

# EMPLOYEE TUITION LOAN GUIDELINES

## AGREEMENT AND PROMISSORY NOTE

### LOAN REQUIREMENTS AND GUIDELINES:

- Maximum loan per year = \$1,000
- One year interest-free loan = 26 biweekly payments
- One year of full-time employment with the District to be eligible
- Proof of enrollment required
- Maximum one loan per year (regardless of amount)
- Course related to position held at college, and/or course related to degree or certificate
- Approval by supervisor

The District Governing Board of Yavapai College has agreed to make limited funds in interest-free loans available to full-time college employees to provide them the opportunity to pursue higher education coursework related to their position at Yavapai College, and/or coursework that is related to a degree or certificate. The loan will be subject to the promissory note of the College. The employee agrees that, if he/she defaults on the promissory note or otherwise breaches this agreement, the College may set off any wages or other monies, otherwise due and owing to the employee, towards payment of this loan, without any further notice.

The full-time employee listed below and Yavapai College hereby agree to the following terms and conditions for an interest-free loan from the College for the purpose of pursuing a course of study that relates to the employee's position held at Yavapai College, as itemized on the attached class registration receipt/confirmation from an accredited college, university, or technical school in the amount of \$\_\_\_\_\_ (not to exceed \$1,000). The loan is to be repaid by payroll deduction in 26 equal payments over one year in the amount of \$\_\_\_\_\_ each pay period.

All loan payments must be made within one year, or prior to the employee leaving the employment of Yavapai College, whichever comes first. The entire balance of the loan becomes due as of the last day of paid employment, if the employee terminates employment, voluntarily or involuntarily. The employee will have up to 30 days to pay the entire balance prior to collection action.

The College may retain any funds owing to the employee as a valid set off towards this loan, which may include any pay owing for work completed, any sick leave to be paid, or any vacation time accrued. The employee agrees to pay any and all legal and collection costs incurred by the college in collecting pursuant to this agreement or the promissory note.

Employee Name \_\_\_\_\_ SSN \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Supervisor Signature \_\_\_\_\_ Date \_\_\_\_\_

College Representative

Signature \_\_\_\_\_ Date \_\_\_\_\_

## PROMISSORY NOTE

PRINCIPAL AMOUNT \_\_\_\_\_ DATE \_\_\_\_\_

FOR VALUE RECEIVED, \_\_\_\_\_  
("Employee/Borrower") promises to pay to Yavapai College ("Employer/Lender") the principal sum of \_\_\_\_\_. It is the intent of the College to advance the principal sum to the Borrower at 0% interest rate to be repaid in accordance with the Employee Tuition Loan Agreement signed this same date. The loan is to be repaid in payroll deductions in 26 equal payments over one year in the amount of \$\_\_\_\_\_ each payroll period. The entire balance of this loan is to be paid prior to the Employee/Borrower terminating employment, and the College will retain any and all funds owing to the Employee/Borrower that remain in the possession of the Employer/Lender if any amounts are outstanding when the Employee/Borrower gives notice of leaving, defaults, or otherwise fails to abide by this payroll deduction repayment agreement. Prepayments may be made at any time with no penalty. All payments prior to any default shall be applied to the principal.

The maker of this note agrees to pay for any and all costs of collection related to the Employee Tuition Loan Agreement or this Promissory Note, including any sums due and payable on the original loan, attorney's costs and fees, investigator costs, or any other related costs to the extent permitted by law. Although this loan is being made to an Employee, as a community property state, the spouse is equally liable for any debt and has therefore signed this Note.

In addition, if the Employee/Borrower defaults under the terms of the Loan Agreement by failing to make payments by payroll deduction, interest shall begin to apply and accrue from the date of default at the rate of 10% per annum. This amount shall be added to the principal sum and any costs owing connected to any collection action.

This PROMISSORY NOTE shall be governed and enforced in accordance with the laws of the State of Arizona.

\_\_\_\_\_  
Employee/Borrower

\_\_\_\_\_  
Spouse of Employee, if applicable