THE FOLLOWING QUESTIONS AND ANSWERS DESCRIBE MOST FEATURES OF THE EDUCATIONAL LOAN PLAN

Q. *Who is eligible for the Educational Loan Plan?*

A. Any member of the Treasury Department Federal Credit Union who will accept financial responsibility for the education of a family member or friend or for his own educational pursuits is eligible under the Educational Loan Plan.

Q. *What do you mean by education?*

A. A course of study pursued in any recognized educational institution.

Q. *What charges and costs may be included in an educational loan?*

A. Tuition, books, transportation, meals, room rent, clothing and all other incidental and miscellaneous costs *solely related to education.* Loans for automobiles may not be included as a part of educational loans.

Q. *What is the limit on funds I may borrow?*

A. The plan described herein lists up to $1,000 per semester or $8,000 for a 4 year total. It is felt that this will cover the average situation but of course higher amounts will be considered by the credit committee where needed. Where there are two or more students in the same family the credit committee will also work with the member to try to cover the needs.

Q. *What collateral will be required?*

A. Usually, the signatures of both parents and the student will be sufficient. Under certain circumstances the credit committee may accept the signature of one parent and the student. The student will be required to sign an acknowledgment that the loan is for his personal benefit. A letter or some other documentary evidence of the student's acceptance and attendance at college will be required within thirty (30) days after the start of the school semester. The credit committee may, however, ask for additional collateral where deemed necessary.

Q. *What is the interest rate?*

A. ¾ of 1% per month on the unpaid balance.

Q. *Are there any charges besides the monthly payment?*

A. No. Monthly payments include interest and principal.

Q. *Is prepayment permitted?*

A. Yes. As with any credit union loan the interest is charged against the unpaid balance so it is to your advantage to repay as soon as possible. Terms shown herein are the minimum terms and members are urged to repay faster whenever possible.

Q. *When are funds disbursed?*

A. Funds are disbursed to meet the tuition payment schedule as agreed upon at the time the loan is approved.

Q. *When are payments due?*

A. All educational loans will be due on the 10th of each month.

Q. *What happens if the student leaves school for any reason?*

A. The regular payment continues as before until all funds previously disbursed are fully repaid.

Q. *May I have an educational loan while I also have a regular loan from the credit union?*

A. Yes, provided the credit committee determines that you are able to repay all of your obligations.

Q. *How do I apply?*

A. Use the long form educational loan application. Each six months you will also complete an abbreviated form to report current information, at the time you receive the next disbursement of funds. The abbreviated form and a new signed note is required each six months following the original application. (Or each semester change in case of tri-semester or quarterly semester plans.)

Q. *Is this plan covered by life insurance?*

A. Yes, in the event the borrower dies or becomes permanently and totally disabled, the unpaid balance of the loan will be cancelled.

SAMPLE PLANS

PAY AS YOU GO

AMOUNT PER SEMESTER	AMOUNT PER YEAR	FOUR YEAR TOTAL	MINIMUM PAYMENTS* 8½ YEARS 102 PAYMENTS
$300.00	$600.00	$2,400.00	$29 per month
$400.00	$800.00	$3,200.00	$39 per month
$500.00	$1,000.00	$4,000.00	$49 per month
$600.00	$1,200.00	$4,800.00	$58 per month
$700.00	$1,400.00	$5,600.00	$68 per month
$800.00	$1,600.00	$6,400.00	$77 per month
$900.00	$1,800.00	$7,200.00	$87 per month
$1,000.00	$2,000.00	$8,000.00	$97 per month

* Payments of even dollars for your convenience, last payment will be less.