

Dear **Student Name**,

Congratulations on being chosen to receive a South Dakota Freedom Scholarship! This award includes a needs-based scholarship to one of 11 participating universities in South Dakota. There is no requirement to pay back this scholarship if the following requirements are met:

- Maintain a cumulative Grade Point Average of 2.0 while receiving the scholarship.
- Pursue a baccalaureate degree.
- Graduate in five years or less.
- Live and work in South Dakota for at least three years following graduation.

If you are unable to fulfill any of these requirements, the scholarship amount will be reverted to an interest-bearing loan with a fixed interest rate of 4 percent.

Because this scholarship could be reverted to a loan, we are required by the Truth in Lending Act to provide the enclosed lending disclosures. Again, this will only occur if you are unable to fulfill the requirements listed above. We do, however, require you to provide signatures where indicated.

1. Solicitation Disclosure -- includes information regarding the cost of the loan, repayment terms
2. Approval Disclosure -- includes information on the interest rate, fees and costs, repayment terms, consumer rights and alternatives to this private education loan.
3. Closed-End Credit Disclosure —includes information about the finance charge for the term of the loan and the dollar amount the credit will cost you.
4. A Self-Certification Form **must be signed by you**, the consumer, before closing on the loan.
5. Freedom Scholarship Assurance Agreement and Promissory Note **must be signed by you**, the consumer. These are the loan documents that spell out the stipulations of the scholarship and the amount awarded this year.

\*\* After your acceptance and before disbursement of the loan, a final disclosure will be provided via email that includes interest rate information, fees, default or late payment costs, repayment terms and a statement of the consumer's rights and methods of cancellation. You will be given until midnight on the third business day after receiving the final disclosure to cancel the Freedom Scholarship.

We are excited to award you this scholarship and we look forward to having you join South Dakota's workforce. The South Dakota Freedom Scholarship is our state's first public-private partnership to provide needs-based scholarships to qualifying students. The program is managed by the South Dakota Community Foundation, and we ask that you contact us with any questions you might have. Best wishes for a great year ahead!

Sincerely,  
Elli Haerter  
Freedom Scholarship Coordinator  
ehaerter@sdcommunityfoundation.org  
Tel: (605) 786-2407



# Private Education Loan

## Applicant Self-Certification

South Dakota Freedom Scholarship Board  
c/o South Dakota Community Foundation  
PO Box 296  
Pierre, SD 57501

OMB No. 1845-0101  
OMB Approved  
Exp. Date 8/31/2022

**Important:** Pursuant to Section 155 of the Higher Education Act of 1965, as amended, (HEA) and to satisfy the requirements of Section 128(e)(3) of the Truth in Lending Act, a lender must obtain a self-certification signed by the applicant before disbursing a private education loan. The school is required on request to provide this form or the required information only for students admitted or enrolled at the school. Throughout this Applicant Self-Certification, "you" and "your" refer to the applicant who is applying for the loan. The applicant and the student may be the same person.

**Instructions:** Before signing, carefully read the entire form, including the definitions and other information on the following page. Submit the signed form to your lender.

### SECTION 1: NOTICES TO APPLICANT

- Free or lower-cost Title IV federal, state, or school student financial aid may be available in place of, or in addition to, a private education loan. To apply for Title IV federal grants, loans and work-study, submit a Free Application for Federal Student Aid (FAFSA) available at [www.fafsa.ed.gov](http://www.fafsa.ed.gov), or by calling 1-800-4-FED-AID, or from the school's financial aid office.
- A private education loan may reduce eligibility for free or lower-cost federal, state, or school student financial aid.
- You are **strongly** encouraged to pursue the availability of free or lower-cost financial aid with the school's financial aid office.
- The financial information required to complete this form can be obtained from the school's financial aid office. If the lender has provided this information, you should contact your school's financial aid office to verify the information and to discuss your financing options.

### SECTION 2: COST OF ATTENDANCE AND ESTIMATED FINANCIAL ASSISTANCE

If information is not already entered below, obtain the needed information from the school's financial aid office and enter it on the appropriate line. Sign and date where indicated. See Section 5 for definitions of financial aid terms.

