Massachusetts Assistance for Student Success Program

IV. NO INTEREST LOAN
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In 1992, the Commonwealth of Massachusetts Legislature created the No Interest Loan (NIL) Program. The NIL program is designed to provide eligible, needy Massachusetts residents attending post-secondary educational institutions in Massachusetts with a state-funded loan. Administered by the Massachusetts Office of Student Financial Assistance, the NIL program offers zero interest loans to assist in meeting educational costs. Students have a period of ten (10) years to repay their NIL loan(s).

Program Statute

Massachusetts General Laws, Chapter 15A; section 9, cc. provides:

“Administer a program, subject to appropriation, to provide no-interest loans to undergraduate students domiciled in the commonwealth, enrolled in and pursuing a program of higher education in the Commonwealth in any approved public or independent college, scientific or technical institution, or any other approved institution furnishing a program of higher education. Such assistance shall consist of full or partial loans to students in need of assistance. Repayment shall commence within six months of graduation or termination of studies; provided that no repayment schedule shall exceed a term of ten years. Monies received in repayment shall be retained by the Board of Higher Education for the administration of the program without further appropriation. The Massachusetts state scholarship shall establish guidelines to govern said program which shall include, but not limited to, eligibility requirements for students, eligibility requirements for participating institutions, terms of payment, deferment options, provision for default, and a maximum and minimum loan award as determined by an indexing system.”

IV. A. Institutional Eligibility:

Institutions wishing to participate in the No Interest Loan program must have signed a Participation Agreement with the Massachusetts Office of Student Financial Assistance, meet the program’s loan cohort default rate requirements, as well as achieved established performance measures with respect to NIL loan disclosure. In addition, the institution must be either private, public, independent, for profit or nonprofit, issuing associate and/or bachelor degrees, or certificate programs and located in Massachusetts. The institution must be eligible to participate in Federal Title IV programs and fully accredited. The institution must continue to meet all of the above and other requirements throughout its participation in the No Interest Loan program.

IV. B No Interest Loan Default:

Students who are in default of a Massachusetts No Interest Loan are not eligible to receive assistance from any Massachusetts State financial aid programs until their default status has been cleared. A student is, however, eligible to retain funds from a Massachusetts State financial aid program if the institution was notified of the default status after the disbursement was made to the student’s account. The student is not eligible for any subsequent disbursement until the default status has been cleared. Rosters of No Interest Loan defaulters are sent to schools periodically by the Massachusetts Office of Student Financial Assistance. The NIL defaulters list is also available on-line at https://www.massosfa.org/ (under reports section).
IV. C  Student Eligibility:

Eligible students who meet the program requirements are included on a NIL Eligibility Roster (Exhibit A), which is available to institutions at the beginning and throughout the NIL processing cycle. Schools can, at any point in time, produce and print their own NIL eligibility roster directly from OSFA’s web site. Students wishing to become eligible for a No Interest Loan for the academic year 2008-2009 must complete their 2008-2009 Free Application for Federal Student Aid (FAFSA), by the priority deadline date of March 14, 2008. Because OSFA’s determination of a student’s eligibility is based on an Expected Family Contribution (EFC) derived from Federal Methodology (FM), the institution has the responsibility for validation of such EFC. Likewise, schools have the same responsibility to ensure that the borrower meets all other requirements of the No Interest Loan program, prior to advancing a NIL award. The EFC and student dependency requirements are displayed herein (Exhibit B). A student’s current year maximum eligibility is listed on the NIL Eligibility Roster under “Maximum Loan Amount”. In view of the fact that the program has a lifetime borrowing limit of $20,000, a student’s aggregate loan history is taken into account when determining current year eligibility. The minimum, initial NIL award a student can receive is $1,000.

In addition to meeting the above requirements, students eligible for the NIL program must also meet the following conditions:

- Be a Massachusetts resident for at least 12 months prior to September 1, 2008
- Be a U.S. citizen or a non-citizen eligible under Title IV regulations
- Not yet received a Bachelor’s Degree and currently pursuing a course of study in an eligible program at an eligible institution
- Be enrolled full-time (minimum 12 credits per semester or its equivalent)
- Maintain satisfactory academic progress in accordance with the school’s academic policy
- Not be in default of any federal or state loans or owe a refund for any previous financial aid received
- Comply with Selective Service requirements
- Must provide requested documentation to the school if selected for verification
- Must have a documented Estimated Family Contribution (EFC) between 0-10,000 at the institution
- If enrolled in a clock hour program, the student must:
  1) complete a minimum of 24 clock hours per week
  2) complete a minimum of 320 hours during the period of July 1 – December 31 to qualify for a Fall disbursement
  3) complete a minimum of 320 hours during the period of January 1-June 30 to qualify for a Spring disbursement
- If enrolled in English as Second Language (ESL) program courses, the student must be simultaneously enrolled either in a certificate, associate or bachelors degree program in order to be considered eligible for a No Interest Loan. Credits a student earns for ESL program courses may be counted towards his/her full time enrollment status.

IV. D  Mailing of Forms to Institutions:

Schools are strongly encouraged to use the electronic Promissory Note that is available on OSFA’s web site to complete and submit No Interest Loan applications on behalf of eligible students. A very limited supply of paper Promissory Notes are sent to each participating institution at the beginning of the academic year. Other forms such as NIL Information Change Form, NIL Entrance/Exit Interview Form, Repayment Charts, and NIL Fact Sheets will be available on OSFA’s web site for schools to complete and submit directly on-line or print and use in the administration of the loan program. Schools can refer questions about any of the above forms to OSFA at 617-727-9420.
IV. E **NIL Electronic Promissory Note:**

Institutions that are participating in the Massachusetts No Interest Loan program are again strongly encouraged to use the electronic promissory note that is available on OSFA’s web site to generate actual NIL applications for students who have received a NIL award. The electronic promissory note is available on OSFA’s web site at www.osfa.mass.edu, under No Interest Loan Origination.

