LUCOM SERVICE SCHOLARSHIPS
Terms and Conditions 2015-2016

1. Background

WHEREAS, Liberty offers scholarship programs to Liberty University College of Osteopathic Medicine ("LUCOM") students who are continuously enrolled in LUCOM and who intend to practice medicine in a specific capacity and in a specific geographical region after graduating from LUCOM; and

WHEREAS, Recipient acknowledges that the LUCOM scholarships are subject to Recipient’s continuing compliance with eligibility requirements, including the agreement to practice medicine in areas that have shortages of healthcare professionals, and that if Recipient fails to satisfy the eligibility requirements of his/her scholarship or otherwise breaches this agreement, he/she will be obligated to repay the scholarship amount in full and with interest; and

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereby adopt the above statements as true and agree to the following terms:

2. Definitions. For purposes of this agreement, the following terms have the following meanings.

2.1. “Scholarship Amount” refers to the correlating amounts below:

☐ Dean’s Scholarship $15,000
☐ Provost’s Scholarship $10,000
☐ President’s Scholarship $20,000

2.2. “Term” means the period of timing beginning upon the execution of this agreement and ending either five years after Recipient’s graduation from LUCOM if he/she satisfied the service requirements herein or when Recipient makes the last payment due and owing in the event the scholarship is converted into a loan.

2.3. “Approved Medical Disciplines” means the practices of Family Medicine, Internal Medicine, Pediatrics, General Surgery, Geriatrics, and Women’s Health, as well as any other practice discipline approved in writing by the Dean of LUCOM.

2.4. “Health Profession Shortage Area” means an area, population group, or facility that is designated by the United States Department of Health and Human Services under 42 CFR part 5, appendix A (or its equivalent, if amended), as having a shortage of medical care professionals at the time Recipient enters his/her post-residency practice.

2.5. “Tobacco Commission Localities” means those Virginia cities and counties located within the service area of the Virginia Tobacco Indemnification and Community Revitalization Commission.

3. Scholarship Requirements. Recipient agrees to satisfy all scholarship requirements contained in this Agreement. In the event that Recipient fails to satisfy any of these scholarship requirements or otherwise breaches this Agreement, the entire Scholarship Amount will be treated as a loan to the Recipient, who shall repay to Liberty the full Scholarship Amount with interest and according to the repayment terms in Section
4. Liberty shall notify Recipient in writing of any such conversion, the reason for the conversion, and the date of such conversion.

3.1. **Specific Scholarship Requirements.** The following requirements apply to Recipient’s scholarship:

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3.2. **Documentation of Satisfying Scholarship Requirements.** While Recipient is a student, he/she shall submit to Liberty before the first day of Fall classes of each year, a written attestation that he/she intends to comply with the specific service requirements that are applicable to his/her scholarship, as stated above. Within one year after graduation from LUCOM, Recipient shall submit to Liberty written certification that Recipient entered into a Graduate Medical Education residency in an Approved Medical Discipline that would satisfy the service requirements of his/her scholarship. At five years after graduation from LUCOM, Recipient shall submit to Liberty written certification that Recipient is practicing medicine in an Approved Medical Discipline and approved geographic area that satisfied all the service requirements applicable to his/her scholarship.
3.3. **Annual Approval.** At the beginning of each academic year, Liberty will decide whether Recipient meets the eligibility requirements for the upcoming academic year. Recipient agrees to provide Liberty with any information reasonably necessary to evaluate Recipient's continuing eligibility for the scholarship program.

3.4. **Liberty's Right to Modify the Scholarship Program.** Liberty reserves the right to modify or eliminate its scholarship programs and eligibility criteria from one academic year to the next. Modifications will not be retroactive but rather be prospective and impact the terms and conditions for future awards only. Recipient’s acceptance of this scholarship will not entitle him/her to future scholarships.