- |  |    |
|--|----|
| A. Student's cost of attendance for the period of enrollment covered by the loan   | \$ |
| B. Estimated financial assistance for the period of enrollment covered by the loan | \$ |
| C. Difference between amounts A and B  | \$ |

**WARNING:** If you borrow more than the amount on line C, you risk reducing your eligibility for free or lower-cost federal, state, or school financial aid.

### SECTION 3: APPLICANT INFORMATION

Enter or correct the information below.

Full Name and Address of School \_\_\_\_\_

Applicant Name (last, first, MI) \_\_\_\_\_ Date of Birth (mm/dd/yyyy) \_\_\_\_/\_\_\_\_/\_\_\_\_

Permanent Street Address \_\_\_\_\_

City, State, Zip Code \_\_\_\_\_

Area Code / Telephone Number Home (\_\_\_\_) \_\_\_\_\_ Other (\_\_\_\_) \_\_\_\_\_

E-mail Address \_\_\_\_\_

Period of Enrollment Covered by the Loan (mm/dd/yyyy) From \_\_\_\_/\_\_\_\_/\_\_\_\_ to \_\_\_\_/\_\_\_\_/\_\_\_\_

If the student is **not** the applicant, provide the student's name and date of birth.

Student Name (last, first, MI) \_\_\_\_\_ Student Date of Birth (mm/dd/yyyy) \_\_\_\_/\_\_\_\_/\_\_\_\_

### SECTION 4: APPLICANT SIGNATURE

I **certify** that I have read and understood the notices in Section 1 and, that to the best of my knowledge, the information provided on this form is true and correct.

Signature of Applicant \_\_\_\_\_ Date (mm/dd/yyyy) \_\_\_\_\_

## SECTION 5: DEFINITIONS

**Cost of attendance** is an estimate of tuition and fees, room and board, transportation, and other costs for the period of enrollment covered by the loan, as determined by the school. A student's cost of attendance may be obtained from the school's financial aid office.

**Estimated financial assistance** is all federal, state, institutional (school), private, and other sources of assistance used in determining eligibility for most Title IV student financial aid, including amounts of financial assistance used to replace the expected family contribution. The student's estimated financial assistance is determined by the school and may be obtained from the school's financial aid office.

A **lender** is a private education lender as defined in Section 140 of the Truth in Lending Act and any other person engaged in the business of securing, making, or extending private education loans on behalf of the lender.

A **period of enrollment** is the academic year, academic term (such as semester, trimester, or quarter), or the number of weeks of instructional time for which the applicant is requesting the loan.

A **private education loan** is a loan provided by a private education lender that is not a Title IV loan and that is issued expressly for postsecondary education expenses, regardless of whether the loan is provided through the school that the student attends or directly to the borrower from the private education lender. A private education loan does not include (1) An extension of credit under an open-end consumer credit plan, a reverse mortgage transaction, a residential mortgage transaction, or any other loan that is secured by real property or a dwelling; or (2) An extension of credit in which the school is the lender if the term of the extension of credit is 90 days or less or an interest rate will not be applied to the credit balance and the term of the extension of credit is one year or less, even if the credit is payable in more than four installments.

**Title IV student financial aid** includes the Federal Pell Grant Program, the Federal Supplemental Educational Opportunity Grant (FSEOG) Program, the Federal Work-Study (FWS) Program, the William D. Ford Federal Direct Loan (Direct Loan) Program, the Federal Perkins Loan Program, and the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program. To apply for Title IV federal grants, loans, or work-study, submit a Free Application for Federal Student Aid (FAFSA), which is available at [www.fafsa.gov](http://www.fafsa.gov), by calling 1-800-4-FED-AID, or from the school's financial aid office.

## SECTION 6: PAPERWORK REDUCTION NOTICE

**Paperwork Reduction Notice:** According to the Paperwork Reduction Act of 1995, no person is required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0101. The time required to complete this information collection is estimated to average 0.25 hours (15 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed and complete and review the information collection.