Institutions are also able to create and print their own NIL Eligibility Roster at any point in time and can use information from the NIL Eligibility Roster to produce single promissory notes or process in batch. Schools are also able to import a file from the institution’s database to produce and print promissory notes in batch format. Also available on OSFA’s web site is a **NIL Origination User Manual** that can serve as a guide to schools in their use of the electronic promissory note. A supply of **Promissory Note Printing Paper** with the program’s student’s rights and responsibilities pre-printed on the backside is automatically sent to schools for their use with the electronic promissory note.

IV. F **Disbursement Dates:**

When completing the promissory note, schools have the option of selecting either “Fall, Spring and/or Summer” as their disbursement periods, in which case, the system will automatically assign a disbursement date. Institutions may also choose to select their own disbursement dates, which provides them with the flexibility of having disbursed NIL funds arrive on their campus, later than the NIL system defaults would allow. Under either scenario, NIL disbursement dates shall meet the following criteria:

- Each loan must have at least two (2) disbursements, unless the loan meets at least one of the following criteria, in which case, the system will assign one disbursement date only:
  1. The current date is greater by 45 days or less than the loan period end date.
  2. The loan period is less than 155 days in length.

- Each subsequent disbursement date must be greater than or equal to the previous disbursement date.

- **First Disbursement**

  If the current date is less than or equal to 20 days prior to the start of the loan period, the current date shall be assigned as the first disbursement date.

  If the current date is greater than 20 days prior to the start of the loan period, a first disbursement date equal to 20 days prior to the start of the loan period shall be assigned.
Second Disbursement/No Third Disbursement Selected

If the current date is less than or equal to the mid point of the loan period less 20 days, the mid point of the loan period less 20 days shall be assigned as the second disbursement date. If the current date is greater than the mid point of the loan period less 20 days, the current date shall be assigned as the second disbursement date.

In either case, if the date calculated for the second disbursement date is less than that assigned for the first disbursement, the disbursements will occur in two consecutive weeks.

Second Disbursement/Third Disbursement Selected

If the current date is less than or equal to the one-third point of the loan period less 20 days, the one-third point of the loan period less 20 days shall be assigned as the second disbursement date.

If the current date is greater than the one-third point of the loan period less 20 days, the one-third point of the loan period less 20 days shall be assigned as the second disbursement date.

In either case, if the date calculated for the second disbursement date is less than that assigned for the first disbursement, the disbursements will occur in two consecutive weeks.

Disbursement Amounts

Disbursement amounts are determined by dividing the loan amount by the number of disbursements. Each disbursement amount must be a whole dollar amount.

In the event that the loan amount is not evenly divisible by the number of disbursements and there are only two disbursements, the first disbursement shall be truncated to a whole dollar amount and the total loan amount less the first disbursement amount is the amount of the second disbursement.

When there are three disbursements, the first and second disbursements shall be truncated to whole dollar amounts and third disbursement amount shall be equal to the loan amount less the first and second disbursement amounts. For example, if a loan for $2625 must be disbursed in 2 disbursements, the first disbursement would be for $1312 and the second disbursement would be for $1313. If a loan for $2000 must be disbursed in 3 disbursements, the first and second disbursement would be for $666 and third disbursement would be for $668.

IV. G Submission of Promissory Note to OSFA:

Once a promissory note (Exhibit C) is fully and accurately completed and signed by the school and the borrower, the school forwards the “Original Copy” to OSFA. The student should keep the “Borrower Copy” for his/her records. Students are required to provide a full, legal, legible signature on the promissory note.

When an institution uses the electronic promissory note to complete and print an application for a borrower, it will automatically submit an electronic record of that application to OSFA. However, until a fully completed and signed paper application arrives at OSFA for that student, the application will not be considered as received and, therefore, cannot be processed. Whether a hard copy or electronic promissory note is used, both the student and the school are expected to retain copies of the application for their records.
The electronic promissory note is designed to self-edit at the time of completion, based on parameters that have been established in the NIL origination process and information contained in the NIL Eligibility Roster. Errors that are found on a promissory note will be reported on the NIL origination screen, whenever they are detected (Exhibit D). The NIL administrator will need to resolve these errors before he/she can print the promissory note. The promissory note fields that are automatically edited by the system during the on-line application completion phase are the following:

- Social Security Number
- Student’s Name
- OE Code/School Code
- Dependency Status
- Loan Period
- Anticipated Graduation Date
- Loan “Increase” Box
- Disbursement Dates
- Loan Amount

**IV. H Processing of Promissory Note:**

OSFA renders loan application approval within 2-3 business days or less from the day that the correctly and fully completed paper promissory note is received. If the information provided by the borrower/school on the promissory note is incomplete or invalid, it will not be accepted. The processing of such an application places it in a “Denied” status. Institutions are subsequently able to check the status of a submitted application on-line (in real time) to find out whether it is “Generated”, “Received”, “Approved”, “Pending”, “Denied”, “Disbursed”, “Cancelled”.

The NIL Origination Screen also displays any and all errors and/or conditions that are associated with a promissory note that is in either a “pending” or “denied” status. Denied promissory notes are returned to the institution with a cover memorandum listing the reason(s) for denial. Schools must make the appropriate corrections, when applicable, and re-submit a corrected or new promissory note to OSFA for approval.

Schools should, again, be aware that the NIL Origination program is designed to edit many fields on the promissory note before it is printed. It is our hope that the more common errors will be eliminated and most promissory notes will be “approvable” when received by OSFA.

**IV. I Cancellation of Loan (Full/Partial) Prior to Disbursement:**

Schools can submit/process in real time, partial/full cancellation of a scheduled disbursement or full cancellation of a loan amount directly on the Loan Origination System prior to disbursement. Once disbursement has occurred, partial/full cancellation of a loan amount is no longer allowed. Loan amounts associated with cancellations prior to disbursement will automatically revert to a school’s allocation and, subsequently, become available to award to same or other students within the same academic year.
A No Interest Loan amount is considered disbursed as soon as OSFA’s NIL Disbursement Register is updated with that amount and a record and/or statement is available to the school on-line or via mail. Further, an institution must not have necessarily received the actual proceeds of the loan from the Commonwealth of Massachusetts, in order to consider it disbursed.

