

SAIPAN HIGHER EDUCATION FINANCIAL ASSISTANCE
2014 Annual Report



SHEFA

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SHEFA Board

Josephine T. Sablan	Chairwoman
Jose C. Mafnas	Vice-Chairman
Ursula L. Aldan	Member
Juan K. Tenorio	Member
John M. Pialur	Member

COMMITTEES

Committee Chairs

Jose C. Mafnas	Committee of Awards
Juan K. Tenorio	Committee of Appeals
Ursula L. Aldan	Committee on Policy & Procedure
John M. Pialur	Committee on Program & Development

OFFICE STAFF

Merissa S. Rasa	Administrator
Doreen B. Cruz	Administrative Assistant
Vanessa M. Olopai (WIA Employment Trainee)	Office Clerk

About SHEFA

2014 marks SHEFA's tenth year of operation. The program was created by the Saipan and Northern Islands Legislative Delegation (SNILD) through Saipan Local Law 13-21 and first implemented in fall 2004. No person other than residents of the Municipality of Saipan (inclusive of the Northern Islands) shall be eligible for or receive assistance from the Saipan Higher Education Financial Assistance Fund. Funding for this program is sourced from the poker and pachinko machines' local license fees collection under Saipan Local Laws 13-8 and 13-21.

The SHEFA Board is the governing body charged with the implementation of the SHEFA program. The Board is empowered with the authority to promulgate rules and regulations, set administrative guidelines, act on application(s), and perform other mandates and duties necessary and convenient to the administration of the municipal postsecondary program and eligible/mandated trade schools for the residents of Saipan.

Mission

The mission of the Saipan Higher Education Financial Assistance (SHEFA) under the Municipality of Saipan, Office of the Mayor is twofold: (1) to invest in the limited human capital resources of qualified residents of Saipan and the Northern Islands for post-secondary education and vocational trade school on Saipan or abroad in recognition of the need for educated citizenry and workforce on Saipan. (2) The end result of such investment comes with broad expectation of SHEFA and assurance from all applicants and recipients of SHEFA financial assistance to return to the Commonwealth upon a successful completion of a higher education with the necessary and sufficient knowledge, skill, attitude and work ethic in order to provide services in the private sector, government, nongovernmental (NGO) organizations as well as not-for-profit organizations.

Goals for 2015

1. To continue to *timely* provide financial assistance to eligible Saipan & Northern island student residents pursuing post-secondary education or certification from Vocational / Trade Institution.
2. To *update* the SHEFA's Priority Fields list so it corresponds with the Commonwealth's Workforce needs.

3. To *improve* the student tracking system for employment and collection purposes.
4. To *increase* the collection efforts of SHEFA's Students Outstanding Loans through the office or a Collection Agency.
5. To *continue* to provide clearer definition of vague policies, rules and regulations by means of adoption and/or publication of SHEFA's revision, deletion or addendum.
6. To *provide* on an annual basis professional training support and enhancements to the SHEFA'S Staff and board's professional development of their legal obligations.
7. To *relocate* the SHEFA Office to the Mayor's Office for efficient use of personnel and all others expense support within the fiscal year

HIGHLIGHTS

1. SHEFA continues to provide on a timely basis students financial assistance to undergraduates and graduates who wish to pursue advance degrees, as well as to eligible applicants seeking certification from Vocational / Trade Institute / NMTI.
2. All awards which include grant-in-aid, field of study awards and merit incentives were timely requested and distributed in a timely manner.
3. Appeals/deferments/forbearance requests were entertained and addressed in a timely manner.
4. Revisions to SHEFA By-laws were updated, completed and published.
5. SHEFA continued to branch out to the students through the use of networking media sites. The sites allowed SHEFA to announce the financial assistance, training/workshop and employment opportunities, to name a few, to its current and previous recipients.
6. SHEFA continued to provide on-site presentations upon request of its programs and services to private and public high-schools, Northern Marianas College, as well as public and private agencies.
7. The Student Tracking System (STS) database project and updates which maintains past and current students' grants, payments, education =years /degrees, and employment records has been a great challenge to SHEFA's limited staff, and has been achieved and accomplished. All students information have been centralized and readily available.

Types of Financial Assistance for Academic Year 2013/2014

1. **Grant-in-Aid:** This type of financial assistance is available to eligible students from Saipan pursuing post-secondary education in U.S. accredited colleges or universities. Among its requirements include for recipients to register, attend and earn 12 credits or more for fall and spring terms for undergraduates and 9 credits or more for applicants in graduate or advance programs; They must also have a cumulative grade point average of 2.5 on a 4.0 scale for undergraduates and 3.0 on a 4.0 scale for graduates and advance students.

If the recipient decides to remain and work abroad after completion or termination of his or her college studies, the grant assistance converts in to a loan in accordance with the provisions in the memorandum of agreement signed between SHEFA and the award recipient. When this happens, the grant recipient must re-pay SHEFA the amount award with interest.