**If you have any comments concerning the accuracy of the time estimate or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, DC 20202-4651

**If you have any comments or concerns regarding the status of your individual submission of this form, contact your lender.**

# Freedom Scholarship Application and Solicitation Disclosure

## SOUTH DAKOTA FREEDOM SCHOLARSHIP BOARD

C/O South Dakota Community Foundation

PO Box 296, Pierre, SD 57501

605-786-2407

### Loan Interest Rate & Fees

Your **interest rate** will be:

**4.0%**

This is a fixed rate.

#### Your Interest Rate (upon approval)

The interest rate you pay is set by the Freedom Scholarship Board. This is a fixed-rate loan. This means the rate will not change.

**Your rate is fixed.**

#### Loan Fees

Collection fees charged if borrower defaults on loan.

### Loan Cost Examples

	Amount Provided (amount provided directly to your school)	Interest Rate	Loan Term (how long you have to pay off the loan)	Total Paid (when you have made all the payments)
<b>1. 10-year repayment option</b> Received a Freedom Scholarship, and after graduation in May 2023, to take a job in Minnesota.	\$3,000	4.0%	120 month term Repayment upon scholarship termination 6/1/2023	<b>\$3,644.82</b>
<b>2. 10-year repayment option</b> Received a Freedom Scholarship for two years in row and then drop out of college after finishing the spring semester 2023.	\$7,000	4.0%	120 month term Repayment upon scholarship termination 6/1/2023	<b>\$8,504.59</b>

#### About this example

Examples above show scenarios in which the scholarship reverts to a loan. Example 1: student chooses not to stay in South Dakota to live and work for three years after graduation (also called "employment obligation") and therefore must repay the Freedom Scholarship as a loan. Should you start your employment obligation but not finish it, debt will be pro-rated to give credit for full months completed. Example 2: Not completing college could also result in your scholarship reverting to a loan due to not following scholarship eligibility.

### Federal Loan Alternatives

Loan program	Current Interest Rates by Program Type	
Direct Loans	4.99% fixed	Undergraduate subsidized direct loan
	4.99% fixed	Undergraduate unsubsidized direct loan

#### You may qualify for Federal education loans.

For additional information, **contact your school's financial aid office or the Department of Education** at: [www.federalstudentaid.ed.gov](http://www.federalstudentaid.ed.gov)

You may qualify for Federal student financial assistance through a program under Title IV of the Higher Education Act of 1965. A covered education institution may have school-specific education loan benefits and terms not detailed in this disclosure form.

## Repayment Terms:

1. This loan has a 10-year repayment period.
2. You may request to defer your three-year employment commitment to pursue graduate level education or military service. Requests must be made to the Freedom Scholarship Board within three months of baccalaureate degree graduation.
3. Interest does not accrue during the time frame you are a student nor while you are completing your employment obligation. Interest begins to accrue if you do not graduate in five years or less, you drop out of college or if you do not fulfill the employment obligation and the Board reverts your scholarship to a loan. For example, if you leave South Dakota to live and work in another state after graduation before completing the employment obligation, your scholarship will revert to a loan and interest will start accruing. A full list of eligibility requirements is available in the reference notes below.
4. If the consumer files for bankruptcy, they may still be required to pay back the loan.

## School Enrollment Eligibility Requirements:

Students receiving the South Dakota Freedom Scholarship must attend one of the following participating institutions:

- Augustana University
- Black Hills State University
- Dakota State University
- Dakota Wesleyan University
- Mount Marty University
- Northern State University
- Presentation College
- South Dakota School of Mines and Technology
- South Dakota State University
- University of Sioux Falls
- University of South Dakota

## Next Steps

### 1. Find Out About Other Loan Options.

Some schools have school-specific student loan benefits and terms not detailed on this form. Contact your school's financial aid office or visit the Department of Education's web site at: [www.federalstudentaid.ed.gov](http://www.federalstudentaid.ed.gov) for more information about other loans.

### 2. To receive the Freedom Scholarship, Complete the Student Acceptance Agreement, Promissory Note and the Self-Certification Form.

The certification form is included in this packet. The loan terms will be available for 30 days (terms will not change during this period, except as permitted by law).