For institutions electing not to use OSFA’s NIL Origination web site, a request to cancel a loan (full/partial) must be submitted to OSFA via the Information Change Form (Exhibit E). The Form must be received by OSFA prior to the disbursement.

IV. J  Loan Increases:

The institution may wish to make an additional award to a student under the NIL program, within the same academic year. All awards made to a student must fit into the academic year maximum award of $4,000, allowed under the program. Increases to awards within the same academic year are considered new loans. Institutions must, in those cases, submit a new promissory note in order to process the loan increase and the Increase box indicator must be appropriately annotated on the new promissory note. The minimum amount for a NIL loan “increase” is $1,000.

IV. K  Late Disbursement:

No Interest Loans that are to be disbursed on a “late disbursement” basis must meet the following conditions:

- Loan is being disbursed late only due to the expiration of the loan period.
- Loan application has been certified by institution for the enrollment period and received by OSFA, prior to the expiration of the loan period.
- Loan proceeds must be disbursed no later then 45 days after the expiration of the loan period.
- Loan proceeds are to be used to pay for educational expenses that the school determines the student incurred for the period during which he/she was enrolled and eligible.
- The student must have appeared on a NIL Eligibility Roster that the school received from OSFA, prior to the expiration of the loan period.

IV. L  No Interest Loan Disbursement:

Disbursements of NIL loans occur every Thursday of each week; and a NIL Disbursement Roster (Exhibit F) is available for the school to retrieve from OSFA the next morning on-line. Disbursement Rosters can also be mailed to schools. In cases when Thursday is a holiday, OSFA will run NIL disbursement rosters on the next available business day. Institutions have the responsibility to verify that a student meets all NIL eligibility requirements during the period for which they are receiving disbursements under the program. If it is determined that the student does not meet the program’s requirements, the loan proceeds are to be returned to OSFA within thirty (30) days via the refund process.
Schools are also required to conduct an Entrance Interview with the borrower prior to disbursement of the NIL proceeds, using the Massachusetts No Interest Loan Entrance/Exit Interview Form (Exhibit G). It is commonplace for such an interview to occur at the time the student completes/signs his/her promissory note. Further, if the student’s enrollment status has changed at any point during the academic year, the school must notify the loan servicer, Affiliated Computer Service (ACS). Likewise, institutions are required to conduct an exit interview with a student who has received a NIL Loan any time he/she ceases to be enrolled. The institution should contact the loan servicing agency, Affiliated Computer Service (ACS), at 1-800-432-2372 to report the change in enrollment status and request a No Interest Loan Exit Interview packet for that specific student. The school is also required to maintain on file their copies of the fully completed loan interview forms as proof that the exit interview process did, in fact, occur.

IV. M Mailing of Funds to School:

OSFA submits payment registers to the Massachusetts Board of Higher Education Business Office, as often as disbursement rosters are produced. The Business Office, in turn, sends a payment voucher request to the State Comptroller’s Office for issuance of a check. Checks are usually mailed to institutions within 2-3 weeks of the date the Business Office receives the request for payment from OSFA. Schools also have the option of receiving their payment via wire-transfer through the Massachusetts Management Accounting and Reporting System (MMARS). Institutions’ business offices need to contact the State Treasurer’s Office if they are interested in such an option.

IV. N Refunds:

Institutions are expected to refund to the No Interest Loan Program, partial or all amounts from a disbursement that a borrower did not use towards educational expenses at any point during the academic year. Refunds are to occur within thirty (30) days of the school’s receipt of the loan funds. In processing refunds, schools must use the Massachusetts No Interest Loan Refund Form (Exhibit H) to list the students for whom monies are being returned and the amounts. Please note that no refund will be processed by OSFA, unless a check for the correct amount of the refund(s) accompanies the refund form. It is further important for schools to note that refunds are considered repayments of loans, and those funds do not revert to a school’s allocation, and therefore, are not available for new awards within the same academic year.

Refund checks should be made payable to:

Commonwealth of Massachusetts

Refund Forms and Checks are to be forwarded to:
Massachusetts Office of Student Financial Assistance
454 Broadway, Suite 200
Revere, MA 02151

Schools should not send refunds/repayments directly to ACS for processing. If a refund is sent to Affiliated Computer Service (ACS) and processed without the knowledge of OSFA, there is the risk that the student’s disbursement record will not be updated on OSFA’s NIL History File and the student’s eligibility may be adversely affected in the future. Refunds processed by OSFA are subsequently submitted to ACS’s loan servicing department for adjustments to a borrower’s account.
IV. O  Request for Additional NIL Funding:

Institutions can submit requests for increases to their current year allocation by sending a letter to the attention of Robert Brun, Director of Scholarship & Grant Programs. Schools are notified in writing as soon as OSFA is able to review their request. The school’s allocation is simultaneously updated in the NIL Origination System to reflect any changes.

IV. P  Changes to Enrollment Status/Graduation Date:

In an effort to keep student’s loan records constantly updated, institutions are required to notify the loan servicer, Affiliated Computer Service (ACS), any time there is a change to a student’s enrollment status and/or graduation date. For schools that regularly submit changes in their students’ enrollment statuses to NSLDS, ACS may also receive those changes from the latter service. OSFA periodically submits to institutions reports of separation dates for borrowers with an “In-School” status. Institutions are required to review those reports and updates those separation dates as necessary. Schools can contact ACS at 1-800-432-2372 to report those changes. Alternatively, they can also report same enrollment changes directly on-line, using ACS’ e-Command system. If a school wishes to have access to ACS on-line environment, it should contact Alison Connolly at OSFA at 617-727-9420 (x1312).

IV. Q  De-obligation:

Institutions are required to de-obligate funds that they do not intend to use. De-obligated funds serve to meet requests from schools for additional allocations under the NIL program. Schools that wish to de-obligate can use the Massachusetts No Interest Loan De-Obligation Form (Exhibit I) to do so. Once OSFA processes the de-obligation information from a school, it updates the institution’s allocation in the NIL Origination System.