2. **Priority Field of Study:** The priority scholarship is not only an incentive for students to maintain a high grade point average, but is also used to guide SHEFA scholars at home and abroad to enter into a specialty area of employment that is urgently needed and in high demand on Saipan. Freshman's and sophomores are not eligible for this award. Though the grade point average requirement is maintained at a minimum of 2.5, the priority of field study scholar must formally declare a major in accordance with the range of studies listed in the SHEFA regulations and listed below:

Listing of SHEFA priority fields: Accounting; nursing; teaching /specialized special education/early childhood ed./library science/counseling/bilingual ed.; business management and administration; hospitality & information technology, anthropology/sociology for teaching; biology (science) for teaching; criminal justice leading to forensic science; lab technology; psychology other than leading to counseling; human resources development/personal management; social worker; mathematics for teaching; engineering/architect (A&E); medical and allied files, including psychiatry; environmental studies/conservation (e.g., natural resources, volcanology, marine biology, fish & wildlife, meteorology & archeology); and computer graphics, including technical or specialized trades such as journalism, management information, computer programming and other fields of study sanctioned by the Board in accordance with the Administrative Procedure Act [1 CMC §§ 9101 et seq.].

Like the grant-in-aid, the priority field of study recipient must enroll fulltime and complete within a given term a minimum course load of twelve (12) credits for undergraduates and 9 credits for graduate and advance students.

3. **Performance-Base Scholarship:** First time applicants cannot avail to this award. However, after their first term they are eligible to receive this award if they meet the 3.5 grade point average requirement from the previous term. Remedial courses are not authorized, irrespective of the outcome of the student's placement test in Math or English (which is allowed for freshman and sophomores on grant-in-aid and priority field of study awards). SHEFA regulations disallow students from taking remedial courses or below level course. The only exception to the rule applies to recipients in freshman and sophomore standing who are required to take remedial Math or English based on the placement test score in Math or English. SHEFA's merit scholarship is both a driving

force to excel and a challenge to perform well in college among the SHEFA scholars. No SHEFA recipient is allowed to repeat the same course previously taken and paid for by SHEFA. No religion classes or related courses not specifically prescribed in the student's individualized degree plan (IDP), is allowed.

Types of Awards	On-Island and On-Line Recipients Award Amount	Off-island Award Amount	Required CGPA	Number of Full Time Credits Required
1. Grant-in-Aid (GIA)	\$800.00	\$1200	2.5	Undergraduates: 12 Credits
	\$600.00 / NMTI		2.0 / Pass or No Pass / 70% or higher for NMTI ¹	Full time as defined by the institution
	\$800.00	\$1200	3.0	Graduate: Full time as defined by the institution
2. Priority Field of Study (FOS)	\$1000	\$1500	2.5	Same as above
3. Merit Incentive Award (MIA)	\$1000	\$1500	3.5	Same as above
4. Advance Degree	\$4500	\$4500	3.0 Pass/No Pass grade on a course is acceptable ²	Full time as defined by the institution

1 As of Fall 2013 SHEFA's financial award is made available to eligible recipients enrolled at NMTI to assist defray education costs. SHEFA is made aware by WIA that WIA's financial assistance to their clients' educational cost if enrolled at NMTI are made upon completion of their course.

2. Approved applicants seeking Advance degrees are awarded the Grant-in-Aid in the amount of \$4500 per term.

All types of assistance are awarded twice a year during fall and spring terms.

Award Amounts per Term

ON-ISLAND	GIA	FOS	INC	GIA (Advance Degrees)	OFF-ISLAND	GIA	FOS	INC	GIA (Advance Degrees)
2004 Fall	\$600	\$1,500	\$2,000		2004 Fall	\$1,000	\$1,500	\$2,000	
2005 SPRING	\$600	\$1,500	\$2,000		2005 SPRING	\$1,000	\$1,500	\$2,000	
2005 FALL	\$600	\$1,500	\$2,000		2005 FALL	\$1,000	\$1,500	\$2,000	
2006 SPRING	\$600	\$1,500	\$2,000		2006 Spring	\$1,000	\$1,500	\$2,000	
2006 FALL	\$600	\$1,500	\$2,000		2006 FALL	\$1,000	\$1,500	\$2,000	
2007 SPRING	\$600	\$1,500	\$2,000		2007 SPRING	\$1,000	\$1,500	\$2,000	
2007 FALL	\$600	\$1,500	\$2,000		2007 FALL	\$1,000	\$1,500	\$2,000	
2008 SPRING	\$600	\$1,500	\$2,000		2008 SPRING	\$1,000	\$1,500	\$2,000	
2008 FALL	\$1,200	\$1,500	\$2,000		2008 FALL	\$2,000	\$1,500	\$2,000	
2009 SPRING	\$1,200	\$1,500	\$2,000		2009 SPRING	\$2,000	\$1,500	\$2,000	
2009 FALL	\$1,200	\$1,500	\$2,000		2009 FALL	\$2,000	\$1,500	\$2,000	
2010 SPRING	\$1,200	\$1,500	\$2,000		2010 SPRING	\$2,000	\$1,500	\$2,000	
2010 FALL	\$1,200	\$1,500	\$2,000		2010 FALL	\$2,000	\$1,500	\$2,000	
2011 SPRING	\$800	\$1,000	\$1,000		2011 SPRING	\$1,200	\$1,000	\$1,500	
2011 FALL	\$800	\$1,000	\$1,000		2011 FALL	\$1,200	\$1,000	\$1,500	
2012 SPRING	\$800	\$1,000	\$1,000		2012 SPRING	\$1,200	\$1,000	\$1,500	
2012 FALL	\$800	\$1,000	\$1,000		2012 FALL	\$1,200	\$1,000	\$1,500	
2013 SPRING	\$800	\$1,000	\$1,000		2013 SPRING	\$1,200	\$1,000	\$1,500	
2013 FALL	\$800	\$1,000	\$1,000	\$4,500	2013 FALL	\$1,200	\$1,000	\$1,500	\$4,500
2014 SPRING \$600 NMTI	\$800	\$1,000	\$1,000	\$4,500	2014 SPRING	\$1,200	\$1,000	\$1,500	\$4,500

