

New Employee Loan Policy

Updated July 2009

The purpose of this non-interest bearing loan program is to provide funds to new employees to assist with the costs of moving, deposits and other expenses due prior to receiving initial paychecks from the University. The University does not wish to be in the position of providing loans in competition with the credit union and other local institutions, so the loans will only be available to new employees who apply for the University loans prior to receiving their first University paychecks.

Description of Loan Program

Non-interest bearing short-term loans in amounts up to 1/14th of the employees' annual contract salaries, but not less than \$500 nor more than \$2,800 are available to full time contract employees who meet the general eligibility requirements and have the need for funds prior to their initial paychecks from the University. Loans will be on a one time basis and are not subject to increase or renewal.

General Eligibility

Loans will be available to employees:

- A) Who are full-time new hires to the University;
- B) Who are paid on a contract basis;
- C) Who apply for loans to be distributed prior to availability of the first University paycheck; and
- D) Who agree to repay the loans through automatic payroll deduction.

Terms and Conditions

Interest:	No interest provided payments are made as scheduled. From date of default, interest will be calculated at 10% per annum.
Service Charge:	None
Repayment:	By automatic payroll deduction with equal payments to be deducted each month to repay the loan in full by the end of the contract period. The employee may elect to repay the loan at an earlier date. The loan balance is due in full upon termination of employment.
Deferment:	Not available
Guarantee:	Third party guarantee not required.

Applications and Approvals

Applications for the Truman State University New Employee Loan Fund are available in the Human Resources Office or Academic College or School. All completed applications should be submitted to the Business Office.

New Employee Loan Fund Application

Truman State University

Business Office

McClain Hall 105

100 East Normal

Kirksville, Missouri 63501

1. Date: _____

2. Name: _____

3. Social Security Number: _____ 4. Department: _____

5. Date of Initial Employment: _____ 6. Contract Amount: _____

7. Loan Amount Requested:

1/14th of contract amount equals _____
Amount

Other _____
Amount (must be less than 1/14th of contract amount, and not less than \$500)

Note: Loan amount will be rounded to provide for equal payments.

8. When are the refunds needed? _____
Date

(First available 30 days prior to the start of employment)

9. Please provide an address and phone number to reach you in case we have questions about this application:

Phone Number: _____

Address: _____

10. How do you prefer to receive the funds?

Pick up at the Business Office

Call me at _____ when the check is available.

Telephone No.

Mailed (We will use the address listed in question 9 unless a different address is specified below.)

11. Standard repayment terms allow equal payments to be deducted from the monthly payroll check during the contract pay period. (For example, a \$1,500 loan for a faculty member taking pay over 12 months would be paid \$125 per month for each of the 12 months. A \$1,500 loan for a faculty member taking pay over 9 months would be paid at \$166.67 per month for each of the 9 months.) Which pay plan do you prefer?

_____ 9 months or _____ 12 months? (If selection is not made, payroll will assume 12 months.)

12. If you prefer to pay the loan more quickly than provided for in the standard plan, please describe proposed plan: _____

I am applying for an interest free loan available for new employees. I have read the new employee loan fund policy provisions and I agree to follow the terms and conditions of the policy.

Signature

Date

Business Office Use Only

Amount _____ Disbursement Date _____

Pick up Mail Payback at _____ per month for _____ months.

Approved

Date

Date: _____ Address: _____
SS #: _____
Amount: _____ Phone: _____

PROMISSORY NOTE
TRUMAN STATE UNIVERSITY

Name of Maker: (please print) _____
Last First Middle

For value received, I promise to pay to the order of Truman State University, the sum of _____
dollars. Amount

I promise to pay the above sum of principal through _____ monthly payroll deductions of _____,
beginning _____ and ending _____. Amount
Date Date

I agree that termination of my employment status at the University will cause this promissory note to become immediately due and payable.

I agree that if the promissory note is not paid in full by the maturity date, interest at 10% per annum on the unpaid balance will accrue effective with the date of default.

I further agree that in case this promissory note is not fully paid on or before the maturity date and the same is placed in the hands of a collection agency, I will reimburse the University for the costs of collecting this note, including the collection agency fee and any legal fees incurred by the University.

Amount Financed (Proceeds of Loan)	\$ _____
Finance Charge	\$ 0
Total Payments	\$ _____
Annual Percentage Rate	0%

ACKNOWLEDGMENT OF RECEIPT OF COPY

I certify I have read the above promissory note; I understand that it represents a legal debt, which must be paid by the maturity date; and I acknowledge receipt of a copy of the promissory note for my records.

Signature of Maker Date

State of _____
County of _____

Subscribed and sworn to before me this _____ day of _____ in the year _____.

Notary Public