IV. R  NIL Record Keeping and Audit Requirements:

Institutions that participate in the NIL program shall be subject to audit requirements for the loan program. Guidelines, for such audit requirements, are published by the Massachusetts Office of Student Financial Assistance. Institutions shall also maintain records pertaining to the administration of the No Interest Loan program for a period of seven (7) years. All financial books, records and documents pertaining to the NIL program shall at all times be open for inspection, review and audit by the Chancellor, the State Auditor or their authorized representative who shall have access to the premises where the books, records and documents are located.

IV. S  No Interest Loan Repayment:

Institutions are required to hold loan exit counseling sessions for No Interest Loan borrowers, at the time they are separating from the institution. During the exit counseling session, the school must provide the student with a pre-completed NIL Disclosure Statement (Exhibit J), No Interest Loan Entrance/Exit Interview Form (Exhibit G), and the NIL Repayment Chart (Exhibit K). As of award year 2006-2008, OSFA also instituted a fully electronic NIL exit counseling application that the school can direct the students to. The student must review and complete/sign the above forms as appropriate, and copies must be returned to the loan servicer where necessary. The institution is also obligated to retain their copies of the fully completed Exit Interview Forms on file. Upon graduation or termination of studies, the student has a grace period of six (6) months. The repayment period begins no later than the end of the grace period, unless a deferment of payment on the balance of the loan has been requested and granted by the Commonwealth of Massachusetts or its designee(s), as per deferment provisions listed below.

The borrower repays his/her loan to the Commonwealth of Massachusetts or its designee(s) at a rate of fifty (50) dollars per month. If the borrower has more than one No Interest Loan, the Commonwealth or its designee(s) prorate the payment to a minimum monthly amount, not less than $50. The repayment of such a loan shall not exceed a period of ten (10) years. During the grace period of 6 months, the borrower may request that the repayment period begin earlier.
IV. T  Student Loan Repayment Schedule and Disclosure Statement:

Schools will receive loan exit packets for students, sixty (60) days prior to their separation date. Again, the school can direct its students to OSFA’s on-line exit counseling application to perform their, 60 days prior to their separation date. In a case where the student withdraws prior to his/her graduation, the school needs to immediately advise the loan servicing agency, Affiliated Computer Servicing Group (ACS) or OSFA, and request a loan exit counseling packet that the student needs to receive, review, complete and sign. In order to ensure that ACS maintains the most updated separation dates; OSFA will begin sending Expected Separation Reports. If there are changes to be made the school must do so with OSFA or by directly reporting onto ACS e-Command system at https://ecommand.afsa.com. In addition schools can log on monthly to review various reports including but not limited to: In School Journal, In School to Grace Reports, and Loans Transferred Journal. Please refer to section IV.S (No Interest Loan Repayment) for more information regarding loan exit counseling forms. Schools that wish to have on-line access to ACS’s system can contact Charlotte Coggins at 1.800.862.3405. Charlotte Coggins can also be reached via e-mail at Charlotte.Coggins@acs-inc.com

IV. U  No Interest Loan Deferment:

Student borrowers who continue to be enrolled in an eligible undergraduate or graduate program on an at least half-time basis can request a deferment of their Massachusetts No Interest Loan. To apply for a deferment, the borrower needs to contact Affiliated Computer Service (ACS) and request a Massachusetts No Interest Loan Deferment Form (Exhibit L). The borrower may also call the Massachusetts Office of Student Financial Assistance to obtain a deferment form. Other circumstances under which a borrower can apply for a deferment include the following:

1. Military, Peace Corps, ACTION Program, VISTA service
2. Active duty member of the National Oceanic and Atmospheric Administrative Corp
3. Office in the Commission Corp of US Public Health Service
4. Volunteer Service
5. Temporary Total Disability including spouse or dependent care
6. Unemployment
7. Hardship due to extenuating circumstances

IV.V. No Interest Loan Cohort Default Rate

Each fiscal year, the Massachusetts Office of Student Financial Assistance calculates each No Interest Loan participating institution’s NIL cohort default rate for that same fiscal year. That information is subsequently made available to the institutions. Effective with award year 2005-2006, OSFA has instituted new policies that guide individual school’s responsibilities to the loan program, based on their loan cohort default rate. The new policies are as follows:

- If a school’s current fiscal year average NIL cohort default rate equals or exceeds 30%, it must and implement a Massachusetts No Interest Loan Default Prevention and Management Plan in order to continue to participate in the Massachusetts No Interest Loan Program, effective with the academic year 2006-2008.
Such a default prevention and management plan must be submitted to the Office of Massachusetts Student Financial Assistance, no later than July 1, immediately following the fiscal year for which such a cohort default rate was calculated. In addition, the institution must achieve a 100% return rate to the NIL loan servicer, Affiliated Computer Services (ACS), on all “Lender’s Copy” of all NIL loan exit material (including NIL Loan Disclosure Statement) that students attending the institution complete and sign when separating from the school between the period of July 1 through June 30 of the fiscal year for which such cohort default rate was calculated. The institution is also subject to other Requirements as may be specified by the Massachusetts No Interest Loan program.

If a school’s NIL cohort default rate equals or exceeds 10% but is less than 30%, it must achieve a 100% return rate to the NIL loan servicer, Affiliated Computer Services (ACS), on all “Lender’s Copy” of all NIL loan exit material (including NIL Loan Disclosure Statement) that students attending the institution completes and signs when separating from the school between the period of July 1 through June 30 of the fiscal year for which such a cohort default rate was calculated in order to continue to participate in the Massachusetts No Interest Loan program. The institution is also subject to other requirements as may be specified by the Massachusetts No Interest Loan program.

If a school’s NIL cohort default rate is less than 10%, it must achieve a return rate of not less than 75% to the NIL loan servicer, Affiliated Computer Services (ACS), on all “Lender’s Copy” of all NIL loan exit material (including NIL Loan Disclosure Statement) that students attending the institution complete and sign when separating from the school between the period of July 1 through June 30, of the fiscal year for which such a cohort default rate was calculated, in order to continue to participate in the Massachusetts No Interest Loan Program, effective with the academic year 2006-2008. The Institution is also subject to other requirements as may be specified by the Massachusetts No Interest Loan program.