3.5. **Change of Name, Status, Address, Etc.** Recipient agrees to inform Liberty in writing of any change in name, address, telephone number, enrollment status, Social Security Number, or driver's license number during the term of this Agreement.

4. **Loan Terms and Conditions.**

4.1. **Repayment Terms.** If the Scholarship Amount is converted into a loan, Recipient shall repay the full Scholarship Amount, with interest, with monthly payments being made over a ten year period. Interest will be charged from the date the Scholarship Amount was applied to Recipient's student account in the amount of six percent (6%) annually. Recipient's repayment period may be shorter than 10 years if Recipient is required by Liberty to make $50 minimum monthly payments. Recipient shall make installment payments in equal monthly installments as determined by Liberty. Liberty may round installment payment amounts up to the final payment to the next highest multiple of $5. Recipient acknowledges that Liberty may report to national credit bureaus the amount of Recipient's payments under the loan and the outstanding balance on that loan.

4.2. **Grace Period.** Recipient will have a six-month grace period that begins the day Recipient ceases to be at least a half-time student at Liberty or the day the scholarship converted to a loan, whichever is later if both are applicable. The grace period is provided once. Reenrollment prior to the end of the six-month grace period does not reset the number of months in the grace period absent an approved deferment. Reenrollment does not entitle Recipient to a new six-month initial grace period upon completion of the excluded period, absent an approved deferment. Although Recipient is not required to make payments during this grace period, interest will continue to accrue during the grace period. The repayment period on the loan will begin on the day after the six-month grace period ends.

4.3. **Late Charges.** Recipient shall pay any late charge, which shall be calculated at 10 percent of the late installment amount. Liberty may add the late charges the day after the scheduled payment was due and include it as due and owing in written notice of the charge.

4.4. **No Hardship, Forbearance, Deferment, Cancellation, Discharge.** This Agreement contains no cancellation, hardship, forbearance, discharge or deferment provisions, except for deferment for at least half-time attendance at Liberty University, approved military deferment, or approved medical deferment described in Section 4.5, below. Recipient hereby acknowledges and agrees that if the scholarship converts to a loan, such loan will be "an obligation to repay funds received as an education benefit, scholarship, or stipend" under 11 U.S.C. § 523(a)(8), and that as such, will not be dischargeable in bankruptcy except in the event of undue hardship as determined by a bankruptcy court.

4.5. **Limited Deferments.** Liberty may grant Recipient a deferment in certain limited circumstances which may extend the repayment period. Interest will continue to accrue during any period of deferment. If the scholarship converts to a loan, repayment may be deferred while Recipient is at least a
half-time student at Liberty but no longer a full-time student, if Recipient is engaged in full time active duty military service, and if Recipient is unable to make payments due to a medical condition for which the Dean of LUCOM has approved Recipient's deferment. To apply for a deferment under these limited circumstances, Recipient must request this in writing. If the deferment is enrollment related, Recipient must also register for and attend courses at Liberty University equal to or exceeding half-time enrollment in order to obtain and maintain the deferment.

4.6. Promise to Pay. Recipient’s obligation(s) to repay the funds received under this Agreement which will be evidenced by one or more Promissory Notes (the “Note(s)”). Recipient hereby promises to pay Liberty, or a subsequent holder of the Note(s), all sums disbursed under the terms of the Note(s), plus interest and other fees which may become due as provided in the Note(s). Recipient understands that multiple loans may be made to him/her under this Liberty University College of Osteopathic Medicine scholarship program. Recipient understands that by accepting at any time any disbursements of the scholarships that are converted to loans evidenced by the Note(s), Recipient agrees to repay such loans, plus interest and other fees which may become due. Recipient understands that each loan is separately enforceable based on a true and exact copy of each Note(s). Recipient understands that he/she may cancel or reduce the Scholarship Amount by not accepting or by returning all or a portion of any disbursement that is issued. If Recipient does not make each payment on any loan under this Agreement when it is due, Recipient promises to pay all reasonable collection costs, including attorneys’ fees, court costs, and other fees. Recipient agrees to not sign this Agreement before reading the entire Agreement, even if Recipient is told that he/she is not required to read it. Recipient is entitled to an exact copy of this Agreement. Scholarships that are converted to loans made to Recipient hereunder will be made to Recipient without security or endorsement.

