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GENERAL CONDITIONS

By signing, the loan application and the guarantor's agreement, both the applicant and the guarantor, respectively, express their understanding and acceptance of the following conditions:

1. Eligibility Requirements

Undergraduate or graduate students from Latin American or Caribbean OAS member countries who are studying or have been admitted for studies in the United States in universities or colleges accredited by the corresponding regional or national council, and

Students, scholars, and professionals who are either currently pursuing or wish to pursue advanced studies, research, or technical activities in the arts or sciences in universities or colleges in the United States and who are able to demonstrate, to the Committee's satisfaction, (through reference(s) regarding their qualification(s), recommendation(s) from their teachers, and other records), their need for assistance, the usefulness of their studies and their ability to successfully complete them.

In addition, candidates must:

- a. Be a citizen of a Latin American or Caribbean member State of the OAS;
- b. Only individuals currently attending an accredited university in the U.S., must submit their transcripts and must possess an overall grade point average of 3.0, "B", or higher from their current or most recent academic institution;
- c. Be able to complete successfully the studies or research for which the loan is being requested within a maximum of two years.
- d. Have sufficient other sources of financing, such as savings, employment, fellowships, funds supplied by the students' family, etc. to cover the greater part of their academic expenses. Because of the supplementary nature of the loans awarded by the Fund, students may apply for a loan to cover expenses directly related to their studies or emergencies not covered by their principal sources of financing;
- e. Be accepted as a full-time student in an accredited institution of higher-learning in the United States for at least one academic period (lasting at least four months). A condition of the disbursement of the loans shall be the students' possession of a visa allowing them to study full-time in the United States; and
- f. Agree to return to their country of origin within the time limit allowed by U.S. laws for optional practical training (OPT), if granted. The purpose of the Fund is to contribute to the higher education of competent persons, who, upon completing their studies in the United States, will be in a position to give their respective countries the benefit of their training. Students staying in the United States for additional training or for any other reason for more than one year after the expected graduation date shown in the *Student Loan Agreement* may request an exception; otherwise they must repay the loan in full by that time.
- g. The applicant's Foreign Student Advisor must submit a form supporting the information provided in the student's application;
- h. Any official documents from academic institutions, such as transcripts of grades, diplomas, or the Foreign Student Advisor form, must be provided either as original documents duly sealed, stamped, or notarized, or under other safeguards that satisfy the Fund Secretariat of their legitimacy.

2. Amount that may be borrowed from the Fund

The maximum amount that may be lent to a Student is US\$15,000 in total during the course of the studies in the United States. If the student requires more than a year to graduate, no more than US\$7,500 can be disbursed to a student during any academic period. Also, from the loan amount, 0.5% will be deducted at the time of disbursement as insurance, so that the loan will be considered fully paid in the event that the student dies before repaying the loan.

3. Guarantor

Student loans must be underwritten by a guarantor who signs an agreement pledging to repay the unpaid balance of the debt should the loan recipient default. Acceptable guarantors may be:

- a. A person who is either a citizen or a permanent resident of the United States. In the case of either one or multiple loans to the same student, the guarantor must have a salary of at least five times (or net assets of at least fifty times) the total amount of the loan(s) being guaranteed.
- b. A financial institution, person, or other entity, or mechanism which, in the opinion of the Committee, provides adequate security.

4. Processing and additional conditions once a loan is approved

Loan applications are processed through the Secretariat of the Rowe Fund, which reviews the applicant's academic records and financial need. Once all documents have been received and evaluated, the Secretariat submits the application and its recommendation to the Committee. The decision of the Committee, which is final, will be communicated to the applicant by the Secretariat of the Fund. In accepting the loan, the recipient and the guarantor undertake to agree and abide by the terms and conditions of the contract entered into with the Fund, thus:

- a. The Student must maintain satisfactory 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 student pursues his/her program of study. If the student fails to comply with this regulation, the Committee may require immediate and full repayment of the loan;
- b. The Student must submit to the Secretariat of the Fund his/her grades and on academic progress at the end of each academic year. If the student fails to comply with this regulation, the Committee may require an early repayment of the loan;
- c. The Student may not claim difficulties in obtaining the necessary US dollar currency as an excuse for delaying or suspending his/her payments;
- d. The Student undertakes to apply the amount of the loan to the education-related purposes for which the loan was granted. If the Student 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, via the Technical Secretariat reserves the right to demand immediate repayment of the sum(s) advanced to the Student;
- e. Until the loan is fully repaid, the Student shall timely inform the Committee via the Technical Secretariat whenever there is a change in the date of his/her graduation or completion of training, his/her immediate work plan, the date of his/her departure from the United States, his/her new contact information.
- f. The Student 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 Student shall be required to notify the Rowe Fund Secretariat and produce another suitable guarantor.
- g. The Student and the guarantor must agree to submit to the jurisdiction of any of the Courts before which the Committee brings an action, whether on its own behalf or by third parties, to enforce compliance of the agreements, and to obey all notifications, summonses, and other legal procedures necessary for enforcement of the terms of the loan agreement;
- h. To help the Fund maintain a database of its borrowers, in order to evaluate the effectiveness of the loan program, the Student must agree to submit information that may be required by the Secretariat of the Fund on the Student's experience as a beneficiary of the Fund, and his/her professional career after completing the study program for which the loan(s) was (were) approved, etc.

- i. Unless a request for an extended stay in the United States is approved by the Committee, the Student must agree 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;
- j. Separately and in addition to Rowe Fund requirements for Students' return to their country of origin, Students must abide by U.S. law requiring returning to their country of origin. 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 Student an exception from the requirement of the Rowe Fund to return to his/her country of origin.

5. Loan Repayment

- a. Loan repayment is scheduled in no more than 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 graduation date of the studies for which the loan was approved;
- b. Borrowers may pay their loans at an accelerated rate, increasing their monthly payment, or in a lump sum at any time;
- c. 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, unless an exception is requested by the student and granted by the Committee. The Borrower may file for an extension no later than three months prior to the Borrower's expected departure date from the United States.
- d. The Fund will not collect interest on student loans as long as the recipient fulfills his/her contractual obligations regarding the loan(s). Loan recipients that fail to pay the first installment of their original repayment schedule shall be subject to a one time delay fee, unless they have filed for an extension no later than three months prior to the payment start date stated in their loan agreement. In the event of any arrears of three or more monthly payments, without an appeal approved by the Committee via the Fund's Secretariat, the Secretariat may take one or more of the following actions and notify both the Borrower and Guarantor:
 - i) In the event of any arrears over three monthly payments, charge an interest penalty, established in the respective loan agreement, until the loan is paid in full;
 - ii) If arrears equivalent to three monthly payments remain, the Fund's Secretariat may either, re-calculate and increase the borrower's minimum monthly payments;
 - iii) If arrears exceed the equivalent of six times the amount of monthly payments, the total amount owed, including cumulative interest accrued on the outstanding balance, will be due and must be paid immediately and the guarantor will also be notified and asked to pay 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 will be increased by a percentage designated by the Committee in accordance with the loan agreement. In addition, the account will be sent to a collection agency;
- e. 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;
- f. The Committee via the Secretariat of the Fund may take additional pertinent steps to ensure that the loans are repaid in the amounts and within the time period agreed upon in the loan contract; including: reporting defaults to credit bureau organizations in the United States, the OAS Department of Human Resources, U.S. State Department, and the Department of U.S. Citizen and Immigration Services;
- g. 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. The amount of those penalties will be set at least once a year by the Committee taking into account the practice of the OAS Staff Federal Credit Union.
- h. Any and all excess funds returned by the borrower, as appropriate during the repayment process, will be immediately credited to any outstanding balance on loans made to the borrower or on the borrower's behalf. In the event of excess funds remaining after the borrower's last installment passes and the loan is fully paid off, the borrower shall be contacted and the remaining amount directly issued to him or her, unless the borrower agrees to donate the remaining amount to the Rowe Fund.
- i. A copy of the canceled loan and guarantor's agreement will be issued to the borrower and guarantor once the loan is fully paid.