



WARNER PACIFIC COLLEGE

 FLOURISH

[FOR FIRST-TIME FRESHMEN STUDENTS – NO SIGNATURE REQUIRED]

RE: The Freedom to Flourish Award Letter

Dear Student,

We recognize that many students and parents have concerns about the amount of student loans required to finance higher education. We are confident in the economic value of higher education, and want to reduce any concerns about student loans. We also want to support and enable careers in public service after graduation.

Warner Pacific College is pleased to offer you the opportunity to enroll in the Freedom to Flourish Loan Repayment Assistance Program (LRAP). The Program provides substantial loan repayment assistance to graduates who find themselves with modest incomes. Our LRAP is modeled on popular LRAPs that Yale Law School and other leading law schools have used for decades to help their students deal with large student loans. We want our students to enjoy this same benefit.

There is no cost to you. Simply attend and graduate from Warner Pacific College.

If your annual income after graduation is below \$37,000, the “upper income threshold,” we will help you repay your student loans. Loans borrowed for your semester beginning in **Fall 2014** and following semesters through graduation will be covered by the LRAP (subject to limits provided in the attached Terms & Conditions).

The attached LRAP Terms & Conditions (Version v080613) which are incorporated herein as part of this Award Letter, provide details about how LRAP works. In general, if your annual income is below \$20,000 – the “lower income threshold” – we will reimburse you for the entire amount of your loan payments that year. The assistance will be reduced proportionately as your income increases to the upper income threshold stated above. For example, if your income is half-way between the upper and lower income thresholds, we will reimburse you for half of your eligible loan payments that year.

If you would like more information, please contact us, and we will be happy to answer your questions about LRAP. We look forward to seeing you on campus.

Sincerely,

Warner Pacific College

Please visit www.myLRAP.org for more information

Please keep a copy of this Award Letter (and attached Terms & Conditions) for your records.

Loan Repayment Assistance Program

TERMS & CONDITIONS

For the Freedom to Flourish LRAP at Warner Pacific College

General Program Features

The following Terms and Conditions govern the Freedom to Flourish Loan Repayment Assistance Program ("LRAP" or "Program") for students who receive an LRAP Award Letter in 2013 or 2014. You are receiving this Award Letter from your Designated Institution. LRAP Association, Inc. administers this program on behalf of your Designated Institution.

To receive Repayment Assistance under this LRAP, you must:

- (1) Enroll at the Designated Institution named in your Award Letter;
- (2) Graduate from that Designated Institution with a Bachelor's Degree (e.g., a B.A. or B.S.) within six years from either the date of your Award Letter or your first enrollment date at the Designated Institution, whichever is later; and
- (3) Be employed and meet the eligibility criteria outlined herein.

Eligible Income

If your Annual Income after you graduate is below the Income Thresholds specified in your Award Letter, you will be eligible to receive Repayment Assistance in full or in part as you repay your Covered Loans, as specified herein. If your Annual Income is below the Lower Income Threshold, you will be eligible to receive Repayment Assistance equal to the total amount of your eligible student loan payments on Covered Loans. As your Annual Income increases from the Lower Income Threshold to the Upper Income Threshold, the Repayment Assistance will be reduced by a proportionate amount. For example, if your Annual Income in a given year was half way between the Upper Income Threshold and Lower Income Threshold, then you will be eligible to receive Repayment Assistance equal to one-half of your total eligible loan payments that year.

Covered Loans

This Program covers all student loans certified by your Designated Institution's financial aid office and borrowed in earning your Bachelor's Degree at the Designated Institution (within the 6 year limit specified in General Program Features), but not to exceed \$17,000 in any academic year, and not to exceed an aggregate total of \$70,000. This includes all federally subsidized and unsubsidized loans, private alternative loans, and PLUS loans to parents (for payments made after graduation). This Program does not include credit card debt used to pay educational expenses or loans from your family or friends. You may consolidate your loans. Loans must be on a minimum 10 year repayment schedule. Repayment Assistance is based on the standard monthly payment amounts (i.e. you may pay additional amounts, to repay your loan faster, but you will not be reimbursed for those additional amounts). For federal student loans that have a six month grace period after graduation, Repayment Assistance will begin after the six month grace period (i.e. we do not reimburse you for payments made earlier if you choose to begin repayment on those loans earlier).

Eligibility Period

To be eligible under this Program, you must initially qualify to receive Repayment Assistance within 18 months after the date of your graduation. However, if you enroll full-time in graduate school, we will extend this deadline to initially qualify for Repayment Assistance for the length of time that you are enrolled in graduate school. We will also extend this deadline if you are enrolled full-time to earn a second bachelor's degree (Please note however, that this LRAP award does not cover debt you borrow for graduate school or an additional bachelor's degree). For example, if you are in graduate school full-time for three years, the deadline will be extended three years. Similarly, if you work outside the U.S., we will extend the deadline for the length of time you are working outside the U.S. for up to a maximum of three years. If you do not qualify for Repayment

Assistance before that deadline (with extensions, as appropriate), you cannot qualify later. Similarly, after you have begun receiving Repayment Assistance, if you enroll full-time in graduate school or work outside the U.S., you will not be eligible to receive Repayment Assistance during that time. You may resume eligibility to receive Repayment Assistance once you finish graduate school or return to the U.S. (so long as you continue to meet all other criteria). If your Annual Income in any year increases to a level above the Upper Income Threshold so that you no longer qualify, you may not qualify later even if your income in a subsequent year decreases to an amount below the Upper Income Threshold.