**IV. W  Affiliated Computer Service (ACS) and OSFA Contacts**

Students may contact Affiliated Computer Service (ACS) for information concerning individual loans by calling 1-800-826-4470.

Institutions can contact ACS at 1-800-432-2372 for information with regard to NIL servicing.

Institutions can contact Erin Mawn of OSFA for information with regard to NIL origination at 617-727-9420.
# Massachusetts No Interest Loan Eligibility Chart

## 2008-2009

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<th>Expected Family Contribution</th>
<th>Maximum Loan Amount</th>
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<tr>
<td>0 – 10,000 Independent: I</td>
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Massachusetts No Interest Loan Program  
454 Broadway, Suite 200, Revere, Massachusetts 02151  

PROMISSORY NOTE/LOAN DISCLOSURE FOR THE  
MASSACHUSETTS NO INTEREST LOAN PROGRAM  

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment as permitted by the laws and regulations of the Commonwealth of Massachusetts.

IMPORTANT - READ THIS INFORMATION CAREFULLY AND PRINT CLEARLY IN INK ANY MISSING INFORMATION

The terms "I", "me", and "mine" refer to the borrower.

1. I will read the Promissory Note before I fill it out. If I have any questions, I will ask the financial aid administrator at my school or contact the Massachusetts No Interest Loan Program.

2. When the Commonwealth of Massachusetts accepts my signed Promissory Note, the Commonwealth of Massachusetts is not necessarily agreeing to lend me the money. The Commonwealth of Massachusetts has the right not to make a loan or lend an amount less than the Loan Amount requested. I will be required to repay only the amount of money the Commonwealth of Massachusetts lends. Laws, regulations, and my financial aid award at the school I attend may not allow the Commonwealth of Massachusetts to lend me as much as I have asked for.

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**SCHOOL MUST COMPLETE AND SIGN THIS SECTION**

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<th>SOCIAL SECURITY NUMBER</th>
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<th>PERMANENT HOME TELEPHONE</th>
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<tr>
<td>123 MAIN ST</td>
<td></td>
<td>MA</td>
<td>99999</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AREA CODE TELEPHONE</th>
<th>LOAN PERIOD</th>
<th>ANTICIPATED GRADUATION DATE</th>
<th>CHECK HERE IF THIS IS AN INCREASE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>LOAN AMOUNT</th>
<th>NUMBER OF DISBURSEMENTS (CHECK APPROPRIATE BOX OR INDICATE PREFERRED DISBURSEMENT DATES)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,000.00</td>
<td>□ FALl 10/1/2002 □ SPRING 2/1/2003 □ SUMMER 5/1/2003</td>
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</tbody>
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<tr>
<th>ANNUAL PERCENTAGE RATE</th>
<th>FINANCE CHARGE</th>
<th>AMOUNT FINANCED</th>
<th>TOTAL OF PAYMENTS</th>
</tr>
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<tr>
<td></td>
<td></td>
<td>(i.e. Loan Amount)</td>
<td></td>
</tr>
<tr>
<td>0%</td>
<td>$0</td>
<td>$4,000.00</td>
<td>$4,000.00</td>
</tr>
</tbody>
</table>

I certify that the student listed below is eligible for the Massachusetts No Interest Loan and has completed all verification and eligibility requirements as specified in the program guidelines.

Mary Smith, Assistant Director of Financial Aid

June 11, 2002

---

**BORROWER MUST COMPLETE AND SIGN THIS SECTION**

<table>
<thead>
<tr>
<th>REFERENCES - YOU MUST PROVIDE 2 SEPARATE REFERENCES WITH DIFFERENT ADDRESSES. (THIS SECTION MUST BE COMPLETED FULLY)</th>
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</thead>
<tbody>
<tr>
<td>PARENT, SPOUSE OR NEAREST RELATIVE</td>
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<table>
<thead>
<tr>
<th>NAME</th>
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<thead>
<tr>
<th>HOME ADDRESS</th>
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<thead>
<tr>
<th>CITY, STATE, ZIP</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>AREA CODE TELEPHONE</th>
</tr>
</thead>
</table>

At my option and without penalty, I may prepay at any time all or any part of the unpaid balance of this Note. For repayment and late charge information, please refer to Sections II and V on the reverse side.

By my signature below, I promise to pay the Commonwealth of Massachusetts or its designated agent the loan amount listed above as set forth in the terms and under the conditions of this promissory note and all other amounts stated herein. This agreement is signed under seal of the Commonwealth of Massachusetts.

SIGN HERE: BORROWER SIGNATURE

PRINT NAME (first, middle, last)

DATE

BY SIGNING THIS NOTE, YOU ARE AGREEING TO ALL THE TERMS AND CONDITIONS AND THE BORROWER'S CERTIFICATION ON THE REVERSE SIDE OF THIS NOTE. THIS IS A LOAN AND MUST BE REPARED.

NOTICE TO BORROWER: Terms of the Promissory Note continue on the reverse side of all copies. Keep Borrower's Copy for your records.

ORIGINAL NOTE

EXHIBIT C
2008-2009 NIL ERROR CONDITIONS AND ACTIONS

01. Social Security Number Invalid
OSFA Action: OSFA returns promissory note to school.

Report Text: The social security number provided on the promissory note does not exist on OSFA’s database. Please submit new promissory note with correct social security number or contact OSFA.

02. Student currently Not Eligible for a MA No Interest Loan
OSFA Action: OSFA sends error report to school or school accesses error message on the web.

Report Text: Student not currently eligible for a MA No Interest Loan. Please contact OSFA.

03. Last Name on Prom Note Not Found on OSFA’s database
OSFA Action: OSFA returns promissory note to school.

Report Text: The last name reported on the promissory note does not match information on OSFA’s database. Please submit a new promissory note with correct last name or contact OSFA.

04. Address on prom note shows state other than MA or is incomplete
OSFA Action: OSFA sends error report to school or school accesses error message on the web

Report Text: The address provided on prom note lists a state other than MA or is incomplete. Please provide a complete and permanent Massachusetts address for borrower.

