

## SAMPLE LOAN AGREEMENT

I have been chosen to receive this loan, in part, because of my commitment to the development and prosperity of Africa. As such, I am expected to return to Africa upon the conclusion of my education (whether or not I earn a degree).

As a recipient of funding from Africa's Tomorrow I agree to the terms laid out below. My signature on this page indicates my consent to, and understanding of, the following terms:

- (1) Available funds may vary, depending on donations made to Africa's Tomorrow. Africa's Tomorrow makes no commitment to fully funding my education each year and all legal responsibilities rest on my official sponsor.
- (2) I agree to follow the guidelines laid out in the Standards Of Conduct For Students. If I fail to adhere to these standards I may face disciplinary action, including the possible loss of funding, and immediate loan repayment.
- (3) Africa's Tomorrow offers a **36-month grace period** and requires no repayment for the first 36 months after leaving school (whether or not I earn a degree).
- (4) I agree to maintain full-time status as a student. If I leave school or fall below full-time status, my 36-month grace period will begin (this does not include summers or other normal, scheduled school vacations).
- (5) If I have not returned to Africa by the end of my 36-month grace period, loan repayment will begin on the first day of the following month for the entire loan amount, plus a one-time loan fee of 5% of the total amount loaned to me by Africa's Tomorrow.
- (6) This total (loan amount, plus 5% loan fee) will be divided equally and repaid over a period of ten (10) years, with **zero interest**. Payments will be due on the **first of each month** after the grace period has ended.
- (7) If I miss any payments, or make a payment after the due date, I agree to pay a **fee of \$25** per late/missed payment, plus the required monthly payment.
- (8) I may pay back my loan, in full, at any time, without penalty.
- (9) If I return to Africa and I am living and working in Africa, my monthly loan **payments will be forgiven** for as long as I continue living and working in Africa, for up to ten (10) years, upon which time my loan will be completely forgiven. (See examples attached)
- (10) I agree to maintain a minimum cumulative GPA of 3.0 while enrolled in school, as well as participate in cultural and promotional activities, and complete annual reports and letters to donors as laid out in my acceptance letter.

# Africa's Tomorrow

*Building the future of Africa by investing in the youth of today.*

## **Example A:**

John is in school for 4 years and receives a total of \$12,000 in funding from Africa's Tomorrow. After graduation he gets a job and works in the U.S. for 29 months, saving money and making contacts. He then returns to Africa to live and work there and his loan repayment begins then.

The total to be repaid is \$12,600 (\$12,000 + 5% fee). Payments for ten years (120 months) would be \$105/mo, but since John is living and working in Africa, these payments are waived. John continues in Africa for the next ten years and his loan is completely forgiven. John has had to pay back nothing.

## **Example B:**

Janet is in school for 5 years and receives a total of \$10,000 in funding from Africa's Tomorrow. After graduation she gets a job and works in the US for 42 months. At 36 months her grace period ended and loan repayment began.

Total to be repaid is \$10,500 (\$10,000 + 5% fee). Payments spread over ten years would be \$87.50/mo. Janet is required to pay this amount for the six months after her grace period while she is in the U.S. (a total of \$525), but once she returns to Africa to live and work there, payments are forgiven.

After five years of no payments while living in Africa Janet decides to move to Europe and work there. At that time her payments are no longer waived since she has left Africa, and she will again be making the monthly payment of \$87.50. Janet is late on one payment and then must pay the \$25 fee, plus her regular monthly payment.

After 54 months (4.5 years) in Europe, she has completely repaid her loan obligation. In the end, Janet has repaid a total of \$5,275 (\$525 during the six months in the US, plus \$4,750 while in Europe (this includes the \$25 late fee)).