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TERMS AND CONDITIONS

In accepting an interest-free Rowe Fund student loan, the beneficiary (“the borrower”) and the guarantor agree to abide by the terms and conditions of the Loan Agreement entered into with the Fund, thus:

- a. The beneficiary and the guarantor must agree to repay the loan in accordance with the terms and conditions established in the Loan and Guarantor’s Agreements. In cases in which unforeseen circumstances prevent the guarantor from completing his or her contractual obligations, the beneficiary is required to notify the Rowe Fund Secretariat and provide another suitable guarantor;
- b. The beneficiary undertakes to apply the amount of the loan to the education-related purposes for which the loan was granted. If the beneficiary fails to do so, or fails to complete the studies for which the loan was granted without a justification approved by the Committee, the Committee reserves the right to demand immediate repayment of the sum(s) advanced to the beneficiary;
- c. The beneficiary must maintain satisfactory academic progress in his/her studies and conduct in accordance with the national, state, and local laws of the United States and in accordance with the code of conduct of the institution at which the beneficiary pursues his/her program of study. If the beneficiary fails to comply with this regulation, the Committee may require immediate and full repayment of the loan;
- d. The beneficiary must promptly submit to the Secretariat of the Fund his/her grades at the end of each academic year. If the beneficiary fails to comply with this regulation, the Committee may require immediate and full repayment of the loan;
- e. Until the loan is fully repaid, the beneficiary shall inform the Committee, in a timely matter, whenever there is a change in the date of his/her graduation or completion of training, his/her immediate work plans, the date of his/her departure from the United States, and his/her guarantor(s) new contact information;
- f. The beneficiary agrees to submit information that may be requested by the Secretariat of the Fund such as contact information, experience as a beneficiary, and career advancement so as to evaluate the effectiveness of the loan program;
- g. The beneficiary agrees to return to his or her country of origin by the expected return date stipulated in the Loan Agreement, which is usually within one year of the expected graduation date of completion of studies covered by the Rowe Fund loan. In the event that a loan recipient fails to return to his/her country within the established one-year time limit, the full outstanding amount of the loan is due immediately;
- h. The beneficiary must abide by U.S. law requiring the return to their country of origin separately and in addition to Rowe Fund requirements. However, an extension of time to stay in the United States granted by the United States Government to students does not in and of itself grant the beneficiary an exception from the requirement of the Rowe Fund to return to his/her country of origin;
- i. The beneficiary and the guarantor must agree to submit to the jurisdiction of the judicial authorities and/or courts of his/her place of residence, and also to the jurisdiction in Washington, D.C., U.S.A., in connection with any legal action, demand, or any claim whatsoever to enforce compliance with the terms of the Loan Agreement. The beneficiary and guarantor must agree that the decision as to jurisdiction shall be the sole choice of the Rowe Fund Committee or its legal representative. The beneficiary and guarantor must agree to obey all notifications, summonses, and other legal procedures necessary for the enforcement of the terms of the Loan Agreement. In addition, the beneficiary and guarantor hereby authorize GS/OAS/OASFCU to request his/her credit report from the credit bureau, as needed, and beneficiary and guarantor shall sign all

documents required for making those inquiries. GS/OAS/OASFCU shall keep information obtained by way of those inquiries confidential.

LOAN REPAYMENT

- a. Loan repayment is scheduled in fifty equal monthly payments (rounded to the nearest dollar), and as specified in the Loan Agreement, the due date of the first payment, also referred to as “the payment start date”, is three months after the expected completion date of the studies for which the loan was approved;
- b. The borrower may not claim difficulties in obtaining the necessary U.S. dollar currency as an excuse for delaying or suspending his/her payments;
- c. Borrowers may pay their loans at an accelerated rate, increasing their monthly payment, or in a lump sum at any time;
- d. The Fund may not charge interest on student loans as long as the recipient fulfills his/her contractual obligations regarding the loan(s). Furthermore, loan recipients that fail to pay the first installment of their loan when due are subject to a one time delay fee.

In the event of any arrears of three or more monthly payments, without an appeal approved by the Fund Committee, or a violation of the terms established in Loan Agreement, the Fund may, at its sole discretion, take one or more of the following actions:

- i. Charge an annual interest penalty, as specified by the Loan Agreement, until the loan is paid in full. Nonetheless, the interest charge might be discontinued and the account may cease to be in arrears, if the borrower requests so in writing, and displays good payment behavior by making six consecutive monthly payments;
- ii. If arrears equivalent to three monthly payments remain, re-calculate (as many times as needed while monthly arrears persist) the minimum monthly payments required to fully repay the loan by the date corresponding to the terms in the Loan Agreement;
- iii. If arrears exceed the equivalent of six times the amount of monthly payments and/or no payments have been rendered for the past six consecutive months, the total amount owed, including cumulative interest accrued on the outstanding balance, will be due and must be paid immediately. The Fund shall notify the borrower and the guarantor(s) that, in order to honor their commitments, they must pay the full outstanding balance of the loan;
- iv. If after having sent the pertinent notification, the loan has neither been totally paid, nor has a good-faith payment been made, the total amount owed will increase by 10%. In addition, the account will be sent to a collection agency. The Fund reserves the right to contact both borrower and guarantor(s) at any time during loan repayment.
- e. Borrowers who fail to return to their country of origin and allege inability to repay the loan balance in full by the latest return date established in the Loan Agreement are subject to interest charges;
- f. If a borrower fails to return to his or her country and additionally falls into arrears for more than three monthly payments, the interest applicable will be the sum of the interest established in the Loan Agreement for both situations;
- g. The Fund may also take additional appropriate actions to ensure that the loans are repaid in full and within the terms agreed upon in the Loan Agreement; which may include, but it is not limited to: Reporting the borrower’s and guarantor’s defaults to the OAS Department of Human Resources, the U.S. State Department, the Department of U.S. Citizen and Immigration Services and credit bureau and credit rating organizations in the United States and elsewhere. Also, borrowers shall authorize requesting their credit report, as needed.
- h. Borrowers will be assessed penalty charges for checks returned by the bank for insufficient funds or pre-authorized charges to credit cards that are declined by the issuer;
- i. In the event of overpayment after the loan has been paid off, and if the borrower cannot be contacted or located, the money shall be kept as a positive balance in the borrower’s share account for eighteen months. Afterwards, the excess money will be allocated to the Fund’s loan guaranty donation account;
- j. A copy of the canceled Loan and Guarantor’s Agreement will be issued to the borrower and guarantor respectively.