05. Borrower’s Name, Address or Phone Number Incomplete on Prom Note
OSFA Action: OSFA sends error report to school or school accesses error message on the web.

Report Text: The Borrower Address information on promissory note is incomplete. Please provide full address and/or phone number information for borrower.

06. Dependency status information on prom note does not match NIL Roster or is missing
OSFA Action: OSFA sends error report to school or school accesses error message on the web.

Report Text: Dependency status on prom note is missing or does not match NIL Roster. Please review and provide correct information or contact OSFA.

07. OE Code on prom note does not match information on OSFA’s database
OSFA Action: OSFA sends error report to school or school accesses error message on the web.

Report Text: OE Code provided on prom note does not match information on OSFA’s database. Please submit a paper or electronic Transfer request for borrower, using MASSGrant /NIL Transfer Request Form.

08. Loan period “Begin Date” does not match or missing
OSFA Action: OSFA sends error report to school or school accesses error message on web.

Report Text: The loan period “Begin Date” provided is invalid or incomplete. Please submit correct/complete date or contact OSFA.

09. Loan Period “End Date” > June 30
OSFA Action: OSFA sends error report to school or school accesses error message on web.

Report Text: The loan period “End Date” provided is invalid or incomplete. Please submit correct/complete date or contact OSFA. The NIL processing cycle is from August 1 to June 30.
10. Loan Period “Begin/End Dates” Not in Current Academic Year

OSFA Action: OSFA sends error report to school or school accesses error message on web

Report Text: The NIL processing cycle is from August 1 to June 30. Please submit new loan period that fits within the above dates.

11. No Loan Period Information Provided

OSFA Action: OSFA sends error report to school or school accesses error message on web

Report Text: No loan period information was provided on the prom note. Please provide full and correct loan period information to OSFA

12. Loan “Start Date” and “End Date” Span < 45 Days

OSFA Action: OSFA sends error report to school or school accesses error message on web

Report Text: The loan period is invalid. Please provide a loan period of 45 days or more

13. Prom Note Received Date > Loan Period End Date

OSFA Action: Promissory Note is returned to school

Report Text: Prom Note received after expiration of loan period end date

14. Graduation Date is prior to Loan Period End Date

OSFA Action: OSFA sends error report to school or school accesses error message on web

Report Text: The Anticipated Graduation Date is prior to the Loan Period end date. Please provide correct graduation date.

15. Graduation Date Missing or Incomplete

OSFA Action: OSFA sends error report to school or school accesses error message on web

Report Text: The Graduation date is missing or incomplete. Please provide correct graduation date

16. Loan Increase Box Checked but no Prior Loan in Current Year

OSFA Action: OSFA sends error report to school or school accesses error message on web

Report Text: The “Loan Increase” box on prom note has been checked, but there is no prior loan in current year. Please advise or contact OSFA

17. Loan Increase Box not Checked but Prior Loan in Current Year

OSFA Action: OSFA sends error report to school or school accesses error message on web

Report Text: The “Loan Increase” box on prom note was not checked, but there is a prior loan in current year. Please advise or contact OSFA

18. Loan Increase Amount Exceeds NIL Annual Loan Limit

OSFA Action: OSFA returns promissory note to school

Report Text: The loan amount is greater than the maximum loan amount permitted by the program. Please review and submit a new promissory note

19. Loan Increase Amount Less Than Minimum Amount Allowed

OSFA Action: OSFA returns promissory note to school

Report Text: The Loan Increase amount is less than the minimum required. Please review and submit new promissory note.

EXHIBIT D
20. **Loan Amount Not Equal To “Amount Financed” and “Total of Payments” Amounts**

OSFA Action: OSFA returns promissory note to school

Report Text: The Amount provided on promissory note does not match the Amount Financed and/or Total of Payments. Please submit a new promissory note.

21. **Loan Amount Is Less Than The Minimum**

OSFA Action: OSFA returns promissory note to school

Report Text: The loan amount is less than the minimum allowed. Please review and submit a new promissory note.

22. **Loan Amount Exceeds Current Eligibility Amount**

OSFA Action: OSFA returns promissory note to school

Report Text: The loan on the prom note is greater than the current eligibility amount. Please review and submit a new promissory note.

23. **Loan Amount Exceeds Program’s Lifetime Limit**

OSFA Action: OSFA returns promissory note to school

Report Text: The Loan amount on prom note exceeds the NIL program lifetime’s limit. Please review and submit a new promissory note.

24. **Loan Amount Is Missing**

OSFA Action: OSFA returns promissory note to school.

Report Text: The loan amount field is blank on promissory note. Please review, complete and re-submit.

25. **Loan Amount Has Been Altered**

OSFA Action: OSFA returns promissory note to school

Report Text: The loan amount field on prom note has been altered. Please submit new promissory note.

26. **Disbursement Date Not Within Current Academic Year**

OSFA Action: OSFA returns promissory note to school.

Report Text: The Disbursement Date(s) provided do not fall within NIL processing year of August 1 – June 30. Please correct and submit.

27. **Loan Period >155 Days. 2 or More Disbursements Required**

OSFA Action: OSFA returns promissory note to school.

Report Text: Loan Period is greater than 155 days. Please indicate another disbursement date (Fall/Spring/Summer) and/or preferred disbursement date.

28. **Signature of School Official Missing on Prom Note**

OSFA Action: OSFA returns promissory note to school.

Report Text: The prom note was not signed by a school official. Please complete and re-submit.

29. **School Official’s Name and Title Not Provided on Promissory Note**

OSFA Action: OSFA returns promissory note to school.

Report Text: The name and title of school official who authorizes NIL loans need to be provided. Please complete and re-submit.

EXHIBIT D
30. **School’s Current Year Allocation Has Been Exhausted**

   OSFA Action: OSFA sends error report to school or school accesses error message on web.

   Report Text: Your institution’s current year allocation has been exhausted. Please contact OSFA if you have any questions.

31. **Missing or Incomplete References**

   OSFA Action: OSFA returns promissory note to school.

   Report Text: The reference information provided on prom note is incomplete. Please provide 2 references at different addresses and phone numbers and re-submit completed prom note.

