

**SAIPAN HIGH EDUCATION FINANCIAL ASSISTANCE PROGRAM
(SHEFA)
MUNICIPALITY OF SAIPAN, OFFICE OF THE MAYOR
PMB 3648, P.O. BOX 10001, SAIPAN, MP 96950**

THIS PROMISSORY NOTE/ MEMORANDUM OF AGREEMENT made and entered into this _____ day of _____, 20_____, by and between the Board of SHEFA for the Municipality of Saipan within the Office of the Mayor of Saipan and _____, and/or with his/her parent, _____, if below 18 years, hereinafter referred to as the “Debtor” at address: _____ (permanent & current postal address) residing in _____ (village) of SAIPAN.

WITNESSETH

WHEREAS, Saipan Local Law (SLL) 13-21 established the Saipan Higher Education Financial Assistance within the Office of the Mayor of Saipan to be governed by the Saipan Higher Education Financial Assistance Board (SHEFA);

WHEREAS, the SHEFA Board, in administering the SHEFA fund, will enter into a legally binding and enforceable Promissory Note / Memorandum of Agreement with a qualified and eligible resident of Saipan together with a parent, if recipient of SHEFA financial assistance is below 18 years, prior to the disbursement of any SHEFA fund. In entering into a mutually binding promissory note / memorandum of understanding, the SHEFA board becomes the “Lender” of record for SHEFA fund and the recipient of SHEFA financial assistance together with the parent, if recipient is below 18 years, become severally and collectively the “Debtor” of any and all type and amount of SHEFA financial assistance received and acknowledged herein pursuant to Section Eight (8) of the SHEFA rules and regulations including: 1. Grant-in-Aid. 2. Scholarship. and 3. Loan.

WHEREAS, the Saipan Higher Education Financial Assistance (SHEFA) is established as a supplementary financial assistance to eligible residents of the Municipality of Saipan, inclusive of the Northern Islands who desire to pursue post-secondary education at a U.S. accredited institution of higher learning on Saipan or abroad on the condition that a recipient of SHEFA fund shall return to Saipan pursuant to SHEFA rules and regulations for purposes of employment, and to provide services to the private or public sector or both, in recognition of the need for educated citizenry and workforce on Saipan.

NOW, THEREFORE, in consideration of SHEFA financial assistance including grant-in-aid, scholarship and loan which recipient / debtor received and acknowledged by signing this promissory note / memorandum of understanding between the Debtor AND the Lender, the Debtor agrees, covenants and represents as follows:

1. The Debtor is admitted to or enrolled in _____(name of institution), a U.S. accredited post-secondary institution of higher learning in pursuit of a degree in _____ (specify type of degree or ~~certificate~~, e.g., A.A., B.A., M.A., PH.D., J.D. M.D., etc. and field of study).
2. The Debtor shall utilize all financial assistance for educational expenses directly related or incidental to attendance and continued attendance at ~~said~~ an institution of record and shall take ~~full-time load of credits~~ at least a minimum of 12 credits for undergraduate; 9 credits for graduate; and 9 credits for advanced standing and maintains the minimum or higher grade point average (GPA) in accordance with the SHEFA Rules and Regulations.

3. The Debtor shall complete the required credits at each academic term for the financial assistance received (mark one):

- I Undergraduate Full-Time: Twelve (12) or more credits
- ii. Graduate Full-Time: ~~Defined by the institution~~
Nine (9) or more credits
- iii. Advanced Full-Time: ~~Defined by the institution~~
Nine (9) or more credits

4. The Debtor shall maintain at the end of each academic term the required cumulative grade point average and term grade point average as it applies below by marking the appropriate category:

- i. Undergraduate: 2.5 Cumulative GPA ~~Full-Time~~
Twelve (12) or more credits
- ii. Performance-Based Scholarship: 3.5 Term ~~**GPA Full-Time~~
Twelve (12) or more credits

** Term refers to Fall Term and Spring Term per academic year for applicant or recipient on semester system; Fall Term, Winter Term and Spring Term for applicant or recipient on quarter system; Winter and Spring Term GPA may be combined in computing the higher of the term GPA for purposes of GPA scholarship. GPA scholarship for semester term is awarded on the fall and spring semester and fall and spring for quarter term.