## REFERENCE NOTES

### Freedom Scholarship Eligibility Criteria

- Maintain South Dakota residency for at least one year prior to scholarship application.
- Attend an eligible institution.
- Demonstrate financial need.
- Maintain a GPA of at least 2.0 while enrolled at the eligible institution.
- Be pursuing a baccalaureate degree.
- Graduate in five years or less.
- Commit in writing to live and work in South Dakota for three years after graduation.
- Acknowledge that any failure to meet these requirements will result in the conversion from a scholarship to an interest-bearing loan.

### Bankruptcy Limitations

- If you file for bankruptcy you may still be required to pay back this loan.

More information about loan eligibility and repayment deferral or forbearance options is available in your Freedom Scholarship acceptance agreement and promissory note.



**STUDENT NAME**

## 2022-2023 Freedom Scholarship Acceptance Agreement

# Freedom Scholarship Acceptance Agreement

You have been offered a South Dakota Freedom Scholarship. By completing this form, you are accepting the scholarship, promising to complete a baccalaureate degree in five years or less, and promising to repay this scholarship with interest and applicable collection costs if you do not fulfill the employment requirements of this scholarship.

I, **STUDENT NAME**, understand that an education scholarship has been awarded to me so that I may enroll in and/or complete my education at **INSTITUTION**. Upon securing a degree at an eligible institution I will live and enter into employment in the State of South Dakota.

Accepting this scholarship means that I agree to the following terms:

1. I am a U.S. citizen and have maintained South Dakota Residence for at least one year prior to scholarship acceptance.
2. I will pursue a baccalaureate degree at **INSTITUTION** and complete a baccalaureate degree within five years of my start date while maintaining a minimum cumulative grade point average (GPA) of 2.0.
3. I will complete and submit the Free Application for Federal Student Aid (FAFSA) annually, the results of which help my institution determine my financial need.
4. I agree to allow my Institution to release to the South Dakota Freedom Scholarship Board or its agents enrollment information to include first date of enrollment, current enrollment status, last date of enrollment, degree completion date, academic major, degree earned, credit hours completed, cumulative GPA, demographical information, financial information including information from my FAFSA application such as whether or not I am Pell Grant eligible, and contact information to include permanent address, current address, university email address, personal email address, and primary telephone.
5. I will live and work in the State of South Dakota for a period of 36 months following baccalaureate degree completion, or following military service or graduate education if approved for a deferment. If I do not begin full-time employment within 6 months of graduation from **INSTITUTION** or receive a deferment from the SD Freedom Board for graduate education or military service, my 36-month employment commitment will begin within 6 months of baccalaureate degree completion.
6. I will notify my future employer(s) of my participation in the Freedom Scholarship program and the employment commitment I have made while I am in the employment phase of the scholarship. I agree to allow my future employer(s) to provide employment verification to the Freedom Scholarship Board or its agents throughout my three-year employment commitment.
7. I will provide the necessary evidence to the Freedom Scholarship Board or its agents 12, 24 and 36 months following the start of my full-time employment to document my compliance with the program requirements.
8. I may request to defer my three-year employment commitment to pursue graduate level education or military service. Requests for educational or military deferment must be made to the Freedom Scholarship Board within 3 months of graduation with my baccalaureate degree. I understand the Freedom Scholarship



STUDENT NAME

## 2022-2023 Freedom Scholarship Acceptance Agreement

Board may approve a deferment period suitable for the degree I am seeking or military service term and will require regular reporting on the progress of my education or military service. I understand the Freedom Scholarship Board may terminate my deferment period if I am not making suitable progress towards on-time graduate degree completion. My 36-month employment commitment will begin following graduate degree completion or military service upon securing a full-time job in the State of South Dakota or within 6 months of graduation from my graduate program or discharge from military service. I agree to allow my graduate education provider to provide enrollment verification to the South Dakota Freedom Scholarship Board or its agents throughout my enrollment.

9. While enrolled at **INSTITUTION NAME**, I will inform **INSTITUTION NAME** **INSTITUTION OFFICE** within ten days of any changes affecting my enrollment status, name, address or other contact information. Following graduation, I will inform the South Dakota Freedom Scholarship Board or its agents within ten days of any changes affecting my employment status, name, address or other contact information.

