

P.E.O. Educational Loan Fund (ELF)

Policies Governing Loans



I. PURPOSE

The P.E.O. Educational Loan Fund (ELF) makes loans available to qualified women who desire a higher education and need financial assistance.

II. LOAN INFORMATION

The P.E.O. Educational Loan Fund trustees evaluate each application and determine the specific amount to be approved. The decision is based on the program of study and availability of funds. A student may apply for a loan up to the amount recommended by her sponsoring chapter.

Maximum loan amounts are:

- \$12,000 for a non-degree program or an associate degree
- \$15,000 for a bachelor's degree
- \$20,000 for a master's degree
- \$25,000 for a doctoral degree

Monies received from the P.E.O. Educational Loan Fund shall not be used for debt reduction (educational, personal, etc.).

Qualified Accredited Programs of Study

All programs and schools must be accredited U.S. or Canadian post-secondary institutions. Qualified programs of study include:

- Non-degree programs such as commercial, technical, vocational, professional training, certification, licensure, or an endorsement will be evaluated on an individual basis.
- An in-person or online associate, bachelor's, master's or doctoral degree program
- An internship or study abroad program that is included in an approved U.S. or Canadian degree program may be eligible.

Loan Disbursement

All loans will be disbursed in a single payment:

- After the borrower and the cosigner both electronically sign a promissory note provided by the P.E.O. Educational Loan Fund.
- Directly to the borrower.

Loan payments must be disbursed:

- Within six months of the date of loan approval.
- Not more than 24 months prior to the applicant's stated graduation or course completion date.
- Not less than four months prior to the applicant's stated graduation or course completion date.

Canadian Funds - Exception

Loans to Canadian women will be paid in Canadian dollars. If the Canadian recipient attends an accredited U.S. postsecondary institution and incurs expenses in U.S. dollars, payment may then be in U.S. dollars if requested by the recipient. In this case, the borrower must agree in writing to repay the loan in U.S. dollars.

Loan Terms

The current loan interest rate can be found on the P.E.O. International website www.peointernational.org.

Loans must be repaid in the same currency in which they were issued; i.e., loans issued in U.S. dollars must be repaid in U.S. dollars; loans issued in Canadian dollars must be repaid in Canadian dollars.

Loans up to \$20,000 will be due in full eight years from stated graduation date; loans greater than \$20,000 will be due in full ten years from stated graduation date.

Without exception, repayment of the loan principal and interest will begin six months after the borrower's stated graduation date or withdrawal from the educational program. The amount of the equal monthly payments will be established under the terms of the promissory note.

III. TERMS AND REGULATIONS

Eligibility

A woman is eligible to apply and receive consideration for an ELF loan if she:

- Is recommended by a local chapter of the P.E.O. Sisterhood with a favorable vote on the amount of the loan
- Is a citizen or legal permanent resident of and resides in the U.S. or Canada
- Submits an application within six to 24 months prior to the stated graduation or course completion date
- Has been accepted by or is enrolled full- or part-time in an accredited U.S. or Canadian post-secondary institution
- Has a high school diploma or the equivalent
- Demonstrates the academic ability to remain “in good standing”
- Meets the minimum credit score of 625
- Does not exceed the indebtedness limit for the degree level
- Has a qualified cosigner for the loan
- Does not have an outstanding ELF loan (see Additional Loan for one exception)
- Demonstrates financial need

The applications of individuals who satisfy the eligibility criteria will be evaluated on a non-discriminatory basis without consideration of race, national origin, religious affiliation or disability.

Scholastic Standing/Transcripts

An applicant must submit proof of enrollment in an accredited U.S. or Canadian post-secondary institution before a loan application can be approved.

An applicant must demonstrate the ability to maintain the scholastic standard required for graduation or completion by the school of her registration. The most recent transcript of grades available must be submitted as part of the application process.

An applicant with no college experience pursuing an associate degree must complete one grading period of study before a loan application can be approved.

Indebtedness Limits

The total indebtedness (excluding home mortgage for a primary residence) of an applicant for a loan shall not exceed the following limits:

- \$40,000 for a non-degree program
- \$75,000 for an associate degree
- \$100,000 for a bachelor’s degree
- \$135,000 for a master’s degree
- \$235,000 for a doctoral degree

The indebtedness limit for an applicant seeking a loan for a certification, licensure, or endorsement program is commensurate to the highest degree she has already earned.

An applicant must consent to the P.E.O. Educational Loan Fund obtaining her credit report to determine her eligibility for a loan. If consent is not granted, her application will not be processed.

If an applicant has been involved in bankruptcy proceedings, she will be considered for an ELF loan if a **minimum of three years** has elapsed since the date she was granted a discharge from bankruptcy.

Cosigner

One financially responsible adult cosigner who is a citizen or legal permanent resident and resides in the U.S. or Canada is required for each loan. ELF loans may not be cosigned by a spouse, fiancé(e) or partner of the applicant, or by someone who is a student. The cosigner may not personally have an outstanding ELF loan. An individual will be allowed to cosign a maximum of two active ELF loans provided the first loan is in good standing. The cosigner must consent to the P.E.O. Educational Loan Fund obtaining their credit report and must meet the minimum credit score of 660. The cosigner agrees to pay the debt should the borrower fail to do so.

Additional Loan

A student who did not borrow the maximum amount with her original application and has not completed the program or degree for which the original loan was awarded may apply for an additional loan such that the total of her loans would be no more than the maximum loan amount for the degree level.

IV. PRIVACY

The privacy of applicants and recipients will be maintained throughout the process, including but not limited to the following areas:

- The recommending chapter shall be notified of the approval or denial of an application but not the amount of an approved loan.
- Loan payment details are confidential and limited to the P.E.O. Executive Office, Executive Board of International Chapter, ELF trustees, recipient and her cosigner.
- A recipient’s personal, identifying information must be kept confidential and may be disclosed only in accordance with current International Chapter guidelines.