



## Scholarship Forgivable Loan Information Sheet

### **General Information:**

VSAC administers several forgivable loan programs on behalf of the state of Vermont and private donors to encourage students to enter the Vermont workforce in specific high-demand fields. These unique loans:

- are interest free, unless otherwise stated in the promissory note.
- require awarded students to sign a promissory note committing to a specific work obligation when they accept the funding.
- do not require payment while the student is enrolled in the applicable degree or training program or is enrolled in an apprenticeship or residency program.
- are “forgiven” — which means that the loan does not have to be paid back — when, after completion of their program, the student meets the work obligations, as outlined in their signed promissory note.
- must be repaid with monthly installments if the student does not complete the program, does not receive their license (if applicable), or does not work in the field within Vermont following completion of their program/licensure (if applicable).
- have funding that is conditional upon annual legislative approval and receipt of funds from the state of Vermont and/or private donor.
- are not renewable, students must reapply each year.

### **Award Amount & Promissory Note:**

- The award amount is based on the tuition the recipient reported on their application. If the recipient changes schools, or their tuition charges change, the award amount may change.

- The original promissory note must be filled out, signed and returned (all pages) via US mail or in person to VSAC Scholarships Program within 30 days. Recipients should make a copy of their completed promissory note and keep it for their records.
- No enrollment verification or disbursement will occur until the signed promissory note is returned to VSAC Scholarships Program.

#### **Enrollment Verification & Disbursement:**

- Verification of enrollment, academic standing, and tuition will take place after classes begin each semester. VSAC Scholarships Program will work directly with the recipients' school to verify enrollment, academic standing, and tuition for the semester.
- The amount disbursed is based on the number of semesters in the academic year, the tuition verified by the school, and the maximum award amount.
- If the recipient is meeting the requirements for disbursement (one of which is to maintain satisfactory academic progress or "SAP"), a check will be mailed directly to the school.
- If the recipient does not meet the requirements for disbursement, a letter will be mailed to them explaining why they were not eligible for disbursement.

#### **Annual Loan Verification:**

- VSAC Scholarships Program will send an Annual Loan Verification mailing to all recipients with an outstanding employment commitment to determine if recipients are fulfilling the requirements of the forgivable loan. Recipients are responsible for ensuring that VSAC Scholarships Program has a current mailing address on file.
- This mailing will consist of a cover letter and Recipient Verification Form. The complete, signed Recipient Verification Form and all required documents must be returned to VSAC's Scholarships Program by the assigned deadline. Failure to do so may result in the loan going into repayment. Recipient Verification Form and required documents may be submitted separately.
- If the recipient has completed the program paid for by the forgivable loan, has passed their licensure exam (if applicable), and has obtained employment in Vermont in the field for which they were trained, they will need to provide their employer's name and mailing address. VSAC will mail the Employment Verification Form to the employer.
- Recipients must be employed a minimum of 10 hours per week for their employment to count towards their commitment.
- Once all required documents have been received, they will be reviewed, and a letter will be mailed to the recipient indicating the status of their forgivable loan. This process can take several weeks.

- Recipients will receive the Annual Verification mailing each year until they have fulfilled the employment commitment.
- The recipient's forgivable loan will remain in good standing (out of repayment) until they are no longer pursuing the education paid for by the forgivable loan or are not employed in Vermont in the field for which they received the forgivable loan.

**Self-Employment (VT Trades Scholarship Recipients Only):**

1. Business must be registered with state of Vermont Office of Professional Regulation.
2. Recipients will need to complete and return the Self-Employment Verification Form with required documents by the assigned deadline.