32. **Student Listed Himself/Herself as a Reference**

   OSFA Action: OSFA returns promissory note to school.

   Report Text: Student cannot use himself/herself as a reference. Please provide another reference at different address and phone number and re-submit completed prom note.

33. **Both References on Promissory Note Have Same Address**

   OSFA Action: OSFA returns promissory note to school.

   Report Text: The 2 references provided on prom note have the same address and/or phone number. Please submit a new promissory note with 2 different addresses and phone numbers.

34. **No Borrower Signature Provided on Prom Note**

   OSFA Action: OSFA returns promissory note to school.

   Report Text: The promissory note is not signed and/or dated by the borrower. Please have the borrower sign and date the enclosed promissory note.

35. **Borrower’s Signature Illegible or Incomplete**

   OSFA Action: OSFA returns promissory note to school.

   Report Text: The borrower’s signature is illegible or does not match the borrower’s legal name. Please have the borrower sign the enclosed promissory note again and return it with proof of signature.

36. **Ineligible Due to NIL Loan Default**

   OSFA Action: OSFA sends error report to school or school accesses error message on the web.

   Report Text: Borrower is currently ineligible to a default status on a previous NIL loan. Please have borrower contact the NIL loan servicing agency, ACS at 1-800-826-4470.

37. **Invalid Promissory Note**

   OSFA Action: OSFA returns promissory note to school.

   Report Text: The promissory note submitted is no longer in use. Please submit the newest version of the promissory note.

38. **Promissory Note Printed on Plain Paper**

   OSFA Action: OSFA returns promissory note to school.

   Report Text: The promissory note was printed on plain white paper. Please re-print onto promissory note printing paper, complete and submit Original Copy of note to OSFA.

39. **School’s Copy of Promissory Note Submitted**

   OSFA Action: OSFA returns promissory note to school.

   Report Text: School’s Copy of promissory note submitted. Please submit fully completed Original Copy of promissory note to OSFA.
40. **Borrower’s Copy of Promissory Note Submitted**

OSFA Action: OSFA returns promissory note to school.

Report Text: Borrower’s Copy of promissory note submitted. Please submit fully completed Original Copy of promissory note to OSFA.

41. **Error Not Resolved by School by End of Academic Year**

OSFA Action: OSFA sends error report to school or school accesses error message on the web.

Report Text: Loan cancelled due to unresolved errors and/or borrower ineligibility at the end of the NIL processing season.

42. **Loan Application Cancelled at School’s Request**

OSFA Action: OSFA sends error report to school or school accesses error message on the web.

Report Text: The borrower’s prom note has been cancelled at the school’s request.

99. **Operator Assigned. Free Text**
Borrower Information

Name: ___________________________________________________ Social Security # _______-_______-________

School Name: _______________________________________________ OE Code: __________________________

Loan Period Corrections

Complete if the Loan Period on the promissory note was:
- Left Blank (Error message 11)
- Not Within Academic Year (Error message 10)
- Less than 45 days (Error message 12)
- Loan Period Start Date or End Date Missing/Invalid (Error messages 08, 09)

REVISED LOAN PERIOD
FROM ______/______/__________ TO ______/______/_________
MM   /   DD    /    YYYY            MM   /   DD    /    YYYY

Graduation Date Corrections

Complete if Graduation Date provided on promissory note was Missing and/or Invalid or Prior to Loan Period End Date. (Error messages 14, 15)

REVISED GRADUATION DATE
__________/___________/___________
MM  /          DD       /     YYYY

Loan Increase Box Corrections

Choose one:
- The Increase Box on the promissory note was checked but the borrower has not received a loan for the current year. Therefore, LOAN IS NOT AN INCREASE. (Error message 16).
- The Increase Box on the promissory note was not checked but borrower has already received a loan for the current year. Therefore, LOAN IS AN INCREASE. (Error message 17).

Borrower Address Corrections

Complete if borrower’s address information on promissory note listed a state other than MA or was incomplete. Please provide complete MA address and phone number information for the borrower. (Error messages 04, 05)

<table>
<thead>
<tr>
<th>NAME</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>HOME ADDRESS</td>
<td></td>
</tr>
<tr>
<td>CITY, STATE, ZIP</td>
<td></td>
</tr>
<tr>
<td>AREA CODE TELEPHONE</td>
<td>( )</td>
</tr>
</tbody>
</table>

Dependency Status Corrections

Complete if Dependency Status on prom note was left blank or does not match NIL Roster. (Error Message 06). Please indicate borrower’s Dependency status in the box.

Cancellation of a Pending Promissory Note

- Please cancel the pending promissory note for the borrower. Use this option if you are unable to resolve issues that prevent a borrower’s promissory note from being approved and wish to have the funds returned to your institution’s NIL allocation.

Other:

Use this section to submit information to OSFA not specified above.

School official completing this form: ________________________________
<table>
<thead>
<tr>
<th>Name of Applicant</th>
<th>Street Address</th>
<th>State</th>
<th>ZIP</th>
<th>Dependency Phone</th>
<th>Loan Amount Generated</th>
<th>Fall Disbursement</th>
<th>Spring Disbursement</th>
<th>Summer Disbursement</th>
<th>Total Disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPSWICH</td>
<td>MA</td>
<td>01938</td>
<td></td>
<td>(978) 356-5010</td>
<td>$1,000.00</td>
<td>$500.00</td>
<td>$500.00</td>
<td>$0.00</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>EVehoff</td>
<td>MA</td>
<td>02149</td>
<td></td>
<td>(617) 387-6460</td>
<td>$1,600.00</td>
<td>$0.00</td>
<td>$1,600.00</td>
<td>$0.00</td>
<td>$1,600.00</td>
</tr>
<tr>
<td>WOBURN</td>
<td>MA</td>
<td>01801</td>
<td></td>
<td>(781) 933-0594</td>
<td>$4,000.00</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
<td>$0.00</td>
<td>$4,000.00</td>
</tr>
<tr>
<td><strong>Total Number of Students</strong></td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td><strong>$6,600.00</strong></td>
<td><strong>$2,500.00</strong></td>
<td><strong>$4,100.00</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>$6,600.00</strong></td>
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</tbody>
</table>
The Massachusetts No Interest Loan does not charge interest. The borrower only repays the principal amount. Payment is made directly to the Commonwealth of Massachusetts or its designated servicer.

