

# ALEX GILMER FLIGHT SCHOOL SCHOLARSHIP STUDENT LOAN AGREEMENT

**LOAN PARTIES:**

This loan agreement is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2019 by and between the Alex Gilmer Flight School Scholarship (hereinafter referred to as Alex Gilmer Scholarship), with its address at P.O. Box 1268, Poncha Springs, CO 81242-1002, and \_\_\_\_\_ (Recipient's legal name) hereinafter referred to as Student, whose permanent home address, email address, telephone number, social security number, and contacts are:

Permanent home address: \_\_\_\_\_

Email Address: \_\_\_\_\_

Telephone numbers: cell: \_\_\_\_\_ home: \_\_\_\_\_

Social security number: \_\_\_\_\_

**PURPOSE:** This loan, in the amount of **\$ 2,000.00** is for the express purpose of enabling Student the ability to finance a portion of his/her flight school training at a Flight School acceptable to the Scholarship Board of Directors while working towards a Student Pilot, Private Pilot, or Single and/or Multi-Engine or Commercial Pilot 's licenses/certificates.

**CHANGES IN PLANS:** The Alex Gilmer Flight School Loan Program recognizes conditions and plans may change. Should Student's plans change regarding the above stated educational program, Student must notify the Scholarship ([info@alexgilmerscholarship.org](mailto:info@alexgilmerscholarship.org)) of any changes including changes to address, email or phone number. To retain the loan, Student must have any program changes, ie change in flight school, approved by the Scholarship/Loan Committee. If Student drops out of or ceases to continue pursuing flight training, Student will be required to immediately commence repayment of the loan under the contract's terms agreed to below as a part of original loan approval. Should Student cease their flight training with their selected and pre-approved Flight School, all funds remaining in the loan account at their Flight School will be returned to the Alex Gilmer Scholarship account by said Flight School and Student will immediately commence repayment of only that portion of the loan funds utilized while at the Flight School.

**LOAN REPAYMENT SCHEDULE:** Since the Alex Gilmer Scholarship fund is structured to recycle loan monies to new recipients as the original loans are repaid by existing loan recipients, a regular monthly repayment schedule must be followed. By accepting the loan check (which is deposited in an account for the Student at their pre-approved Flight School), Student agrees to the following terms:

- 1) If all loan funds are not used by recipient within one year of funds being placed in the Flight School's account, in recipient's name, they will be released and revert back to the Alex Gilmer Flight School Scholarship Fund for use by future recipients.

- 2) The loan shall be repaid in the following manner:
- i) Loans granted are interest free so long as all terms and conditions are met.
  - ii) Loan payments shall commence no later than the one year anniversary date of the original loan but no later than the 1<sup>st</sup> y of May, 2020. A payment schedule has been developed that will allow for a minimum payment of \$60.00 per month (for payments 1 thru 32). The 33<sup>rd</sup> payment shall be in the amount of \$80.00. Each payment shall be mailed directly to the Alex Gilmer Flight School Scholarship, P.O. Box 1268, Poncha Springs, CO 81242.
  - iii) The \$60 per month payment is a minimum amount due each month; however, Recipient may make payments larger than the \$60 minimum or multiple payments in one month or can pay off the full balance due at any time during the 33 month repayment period and is encouraged to do so, if able.
  - iv) Payment is due on the first day of each month and must be received by the fund no later than the 5<sup>th</sup> day of each month for it not to be considered a late payment.
  - v) If more than three (3) loan payments are received after the 5<sup>th</sup> day of the month, the loan will be considered delinquent and interest will be charged to loan recipient as stated below "Interest Rate".
  - vi) Payments shall commence upon the one year anniversary date of the issuance of the original loan funds to the approved Flight School, in Student's name (approximately May 1<sup>st</sup>, 2020).

**INTEREST RATE:** The Alex Gilmer Scholarship/Loan Program is an interest free loan providing the recipient adheres to the repayment schedule as stated above. If Loan Recipient is consistently late making payments, i.e. more than three (3) late payments, the Grantor of the Loan will have the right to commence charging Recipient interest. If Student fails to make monthly payments when due and has not been granted a forbearance, the Alex Gilmer Flight School Scholarship fund may reasonably conclude that Student does not intend to honor this contractual commitment to repay the loan. The Board of Directors may then declare this loan in default and charge interest at the rate of 1-1/2 percent per month (18 percent APR) on the entire loan balance from the initial due date (one year anniversary). In addition, the fund may commence collection proceedings for which Student would be responsible for the payment of reasonable attorney's fees and all other costs necessary for the collection of amounts owed on this Agreement, as permitted by law.

**DEFERMENT:** If Student is unable to make the scheduled payments due to hardship or any other reasonable and acceptable cause, Student should immediately contact the Loan Committee ([info@alexgilmerscholarship.org](mailto:info@alexgilmerscholarship.org)) to request and possibly negotiate an alternative repayment plan. Reasons may include but are not limited to enrollment in a graduate program or loss of employment, deployment outside of the country, etc. If requesting a deferment or change in payment plan, proof of hardship may be required.

**PROMISSORY NOTE:** Loan Recipient hereby agrees, he/she has read and understands the above stated terms and conditions of this document. He/She understands that this is a promissory note. Student promises to re-pay the Alex Gilmer Flight School Scholarship fund any and all amounts accrued under the terms of this Agreement and any subsequent related Agreement.

Furthermore, he/she agrees to keep the Scholarship/Loan fund Board of Directors informed of the permanent address, telephone (cell) and email address through which Student can be reached for the duration of the term of this Agreement and of any subsequent Loan Modification Agreement.

Loan recipient hereby acknowledges receipt of a complete copy of this agreement.

IN WITNESS THEREOF the parties have executed this Loan Agreement as of the date first above written.

**RECIPIENT:**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**ALEX GILMER FLIGHT SCHOOL SCHOLARSHIP**

By: \_\_\_\_\_

Printed Name: Nancy B. Love – Secretary/Treasurer – AHG Scholarship