarship Foundation in which a student does not have to make payment on the account for a specified period of time. Types of deferment granted:
 - **Education:** You must be enrolled and earning a minimum of 6 credit hours for each semester for which deferment is requested. ***Proof of enrollment must be provided:*** a paid tuition bill for the current semester; an official letter from the registrar's office; or a grade report from semester just completed.
 - **Medical or Personal Emergency:** You must request and submit a Repayment Assessment Form (RAF) from The Scholarship Foundation. The RAF must be accompanied by documentation of the emergency.
 - **Financial Hardship:** You must request and submit the RAF and appropriate documentation to help us better understand the financial hardship for consideration of deferment or reduced payment.
- **Reduced Payment:** an agreement made between the student and The Scholarship Foundation whereby a lesser amount than the full expected payment is negotiated.
 - Up to 50% of the full expected payment
 - Granted for a maximum of six months
 - Eligible circumstances are the same as for deferment.

Please call for more information.

Frequently Asked Questions

Can I consolidate the interest-free student loan with other loans?

It is best **NOT** to consolidate your interest-free student loan. Why pay a new lender interest on an interest-free loan? If you are having difficulty making payments, please call. We can make adjustments to make the payment fit within your budget during times of financial difficulty.

What if the school I attend considers 5 credit hours as eligible part-time enrollment?

You must be enrolled and earning a minimum of **6 credit hours** for each semester for which deferment is requested from The Scholarship Foundation.

For how long is deferment or a reduced payment granted?

Education deferment is granted on a semester by semester basis; proof of continued enrollment must be submitted for each semester for which deferment is requested. Deferment or reduced payment for any other reason is granted for a maximum of six months at a time. Exceptions are made on an individual basis in extraordinary situations.

What if I am in forbearance or deferment from payment on my federal loans?

The decision to grant deferment or any other adjustment to repayment terms is at the sole discretion of The Scholarship Foundation and is not influenced by federal program regulations.

How will I know my remaining balance ?

A statement is mailed once a year in early December to your permanent home address which will outline pertinent information about your account once you have started repayment. Or, simply call and ask!

What if I am doing graduate research work or completing my PhD dissertation?

Please contact us. You may be eligible for additional interest-free loan assistance! If you have questions about your eligibility, please call The Scholarship Foundation.

How does my repayment affect future students?

Repayment of your interest-free student loan affords another deserving student the opportunity to achieve the dream of higher education. Repaid funds are recycled directly into the interest-free student loan program assisting future students with rising college costs.

Questions? Please call 314-725-7990

Consumer Debt Tips/Advice


One of the reasons students find themselves in endless debt and financial *insecurity* is from the amount and kinds of consumer debt obtained while in college and immediately after graduation. The Scholarship Foundation is very interested in your continued success beyond achievement of your educational goals and makes the following suggestions to help you continue toward your own personal level of success:

- **Create a personal budget:** Know your monthly income; identify fixed expenses; plan for “large ticket” spending; expect the unexpected.
- **Use credit wisely:** Know interest-rates on credit cards and make smart choices when deciding on the amount of payment made to each creditor.
- **Establish a savings account:** This is real-life, things are bound to happen. Plan for emergency spending by setting aside funds in a savings account.
- **Monitor cash spending:** Keep track of out-of-pocket expenses. Make a list of cash spending to later list on your personal budget.
- **Communicate:** Believe it or not, even lenders will want to help you if you find yourself in a financial bind. Contact your creditors to make them aware of a personal financial crisis. They may have programs available to assist you with getting back on your feet.

**The Scholarship Foundation of St. Louis
wants you to succeed!**

If you have any difficulty in making payment on your interest-free student loan account, please call. The process for making an adjustment to your repayment schedule is confidential, easy to complete and will keep your account in good standing.

E-mail us at: info@sftl.org

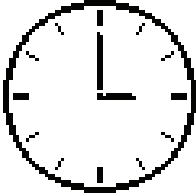


What currently repaying students have told us...



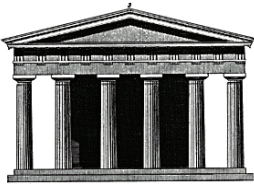
**BUDGET.
JUST DO IT!**

- Know what you earn and what you spend.
- Don't include overtime in your budget as earnings.
- Live within your means.
- Prioritize expenses.
- Pay bills first before spending.
- Watch what you spend; decide if it's really important.
- Don't buy on impulse!



**MAKE PAYMENTS
ON TIME!**

- Send payments before due date.
- Use direct debit, but remember to include payments in your budget.
- Pay more than you owe each month, if possible.
- Know the cycle: timely payments affect credit scores which affect interest rates which affect payments.

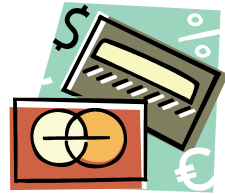


SAVE MONEY.

- Pay yourself first.
- Make saving a priority.
- Invest.
- Contribute to your company's retirement savings plan.

Questions? Please call 314-725-7990

- Don't put major purchases on credit cards.
- Pay balance every month, if possible.
- Be careful swiping debit cards, it's real money you know!
- Limit credit spending.
- Transfer balance to low or no interest credit cards .



Use credit wisely.

-
- Keep the lines of communication open.
 - Call before a situation gets out of hand.
 - Be honest and open about financial situation.
 - Stay in contact, most creditors will work with you—it's in their best interest, too!