4.7. Disclosure of Loan Terms. Recipient understands that, under this Agreement, the principal amount that Recipient may owe, and may be required to repay, will be the sum of all disbursements issued unless Recipient reduces or cancels any disbursements, plus any applicable interest, fees, or costs. A copy of this Agreement to Serve which Recipient received serves as a disclosure statement to Recipient identifying the amount of the loan and any additional terms of the loan. Any additional disclosure statement Recipient receives in connection with any loan under this Agreement is hereby incorporated into this Agreement.

4.8. Prepayment. Recipient acknowledges that, if the scholarship converts into a loan, he/she may prepay all or any part of the unpaid loan balance, plus any accrued interest, at any time without penalty. Amounts Recipient repays in the academic year in which the scholarship was converted into a loan and before the initial grace period ends will be used to reduce the amount of the loan and will not be considered a prepayment. If Recipient repays amounts during the academic year in which the scholarship was converted into a loan and the initial grace period has ended, only those amounts in excess of the amount due for any repayment period shall be considered a prepayment. If, in an academic year other than the academic year in which the scholarship was converted into a loan, Recipient repays more than the amount due for an installment, the excess funds will be used to repay principal unless Recipient designates it as an advance payment of the next regular installment. A prepayment of principal will not result in any change in the amount of Recipient’s scheduled payments, but rather shall operate to discharge and extinguish the applicable Note at an earlier date.

4.9. Minimum Monthly Payment. If installment payments would otherwise be calculated to be less than $50, Liberty may set the installment payments at $50 per month up to the final payment to shorten the overall life of the outstanding loans and promote administrative efficiencies, and Liberty may require Recipient to make such minimum monthly payments. A minimum monthly payment amount may combine Recipient’s obligation on this and any other outstanding Liberty University loans.
5. **Consequences of Default.** The consequences of default may include, but are not limited to the following:

(a) Recipient will not be allowed to register for or attend future Liberty University classes or receive Liberty University institutional aid such as Liberty scholarships and financial aid.

(b) Recipient may be subject to legal action and have to pay additional collection and legal costs, including Liberty’s collection and legal costs. Recipient may be subject to wage garnishment.

(c) Credit bureaus may be notified, and Recipient’s credit rating may suffer.

(d) Liberty will use all other legal and equitable means available to it to collect the amounts Recipient owes under this Agreement.

6. **Lender Choice Disclosure Statement.** Recipient acknowledges that this scholarship is one of many ways to finance his/her education, and understands that he/she is assuming the risk that the scholarship provided hereunder will convert to a loan and that the terms of such loan may not be as favorable as other lending options available to students under the William D. Ford Federal Direct Loan Program and other private alternative loan programs. Recipient acknowledges that Liberty University students are welcome to select from any participating lender. Federal loan alternatives include the Federal Direct Loan Program (subsidized and unsubsidized), the Federal PLUS Loan and Federal Graduate PLUS Loan programs and should be considered prior to accepting this scholarship or applying for alternative loans if terms of those loans are less favorable than federal loan terms.

7. **Financial Aid Consumer Information Statement.** Liberty, as permitted by federal regulations [34 CFR 668.41], electronically disseminates consumer information, including the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act information. Upon request, Liberty will provide a free paper copy of such information to Recipient. Anyone signing or processing financial aid forms or seeking information or assistance from Liberty University must read, understand, and comply with the requirements which are available 24 hours a day at www.Liberty.edu/ConsumerInfo.

