

**MEDICAL SOCIETY OF SEDGWICK COUNTY
MEDICAL CAREERS LOAN FUND POLICY AND PROCEDURES**

The MSSC Medical Careers Loan Fund (the Fund) was established by the Society and the Medical Society of Sedgwick County Alliance in 1960 to assist qualified students from Sedgwick County who have been accepted by an accredited medical, osteopathic or allied health related school for educational training in the fields of medicine, nursing, medical technology, x-ray technology, inhalation therapy or other recognized allied health fields.

Loans will be granted for tuition, books, fees and related expenses with these monies paid directly to the Registrar of the involved school. The amount to be loaned annually will be determined by the Fund's committee, based on the applicants financial needs, but not to exceed \$6,000. Monies for other expenses may be loaned if approved by the Fund's committee.

All promissory notes must be signed by a guarantor named by the promisor who is suitable to the Fund. If the promisor is married, the spouse must co-sign the promissory note in addition to the guarantor. A new promissory note shall be signed whenever a new loan is made or an existing loan is renewed. The signed promissory note must be completed and returned before any payments are made to the involved training institution.

A term or universal life insurance policy in the amount of at least \$25,000.00 will be taken out on each loan recipient (Promisor). Premiums will be paid by the fund and charged to the Promisor's account. The Promisor may choose to continue or drop this coverage after the loan has been repaid. The policy will be collaterally assigned to the Fund until the loan has been repaid. In the event of the Promisor's death, the loan and accrued interest will be repaid from the policy proceeds. Monies in excess of this liability will be paid to the named beneficiary of the policy.

Financial assistance through the Fund is for one year. If assistance is needed for the following school year, a letter must be forwarded to the committee by April 1, requesting such.

The interest rates charged on all loans and loan repayment policies are as follows:

- (a) No interest will be charged while the Promisor is attending an accredited medical, osteopathic or allied health school through the date of graduation.
- (b) Interest at the Federal Student Aid Program rate will be charged from the date of graduation and continue at this rate so long as Promisor is engaged in an approved residency or post-graduate training program.

(c) If the Promisor does not enter an approved residency or post-graduate training program or upon termination or completion of a residency or post-graduate program, interest at the Federal Student Loan Program rate on the date of graduation plus 2% will be charged and will continue until the loan, including principal and interest is repaid in full.

The repayment policies are as follows:

The Promisor agrees to begin repayment of the principal and interest due on this note in monthly installments, as follows, commencing on the first day of the 25th month for medical, osteopathic students or the 6th month for nursing and allied health students following the date of graduation. Provided, however:

- (a) If Promisor is not regularly participating in an approved residency program the total balance (principal and interest) shall be paid within seven (7) years from date of graduation in equal monthly installments, commencing on the 25th month following the date of graduation, or
- (b) If Promisor is a participant in an approved residency training program, minimum monthly payments shall be made in the amount of \$100.00 beginning the month after entering the residency program and continuing so long as Promisor is regularly engaged in the residency program. Upon termination or completion thereof, the unpaid balance of principal and interest shall be paid in equal monthly installments spread over the remainder of the ten (10) year period from the date of graduation from a medical or osteopathic school, or
- (c) If Promisor is enrolled in an allied health school, the principal and interest shall be paid in equal monthly installments (minimum \$100/month) commencing the 1st of the 6th month following the date of graduation. Total repayment is to be spread over the remainder of the four (4) year period from date of graduation.

Notwithstanding any other provision in this note, the Fund may without notice, demand or declare the entire unpaid principal, together with accrued interest, immediately due and payable upon occurrence of any of the following events:

- (a) Promisor's education in the fields of medicine, osteopathy or allied health ceases or is terminated before graduation.
- (b) Default of payment of any of the installments as herein provided.
- (c) Upon the 4th (allied health), 7th (non-residency) or 10th (residency) anniversary, whichever is applicable, from Promisor's graduation.

This note may be prepaid in whole or in part at any time without penalty. At the Promisor's option, the monthly installments may be initiated earlier than scheduled and/or in larger amounts. Payments shall be credited first to interest and then to principal. All payments shall be made payable to the Medical Careers Loan Fund and forwarded to the Medical Society of Sedgwick County, 1102 South Hillside, Wichita, Kansas 67211 or at such other place as the lender hereof shall advise the Promisor in writing. The Promisor shall inform the Medical Society of Sedgwick County of each change of address so long as this note remains unpaid.

In cases of hardship the terms of this note may be re-negotiated on an individual case basis by the committee upon written request of Promisor.

These policies and procedures may be amended by the Fund's governing committee at any time without giving notice to any party. Approved changes will apply to new loans or loan renewals made on or after the date the amendment was approved.

Last revised September 2006

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