Communicate with creditors and lenders.

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- Live like a student still until debt is more manageable.
 - Spend less, prioritize purchases, budget, get out of debt.
 - Either live within your means or obtain greater means for living.



Make a long-term plan.

What currently repaying students have told us...



Don't commit to a lease or monthly payment that you cannot afford on your own.



Don't jump into buying a house because it's what you're supposed to do after college.

When it's the right time, choose the right home for the right reasons.



Consider a used car and keep it in good repair.

Think about public transportation as an alternative.

Questions? Please call 314-725-7990

Make dinner, not reservations!

Bring lunch instead of eating out regularly



Consider ScholarShop in Clayton or Webster Groves, especially for special occasion shopping!



Cut costs.

Exercise at home instead of spending money on a gym membership.



Don't spend money on weekends as if they are mini vacations.

Go to free events and shop sales!

E-mail us at: info@sftl.org

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REPAYING YOUR LOAN THROUGH SERVICE

Student Advocate Program

Implemented in 1994, the Student Advocate Program was created as an outreach tool to assist students to obtain information about opportunities for funding available through The Scholarship Foundation. The Student Advocate Program has proven to be an effective resource for increasing the number of successful applications from targeted areas; the number of students at targeted high schools applying for funding from The Scholarship Foundation has increased from 3% to over 20% as a result. **The Student Advocate Program has helped more than 300 students receive over \$2 million in interest-free student loans and grants.**

Student Advocates are current or previous recipients of an interest-free student loan, recent college graduates, non-traditional undergraduates and graduate students. Advocates earn a professional wage and 100% match of those earnings toward repayment of the interest-free student loan.

Please call The Scholarship Foundation if you are interested in learning more about this fantastic opportunity!

REPAYING YOUR LOAN THROUGH SERVICE

ScholarShop Assistants

ScholarShop is an upscale resale shop contributing all of the “profit” from sales to the interest-free student loan program of The Scholarship Foundation. In October 2004 , The Scholarship Foundation opened a second ScholarShop in Webster Groves.

Gross sales from gently used donated merchandise from both stores total nearly \$2.2 million annually.

Both ScholarShop stores are operated by a small, efficient staff and a large volunteer force. A significant portion, however, of the ScholarShop staff are students who have benefited from the interest-free student loan program. ScholarShop Assistants enjoy the camaraderie of working with diverse groups while earning a wage and early repayment of the interest-free student loan.

ScholarShop Clayton
8215 Clayton Road

ScholarShop Webster Groves
7930 Big Bend Blvd.

Monday-Thursday
10:00am-7:00pm

Friday and Saturday
10:00am-5:00pm

Donations are accepted Monday - Saturday until 5:00pm.

For more information about ScholarShop employment opportunities, please call The Scholarship Foundation of St. Louis at (314) 725-7990.

Recycled Funds

LOAN REPAYMENT

In addition to proceeds from **ScholarShop**, funding for the interest-free loan and grant programs administered by The Scholarship Foundation of St. Louis are further supported by loan payments from prior recipients. **Ninety-six percent of students in repayment make timely, consistent payment on their account providing more than \$1.4 million in annual income. The repaid funds are recycled to new students.**


PRIVATE CONTRIBUTIONS

The Scholarship Foundation is also supported by individuals, families, foundations and corporations which make significant charitable gifts and pledges as annual and planned giving, special projects and grants. **At least one of every seven donors is a former recipient of an interest-free loan.**

The **Designated Scholar Loan Fund** is began in 1981 and was designed to allow contributors a more personal involvement in the selection of recipients of their charitable gifts in the form of interest-free student loans. Funds have been established in honor or memory of a loved one, to assist students pursuing certain degree programs, those attending designated colleges or universities or other selection criteria. In the more than twenty-five year history of this program, over \$3 million has been pledged to the Designated Scholar Loan program. There are more than 175 DSL Funds currently.

Another form of donation to The Foundation is the **Tribute Fund**. Tributes are made in honor or memory of an individual named by the donor to benefit the interest-free student loan program.

General Information

- All correspondence mailed to you from The Scholarship Foundation of St. Louis should be considered **IMPORTANT**. **The Foundation does not send “junk mail”**. *Please be certain to make parents and significant others aware that mail received from The Scholarship Foundation should be forwarded to you as soon as possible.*
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- Please commit to memory your **4 digit student number** assigned to you by The Scholarship Foundation. It will continue to appear on all correspondence from The Foundation. Be sure to clearly write your student number on the repayment envelope to ensure proper credit of your payment to your interest-free student loan account.
 - Your privacy is extremely important to us! The Scholarship Foundation will not release information about you or your account to any third party without your written consent. The only exception to this practice is in the instance of a defaulted account where we must forward information to collection attorneys. However, we will respond promptly to requests for information from potential lenders.
 - **Contact The Scholarship Foundation at (314) 725-7990** to discuss your interest-free student loan account or other general questions about the program.

Best wishes in your future endeavors!

The Scholarship Foundation of St. Louis, a nonprofit organization founded in 1920 is based upon the conviction that an educated citizenry is essential to a democracy.

The Scholarship Foundation provides access to postsecondary education to members of our community who otherwise would not have the means to fulfill their educational goals.

The Scholarship Foundation of St. Louis
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