- Borrowers receive a 6-month grace period
- The minimum monthly payment is $50
- The maximum length of repayment is 10 years
- You will receive repayment information during your grace period
- Borrower will receive loan disclosure information

The borrower may be eligible for a DEFERMENT (for a total of 36 months) if the borrower:

- Enrolls at least half-time in an eligible degree or certificate program
- Is unemployed (Limit to a total of 3 years). Documentation is required.
- Has long term illness or disability. Documentation is required.
- Is a member of the US Armed Forces, commissioned in the corps of the US Public Health Service or an active duty member of the National Oceanic and Atmospheric Corps.
- Joins a volunteer service such as the Peace Corps, ACTION programs, or comparable full-time volunteer work for specific tax-exempt organizations.

DEFAULT occurs when the borrower does not repay his/her Massachusetts No Interest Loan. Default can result in:

- Disclosure of borrower’s default to schools and colleges attended or attending
- Ineligibility to receive financial aid from all Commonwealth of Massachusetts financial aid programs
- Reporting of borrowers’ loan information to national credit bureaus
- Difficulty in obtaining credit cards, car loans, home mortgages, or other forms of consumer credit
- Potential denial of future financial aid from federal, state and private sources

I have read and understood the above information. I further understand that I may contact my financial aid office or the Massachusetts Office of Student Financial Assistance (617 / 727-9420) if I have any questions regarding my Massachusetts No Interest Loan.

Please return white copy to: ACS, INC-Education Services Campus Products, PO Box 7061, Utica, NY13504

White Copy (Lender’s Copy)   Yellow Copy (School’s Copy)   Pink Copy (Borrower’s Copy)
MASSACHUSETTS NO INTEREST LOAN
REFUND FORM

SCHOOL NAME: _______________________________  OE CODE: ____________

<table>
<thead>
<tr>
<th>STUDENT NAME</th>
<th>SS #</th>
<th>SEMESTER &amp; YEAR</th>
<th>REFUND AMOUNT</th>
<th>REASON</th>
<th>DATE OF WITHDRAWAL</th>
</tr>
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</tbody>
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TOTAL

CHECK INFORMATION: AMOUNT OF REFUND $___________  DATE: ____________  CK# ____________

__________________________  ____________________________
SIGNATURE AND DATE  TITLE

PRINTED NAME: _______________________________  PHONE # ___________________________

PLEASE RETURN TO:

MASSACHUSETTS OFFICE OF STUDENT FINANCIAL ASSISTANCE
454 BROADWAY, SUITE 200
REVERE, MA  02151

EXHIBIT H
Institution Name: ___________________________________ OE Code: ____________

2008-2009 No Interest Loan Allocation: $_________________

2008-2009 No Interest Loan Allocation Used to Date: $_________________

Amount of 2008-2009 No Interest Loan Allocation De-Obligating $_________________

Signature: ___________________________ Date: ____________

Print Name: __________________________________________________________________

Telephone : __________________________________________________________________

Please return via mail or fax to:

Massachusetts Office of Student Financial Assistance
454 Broadway, Suite 200
Revere, MA 02151
617-727-9420 – phone
617-727-0667 – facsimile
IV. T  Student Loan Repayment Schedule and Disclosure Statement:

Schools will receive loan exit packets for students, sixty (60) days prior to their separation date. Again, the school can direct its students to OSFA’s on-line exit counseling application to perform their, 60 days prior to their separation date In a case where the student withdraws prior to his/her graduation, the school needs to immediately advise the loan servicing agency, Affiliated Computer Servicing Group (ACS) or OSFA, and request a loan exit counseling packet that the student needs to receive, review, complete and sign. In order to ensure that ACS maintains the most updated separation dates; OSFA will begin sending Expected Separation Reports. If there are changes to be made the school must do so with OSFA or by directly reporting onto ACS e-Command system at https://ecommand.afsa.com. In addition schools can log on monthly to review various reports including but not limited to: In School Journal, In School to Grace Reports, and Loans Transferred Journal. Please refer to section IV.S (No Interest Loan Repayment) for more information regarding loan exit counseling forms. Schools that wish to have on-line access to ACS’s system can contact Charlotte Coggins at 1.800.862.3405. Charlotte Coggins can also be reached via e-mail at Charlotte.Coggins@acs-inc.com

IV. U  No Interest Loan Deferment:

Student borrowers who continue to be enrolled in an eligible undergraduate or graduate program on an at least half-time basis can request a deferment of their Massachusetts No Interest Loan. To apply for a deferment, the borrower needs to contact Affiliated Computer Service (ACS) and request a Massachusetts No Interest Loan Deferment Form (Exhibit L). The borrower may also call the Massachusetts Office of Student Financial Assistance to obtain a deferment form. Other circumstances under which a borrower can apply for a deferment include the following:

1. Military, Peace Corps, ACTION Program, VISTA service
2. Active duty member of the National Oceanic and Atmospheric Administrative Corp
3. Office in the Commission Corp of US Public Health Service
4. Volunteer Service
5. Temporary Total Disability including spouse or dependent care
6. Unemployment
7. Hardship due to extenuating circumstances

IV.V  No Interest Loan Cohort Default Rate

Each fiscal year, the Massachusetts Office of Student Financial Assistance calculates each No Interest Loan participating institution’s NIL cohort default rate for that same fiscal year. That information is subsequently made available to the institutions. Effective with award year 2005-2006, OSFA has instituted new policies that guide individual school’s responsibilities to the loan program, based on their loan cohort default rate performance. The new policies are as follows:

- If a school’s current fiscal year average NIL cohort default rate equals or exceeds 30%, it must and implement a Massachusetts No Interest Loan Default Prevention and Management Plan in order to continue to participate in the Massachusetts No Interest Loan Program, effective with the academic year 2006-2007.