- iii. Graduate: 3.0 Cumulative GPA ~~Full-Time~~
Nine (9) or more credits
- iv. Advanced: 3.0 Cumulative GPA ~~Full-Time~~
Nine (9) or more credits
- v. Priority Field of Study: 2.5 Cumulative GPA
- vi. Loan Applicant / Recipient: 2.5 Cumulative GPA.

5. The Debtor shall submit a copy of his/her official grade report / transcript promptly after the conclusion of each academic term directly from the institution to the SHEFA Office. ~~The grade report submittal will determine the eligibility for continued assistance on every subsequent term. At the end of each academic year, however, an official transcript must be sent directly from the school to the SHEFA Office .~~ Within ninety (90) days upon matriculation from the institution of record, the Debtor shall submit a copy of his/her college degree and proof of employment on Saipan or the Northern Islands. The Debtor also fully understands and agrees to his / her legal obligations pursuant to the explicit and implicit terms and conditions set forth in this promissory note / memorandum of agreement.

6. The Debtor understands, acknowledges and accepts the ~~following~~ maximum duration of eligibility for financial assistance from the SHEFA fund:

- 2 Academic Years - Associate Degree
- 4 Academic Years - Bachelors' Degree*
- 2 Academic Years - Graduate Degree
- 3 Academic Years - Advanced Degree**

* *maximum of five (5) academic years for specialized majors and / or specialized certification by the institution ~~of higher education~~ of record.*

** *maximum of ~~four(4)~~ three (3) academic years not including summer, with a provision for up to three (3) additional academic years for dissertation writing, dissertation defense, and internship requirements or medical degree training requirement, ~~or specialized J.D. training requirement~~ and up to two (2) years for Jurisprudence work or related residency, internship or related training requirements.*

7. The Debtor hereby declares that he/she is not pursuing an academic program that leads to a religious studies degree, and shall not take religion courses not specifically prescribed in the Individualized Degree Plan (IDP).

8. The Debtor shall agree to return to Saipan within three (3) months after the completion of his/her degree plan or termination of or non-enrollment from the institution of record, and provide services by working on Saipan for any employer—whether in the private or public sector or both. The Debtor further agrees to perform services in the private or public sector or both on Saipan for a period equal to the period for which the Debtor received financial assistance under Section 8(1)(2) of these rules and regulations from the Lender. The Debtor agrees to pay back twenty-five (25%) of the total amount of loan received under Section 8(3) of these rules and regulations and a minimum of three (3) years service to either in the private or public sector or both on Saipan. If the recipient of SHEFA financial assistance does not return back to Saipan after completion of his/her studies, or non-enrollment from school or termination from the institution of record, he / she must repay the entire debt back on all SHEFA funds received under Section 8(1)(2)(3) of these rules and regulations with interest in accordance with this Promissory Note / Memorandum of Agreement.

The Debtor understand and hereby agree that failure to comply with any part of sections 1-8 of this Promissory Note / Memorandum of Agreement and the SHEFA rules and regulations will constitute a material breach of the promissory note / memorandum of agreement and a default, and will require the Debtor to pay the entire award received. If such a default occurs, the Debtor must repay their entire debt to the Lender with equal monthly payments within (6) years of the default. The Debtor may repay according to any of the following repayment options as shown below.

Total Debt for repayment	Per Month 12 months	Per Month 24 months	Per Month 36 months	Per Month 48 months	Per Month 60 months	Per Month 72 months
\$1,000 - \$4,999	\$84 - \$417	\$42 - \$209	\$28 - \$139	\$121 - \$104	\$17 - \$84	\$14 - \$70
\$5,000 - \$9,999	\$417 - \$834	\$209 - \$417	\$139 - \$278	\$104 - \$209	\$84 - \$167	\$70 - \$139
\$10,000 - \$14,999	\$834 - \$1,250	\$417 - \$625	\$278 - \$417	\$209 - \$313	\$167 - \$250	\$139 - \$209
\$15,000 - \$19,999	\$1,250 - \$1,667	\$625 - \$834	\$417 - \$556	\$313 - \$417	\$250 - \$334	\$209 - \$278
\$20,000 - \$24,999	\$1,667 - \$2,084	\$834 - \$1,042	\$556 - \$694	\$417 - \$521	\$334 - \$417	\$278 - \$348
\$25,000 - \$29,999	\$2,084 - \$2,500	\$1,042 - \$1,250	\$694 - \$834	\$521 - \$625	\$417 - \$500	\$348 - \$417
\$30,000 - \$34,999	\$2,500 - \$2,917	\$1,250 - \$1,459	\$834 - \$973	\$625 - \$730	\$500 - \$584	\$417 - \$487
\$35,000 - \$40,999	\$2,917 - \$3,334	\$1,459 - \$1,667	\$973 - \$1,111	\$730 - \$834	\$584 - \$667	\$487 - \$556