8. **Privacy and Disclosure of Information.** The principal purposes for collecting the information in this agreement, including Recipient’s Social Security Number, are (i) to verify Recipient’s identity, (ii) to determine his/her eligibility to receive a loan and, if it becomes necessary, to locate Recipient and to collect and report on his/her loan(s) if such loan(s) becomes delinquent or in default, (iii) to assist with processing and collecting the loan, and (iv) to disclose to third parties as authorized under routine uses. The routine uses of this information include, but are not limited to, its disclosure to federal, state, and local agencies (including the Department of Justice and the Office of Inspector General), to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, to contractors, consultants, and researchers (within Privacy Act safeguards), and to agencies in order (i) to verify Recipient’s identity, (ii) to determine Recipient’s eligibility to receive a loan or a benefit on a loan, (iii) to provide financial aid history, (iv) to permit the servicing or collection of Recipient’s loan(s), (v) to enforce the terms of the loan(s), (vi) to investigate possible fraud, (vii) to verify compliance with federal student financial aid program regulations, (ix) to locate Recipient if he/she becomes delinquent in his/her loan payments, (x) to assist program administrators with advising Recipient regarding repayment efforts, tracking refunds and cancellations, and (x) in the event of litigation, or if Recipient defaults, to provide default rate calculations. Routine uses of this information also include disclosure to a court, adjudicative body, counsel, party, and/or witness if the disclosure is otherwise relevant and necessary to litigation to enforce the terms of the loan(s). If this information, either alone or with other information, indicates a potential violation of law, Liberty may send it to the appropriate authority for action.
9. **Default.** Liberty may, at its option, declare the loan to be in default if (1) Recipient fails to make a scheduled payment when due; or (2) Recipient fails to comply with the terms and conditions of this Agreement, the Note(s), or any other written repayment agreement. Liberty may assign a defaulted loan to an external entity for collection. Recipient will be ineligible for any further Liberty University loans and institutional aid funds until Recipient makes arrangements that are satisfactory to Liberty to repay the loan. Liberty may disclose to credit bureau organizations that Recipient has defaulted and all other relevant loan information. Liberty may accelerate the defaulted loan. Acceleration means that Liberty may demand immediate payment of the entire unpaid balance of the loan, including principal, interest, late charges, and collection costs if Recipient defaults. Recipient hereby waives diligence, presentment, protest, and notice of every kind. In the event a default occurs and this Agreement or the Note(s) is sent to collections, Recipient promises to pay reasonable attorney’s fees and costs in the collection of the Note(s) whether or not suit is commenced or judgment is entered, which fees and costs may be calculated as a percentage of the outstanding loan balance.

10. **Miscellaneous.**

   10.1. **Publicity Consent.** Recipient hereby grants Liberty the right to use Recipient’s image, story, and biographical information while Recipient is enrolled in LUCOM and for a period of 20 years after graduation from LUCOM. Recipient agrees to make himself/herself reasonably available to provide such photographs and information related to his/her practice during this time period. This provision will survive the expiration of this Agreement.

   10.2. **Governing Law; Choice of Forum.** This Agreement will be governed by Virginia law. Any action arising out of this Agreement, the scholarship awarded, or associated Note(s) must be brought in a court sitting in Lynchburg, Virginia.

   10.3. **Entire Agreement; Modification.** This Agreement constitutes the entire agreement between the parties and supersedes any prior agreement or understanding relating to the subject matter. This Agreement may only be modified in a writing signed by both parties.

   10.4. **Severability.** If any term or provision of this agreement should be held to be invalid, unenforceable, or illegal, such holding will not invalidate or render unenforceable any other provision thereof, and the remaining provisions of those documents will not be impaired thereby.

   10.5. **Waiver.** The failure to enforce or the waiver by either party of one default or breach of the other party will not be considered to be a waiver of any subsequent default or breach.

   10.6. **Assignment.** Liberty may assign this Agreement or sell its right to receive payment under this Agreement. Liberty will notify Recipient of any assignment or sale in writing at the last permanent address that Recipient provided Liberty.