If I fail to meet any of the above terms or circumstances prior to graduation, it may be cause for termination of my Freedom Scholarship. If my scholarship is terminated, I am responsible for the repayment of the interest-bearing loan I have agreed to in the Promissory Note(s) and must pay back the amount of the scholarship, applicable interest, collection costs and attorney fees, or a prorated portion of them. I have been provided with the terms, conditions and repayment schedule of the loan. I understand that I may cancel this scholarship while I am a full-time student by repaying all proceeds that were issued for my benefit, provided that all of the proceeds are repaid prior to the end of the semester in which the decision to cancel the scholarship is made. If I am unable to repay the funds prior to the end of the semester in which the decision to cancel the scholarship is made, the scholarship will convert to an interest-bearing loan and I must pay back the scholarship, applicable interest, collection costs and attorney fees for the portion of the scholarship I received, to date. Appeals for extenuating circumstances will be taken to the South Dakota Freedom Scholarship Board. I may contact the Freedom Scholarship Program for more information regarding deferment, forbearance, or changing the loan.

**Insert Check Box form yes or no** I authorize the Governor of South Dakota, the Freedom Scholarship Board or its agents and **INSTITUTION** to publicly release my name, high school (if applicable) and hometown when announcing the Freedom Scholarship recipients.

I authorize the South Dakota Freedom Scholarship Board or its agents to release information pertinent to this scholarship to my future employer(s).

In signing this agreement, I accept that it is fair and binding. I understand and accept all of the terms and conditions of the agreement and will adhere to them. The authorizations I have made will stand throughout my education and employment commitment. If I choose to alter any authorization, I must provide directions for change in writing to the Freedom Scholarship Board.

Under penalty of perjury, I certify that the information I have provided on the Freedom Scholarship Acceptance Agreement is true, complete, and accurate to the best of my knowledge.

\_\_\_\_\_  
Signature of Freedom Scholar

\_\_\_\_\_  
Date

\_\_\_\_\_  
Parent/Guardian Signature, if Scholar is under the age of 18

\_\_\_\_\_  
Date



**STUDENT NAME**

**2022-2023 Freedom Scholarship Acceptance Agreement**

**Recipient Information**

The information provided on this Acceptance Agreement will be shared and released as authorized in the agreement, including verifying education and employment records. The scholarship recipient's Social Security Number may be used as an account identifier. Should the scholarship convert into an interest-bearing loan, this information will be used in the servicing and collection of that loan.

Please make any correction necessary on any pre-filled areas (obtained from your university), and **complete fully** the remaining areas:

1.Last Name:	First Name:	Middle Initial:	2. Social Security Number
Permanent Street Address:			3. Telephone Number:
City:	State:	Zip Code:	4.Date of Birth
5.Driver's License State and Number State:       #:		6.Email Address:	

Secondary Contact:	Name:		Permanent Address:	
	City:	State:	Zip Code:	
	Area Code/Phone Number:		Email Address:	
	Relationship to Freedom Scholar:			





### SOUTH DAKOTA FREEDOM SCHOLARSHIP PROMISSORY NOTE

For value received, the undersigned **STUDENT NAME** ("Borrower") promises to pay, in lawful money of the United States of America, to the order of the, South Dakota Freedom Scholarship Board, (c/o SD Community Foundation, PO Box 296, Pierre, SD 57501), or at holder's option, at such other place as may be designated from time to time by the holder \$**AMOUNT OF SCHOLARSHIP AWARDED**, with interest at a fixed rate of four percent (4%).

My total Freedom Scholarship award covered by this Promissory Note is:

**Total Award:** \$

Borrower is aware of and consents to the conditions for such breach as described and consented to in the South Dakota Freedom Scholarship Acceptance Agreement, attached hereto and incorporated by reference.

In the event of the default of any sum payable hereunder, or any part thereof, or in case of failure to keep or perform any of the terms, covenants, conditions or agreements contained in the South Dakota Freedom Scholarship Acceptance Agreement hereafter referred to, then at any time during the continuance of such default, all of the principal remaining unpaid on this note, together with interest thereon as aforesaid, shall, at the option of the holder hereof, become and be immediately due and payable.