The Debtor must inform the Lender of which repayment schedule he or she has accepted within thirty (30) days of the default. If the Debtor does not select a repayment schedule within thirty (30) days, the Debtor will be deemed to have selected the "Per Month 72 Months" repayment schedule listed above.

The Debtor(s)'s first monthly payment shall be due on the first of the month following the default, but at least thirty (30) days after the default. All subsequent payments will be due on the first of each following month until the Debtor repay the entire debt to the Lender. Note: The Debtor may pay the balance in full at any time within the schedule plan.

10. If the Debtor fails to pay any monthly payment, or of any part of any monthly payment, ("Payment Default") then the whole principal sum shall become immediately due and payable at the option of the Lender, without notice, and interest shall accrue at the rate of five percent (5%) per annum on the total amount outstanding. Interest shall accrue until Debtor fully cures the Payment Default by paying all past due monthly payments and all accrued interest. Payments received shall be applied first to the accrued interest and then the balance thereof to the principal.
11. Military Deferral. The time for the Debtor to comply with the requirements of Section 8, above, shall be extended upon request if the Debtor enlist in the armed forces of the United States of America. Specifically, the Debtor's obligation to comply with the requirements of Section 8 shall be deferred, upon request, until the Debtor's service in the armed forces ends. The Debtor may take advantage of this deferral for a maximum of three years after the termination or completion of his/her degree plan or non-enrollment from an institution of higher education of record. Once the Debtor's service in the armed forces ends or three years passes from the termination or completion of his/her degree plan or non-enrollment from institution of higher education of record, whichever event occurs first, the Debtor shall have to comply with the requirements of Section 8. All deferrals granted under this section are not valid unless approved in writing by SHEFA. The Debtor must renew his or her deferral annually.
12. In the event of commencement of suit to enforce payment of this Promissory Note / Memorandum of Agreement, the undersigned agree(s) to pay to the Lender for attorney's fees as the Court in the Commonwealth of the Northern Mariana Islands may deem reasonable.
13. The recipient of SHEFA financial assistance together with the parent, if applicant is below 18 years, fully understands and agrees that compliance with the provisions in this Promissory Note / Memorandum of Agreement and all provisions of the SHEFA rules and regulations shall constitute a condition for any and all financial assistance herein by SHEFA as hereby acknowledged and attested to by both the recipient and parent, if recipient is below 18 years. Moreover, this agreement shall authorize SHEFA to request and obtain any and all necessary information from other agencies related to the application for financial assistance, and shall further authorize the SHEFA Office to provide essential information and data such as resume, diploma or degree, name and contact mailing or e-mail addresses to potential employer(s) on Saipan, including posting such information and data on SHEFA's website or its affiliate on Saipan.
14. The parties agree that the courts of the Commonwealth of the Northern Mariana Islands (Superior Court and Supreme Court) shall have exclusive jurisdiction over any Action involving this Promissory Note/Memorandum of Agreement.

This Agreement shall be interpreted using the laws of the Commonwealth of the Northern Mariana Islands.

IN WITNESS WHEREOF, the recipient (Debtor) and / or parent, if recipient is below 18 years, have hereunto set his / her or their hand(s) on the date first above written.

Print Recipient Name / Signature _____
Date

Print Parent Name / Signature _____
Date
(If Recipient is below 18 yrs.)

NOTARY PUBLIC:

On this ____ day _____ of 20____, before me appeared _____ and _____ (recipient parent, if recipient is below 18 years), who executed the agreement contained herein, and duly acknowledge to me that he/she and parent, if recipient is below 18 years, executed the same freely and voluntarily for the uses and purposes therein mentioned.

Notary Public (Print & Sign) My Commission expires: _____

For SHEFA:

Chairman, Board of SHEFA _____
Date

For the Municipality of Saipan:

MAYOR 'F qpcif 'R0Hqt gu'***** _____
Date