Eligible Employment

To qualify for Repayment Assistance in any quarter and year after graduation, you must be employed at least $\frac{3}{4}$ time (i.e. working at least 30 hours per week), for at least 9 months of the calendar year. However, during the calendar year that you graduate, you will be eligible for Repayment Assistance if you are employed for at least $\frac{3}{4}$ time for at least four months (rather than 9 months). To qualify for Repayment Assistance in any quarter and year under this LRAP, you must be a legal U.S. resident and must work in the United States (i.e. the fifty states or District of Columbia).

You will not be eligible to receive Repayment Assistance if you are self-employed or if you are employed by your family or by a business controlled by members of your family. Family includes relatives by blood or marriage who are your parents, siblings, children, grandparents, uncles, aunts, or cousins.

If you do not meet the Eligible Employment terms, but (a) your spouse does (e.g. your spouse does not work for family, is not self-employed, and is a college graduate), (b) you are at home raising your children, and (c) neither you nor your spouse is enrolled as a graduate student, then you will be eligible to receive Repayment Assistance based on your total household Annual Income.

Certain positions and experiences that graduates seek out after graduating from college pay a nominal amount, like a job, but share more characteristics with a fellowship or volunteer opportunity. Employment, for purposes of qualifying to receive Repayment Assistance under this program, must pay at least the federal minimum wage.

Repayment Assistance Procedures

Proportionality

Repayment Assistance will be reduced proportionately if you work less than full-time or less than 12 months. For example, if you work 30 hours per week, you will receive $\frac{3}{4}$ of the full-time Repayment Assistance. Also for example, if you work for 10 months of the year, you will receive Repayment Assistance for those 10 months – but not for the 2 months that you do not work. If you work less than full-time or less than the full year, your Annual Income will be annualized as if you worked full-time for the full year and this Annualized Income will be compared against the Income Thresholds in your Award Letter. Full time teachers on 9 or 10-month contracts will be deemed to have been employed for the full year and will be eligible to receive full-year rather than partial-year Repayment Assistance. Full or part-time academic study does not qualify as Eligible Employment for purposes of receiving Repayment Assistance (however, such academic study will often qualify you to defer payment on your loans; check with your lenders to determine the conditions for your specific loans). To calculate your Repayment Assistance, we will calculate your Annual Income as described below in the Definitions section. Your Repayment Assistance will be calculated after taking into account any loan repayment assistance for which you qualify under any federal, state or other program (e.g. federal Income Based Repayment or “IBR”).

Process

Repayment Assistance is made quarterly. We evaluate your eligibility on a month to month basis (e.g. you cannot qualify based on a single week). For quarters in which you qualify for Repayment Assistance, you must submit to LRAP a brief income and loan payment verification form after the end of each such calendar quarter in order to receive Repayment Assistance. You must submit this request for Repayment Assistance no later than

one year after the end of the quarter for which you are seeking Repayment Assistance. We will then mail a check within thirty days (or request more information, if needed).

You should receive a copy of the income and loan payment verification form during your student loan exit interview. (You may also obtain the form by emailing StudentService@myLRAP.org, or by calling (877) 577-5727). If there is a cosigner to a loan, and the co-signer is the one making the actual payments on that loan, then if you agree, the cosigner will be reimbursed directly for the Repayment Assistance for which you qualify for that loan.

OTHER

Assignment

You may not assign this Repayment Assistance to a third party.

Confidentiality

We will maintain the confidentiality of your information. In accepting this award, you authorize your Designated Institution to share and receive information about your academic status, student loans and other information relating to your participation in this Program with and from LRAP Association (and its affiliates) which administers this Program.

Dispute Resolution

Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The parties agree that the Association's total liability to any student or party covered under the Program shall not exceed the total amount of the Covered Loans outstanding at the time of such claim.

Maintaining Eligibility

To remain eligible to receive Repayment Assistance after graduation, you must maintain good standing while you are a student at the Designated Institution according to that institution's definition of such. The Designated Institution makes decisions considering good standing. You are expected to remain current on your Covered Loans. If you incur fees or penalties because you make late payments or are in default, those costs will be excluded from any Repayment Assistance. The cost of this program is paid by your Designated Institution or a donor. If your Designated Institution or donor does not remain current on their fees owed to LRAP, you will not be eligible to receive repayment assistance.

Definitions

Annual Income

Annual Income is defined as follows. First, we take the greater of (1) your total personal income from all sources (e.g., your Total Income, as defined for federal tax purposes, plus other amounts (e.g., 401(k) contributions), plus any other substantial non-taxed income (e.g. housing allowance)), or (2) one-half of your total household income (including your spouse's income) from all sources. Second, we annualize that as if you worked full-time for the full year.

Award Letter

The letter outlining your participation in this LRAP to which these Terms and Conditions are attached, which specifies your Designated Institution and your Income Thresholds.

Covered Loans

This LRAP covers all federal subsidized and unsubsidized loans, private alternative loans and Parent PLUS loans certified by the financial aid office at the Designated Institution, borrowed within the time frame specified in your Award Letter and for the degree specified in your Award Letter.

Designated Institution

The college or university specified in your Award Letter.

Income Thresholds

The Lower Income Threshold and Upper Income Threshold as specified in the Award Letter.

Repayment Assistance

Payments made to you under this LRAP for which you qualify under these Terms & Conditions, to reimburse you for all or a portion of payments made on your Covered Loans.