There will be no penalty for prepaying any portion of the amount due. All payments and prepayments shall be applied in the following order from first to last: (1) late charges, fees, and collection costs; (2) outstanding interest; (3) outstanding principal.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

# Freedom Scholarship Approval Disclosure

## Loan Rates & Estimated Total Costs

### BORROWER:

**Borrower Name**  
**Borrower Address**  
**Borrower City, State Zip**

### CREDITOR:

South Dakota Freedom Scholarship Board  
c/o South Dakota Community Foundation  
PO Box 296 Pierre, SD 57501  
(605) 786-2407

#### Total Loan Amount

**amount**

The total amount you are borrowing.

#### Interest Rate

**4.0%**

Your current interest rate.

#### Finance Charge

**interest**

The estimated dollar amount the credit will cost you.

#### Total of Payments

**=total loan +  
finance charge**

The estimated amount you will have paid when you have made all payments.

### ITEMIZATION OF AMOUNT FINANCED

Amount paid to you	\$0.00
Amount paid to others on your Behalf: <ul style="list-style-type: none"><li>Institution</li></ul>	+ Amount
Amount Financed (total amount provided)	= Amount
Initial finance charges	= interest
Total Loan Amount	= total of payments

### ABOUT YOUR INTEREST RATE

- Your rate is fixed. This rate will not increase after consummation.
- Your **Annual Percentage Rate (APR)** is **4.0%**. The APR is typically different than the Interest Rate since it considers fees and reflects the cost of your loan as a yearly rate.

### FEES

- Collection fees charged if borrower defaults on the loan.

## ESTIMATED REPAYMENT & TERMS SHOULD THE SCHOLARSHIP TURN TO A LOAN

10-YEAR REPAYMENT	MONTHLY PAYMENTS
	at 4.0% the fixed interest rate of your loan
August 1, 2022-May 31, 2023 In-school status	No payment required No interest will accrue during this time.
June 1, 2023 - May 31, 2026 Deferment period during employment obligation	No payment required No interest will accrue during this time.
June 1, 2023-May 1, 2033 120 monthly payments	monthly payment amount

The estimated **TOTAL OF PAYMENTS** at the fixed interest rate would be total loan amt + finance charge

- Repayment schedule assumes that you become ineligible for the Freedom Scholarship and therefore begin repayment. If you comply with Freedom Scholarship eligibility, there is no loan so you will not repay it.
- Students are not required to make payments while enrolled at a covered institution, pursuant to the terms of the Freedom Scholarship.
- Interest will not accrue while the student is enrolled and in good standing at a participating educational institution. Interest will not accrue during the three-year living and working in South Dakota employment obligation.
- Should you start your employment obligation but not finish it, debt will be pro-rated to give credit for full months completed.

### REFERENCE NOTES

#### Repayment Options:

- If you follow the Freedom Scholarship eligibility requirements, graduate with a baccalaureate degree in five years or less and complete the three year employment obligation (live and work in South Dakota for three years), you do not repay this scholarship.
- If you fall out of eligibility, drop out of school or fail to complete the employment obligation, repayment begins, and follows the terms above.
- Deferment can be requested of the Freedom Scholarship Board for graduate school or military service. Please see student acceptance agreement for more details.

#### Prepayments:

- There is no penalty if you pay the loan off early.

#### Bankruptcy Limitations

- If you file for bankruptcy, you may still be required to pay back this loan.

## Federal Loan Alternatives

Loan program	Current Interest Rates by Program Type	
Direct Loans	4.99% fixed	Undergraduate subsidized loan
	4.99% fixed	Undergraduate unsubsidized loan

### You may qualify for Federal education loans.

For additional information, **contact your school's financial aid office or the Department of Education at: [www.federalstudentaid.ed.gov](http://www.federalstudentaid.ed.gov)**

## Next Steps & Terms of Acceptance

This offer is good until:

**Date of Acceptance Deadline**

### 1. Find Out About Other Loan Options.

Contact your school's financial aid office for more information.

### 2. You Have Until **Date of Acceptance Deadline** to Accept this Offer

The terms of this offer will not change except as permitted by law. The interest rate is fixed.

### To Accept the Terms of this loan,

Complete and review the following items in this packet:

- Private Education Loan Applicant Self-Certification
- Application and Solicitation Disclosure
- Freedom Scholarship Acceptance Agreement
- Freedom Scholarship Promissory Note
- Approval Disclosure
- Closed-end Credit Disclosure

After you submit these documents, another email will be sent to you that will be your Final Disclosure. **You have until midnight of the third day from the date it is sent to cancel the Freedom Scholarship.** If you cancel the scholarship, no scholarship funds will be disbursed.

As a reminder, to keep the scholarship from reverting to a loan, you need to remain eligible according to the Freedom Scholarship criteria. The criteria are:

- Maintain a GPA of at least 2.0 while receiving the Freedom Scholarship.
- Be pursuing a baccalaureate degree.
- Graduate in five years or less.
- Live and work in South Dakota for three years after graduation.

# Freedom Scholarship Closed End Credit Disclosure

## BORROWER:

Borrower Name

Borrower Address

Borrower City, State, Zip

## CREDITOR:

SD Freedom Scholarship Board

c/o SD Community Foundation

PO Box 296, Pierre, SD 57501

## LOAN RATES & ESTIMATED COSTS

### Total Loan Amount

insert amt from x

The total amount you are borrowing.

### Interest Rate

4.0%

Your current interest rate.

### Finance Charge

interest

The estimated dollar amount the credit will cost you.

### Total of Payments

total loan amt +  
finance charge

The estimated amount you will have paid when you have made all payments.

## ITEMIZATION OF AMOUNT FINANCED

Amount paid to you	\$0.00
Amount paid to others on your Behalf: <ul style="list-style-type: none"><li>Institution</li></ul>	+ Amount
Amount Financed total amount provided	= Amount
Initial finance charges	= interest
Total Loan Amount	= total of payments

## ABOUT YOUR INTEREST RATE

- Your rate is fixed.
- Your Annual Percentage Rate (APR) is 4.0%. The APR is typically different than the Interest Rate since it considers fees and reflects the cost of your loan as a yearly rate.

## FEES

- Collection fees charged if borrower defaults on the loan.

## ESTIMATED REPAYMENT SCHEDULE & TERMS SHOULD SCHOLARSHIP TURN TO A LOAN

10-year Repayment	MONTHLY PAYMENTS
	at 4.0% the fixed interest rate of your loan
August 1, 2022 - May 31, 2023 In-school status	No payment required Interest will not accrue during this time
June 1, 2023 - May 31, 2026 deferment period for employment obligation	No payment required Interest will not accrue during this time
June 1, 2023 - May 31, 2033 120 monthly payments	monthly payment amt

← The estimated **TOTAL OF PAYMENTS** at the fixed interest rate would be total loan amt + finance charge.

Repayment schedule assumes that you become ineligible for the Freedom Scholarship and therefore begin repayment on the above mentioned date. If you comply with Freedom Scholarship eligibility, there is no loan so you will not repay it.

Students are not required to make payments while enrolled at a covered institution, pursuant to the terms of the Freedom Scholarship.

Interest will not accrue while the student is enrolled and in good standing at a participating educational institution. Interest will not accrue during the three-year living and working in South Dakota employment obligation.

Should you start your employment obligation but not finish it, debt will be pro-rated to give credit for full months completed.

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**Page 2 of 2****Fixed Interest Rate:**

- The Interest Rate is a fixed interest rate. It will not change during the course of the loan.

**Bankruptcy Limitations**

- If you file for bankruptcy you may still be required to pay back this loan.

**Repayment Options:**

- Deferment while continuing to graduate school or military service is possible. This requires approval of the Freedom Scholarship Board.
- See your Freedom Scholarship acceptance agreement for further detail about deferment.

**Prepayments:**

- No penalties for prepayment of loan.
- See your Freedom Scholarship acceptance agreement for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

Example