Academic Year 2013/2014 Application Status

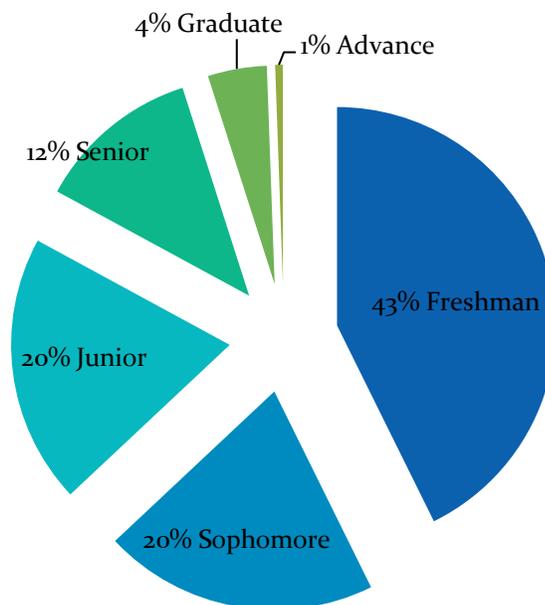
Fall 2013

Place of Study	No. of applications	Approved	Denied
On and Off-island	1089	527	562

Academic Level	No. of Recipients Awarded Per Level
Freshman	225
Sophomore	107
Junior	105
Senior	64
Graduate	23
Advance	3

Percentage of Recipients Awarded Per Level

■ Freshman ■ Sophomore ■ Junior ■ Senior ■ Graduate ■ Advance



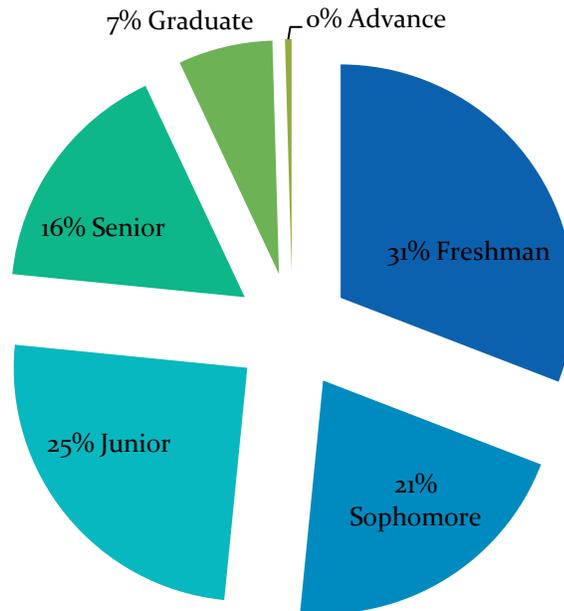
Spring 2014

Place of Study	No. of applications	Approved	Denied
On and Off-island	1233	444	789 ¹

Academic Level	No. of Recipients Awarded Per Level
Freshman	137
Sophomore	92
Junior	111
Senior	73
Graduate	29
Advance	2

Percentage of Recipients Awarded Per Level

■ Freshman ■ Sophomore ■ Junior ■ Senior ■ Graduate ■ Advance



¹ Applications submitted for the Fall 2013 term are still valid for Spring 2014. However, many are denied for incomplete application packages; not maintaining required number of credits in fall 2013; not maintaining required 2.5 CGPA or higher; repeating a course in Spring 2014 that was originally paid for by SHEFA in a previous term; Lastly, are not enrolled full-time in Spring 2014.

Fall 2013/Spring 2014 Awards by Term & Type of Assistance

Freshman	Grant In Aid	Priority Field of Study	Performance-Base	Total per term
Fall 2013 Term	\$210,800	0	\$30,500	\$241,300
Spring 2014 Term	\$130,800	0	\$33,000	\$163,800
Sophomore	Grant In Aid	Priority Field of Study	Performance-Base	Total per term
Fall 2013 Term	\$104,500	0	\$36,000	\$140,500
Spring 2014 Term	\$87,600	0	\$34,500	\$122,100
Junior	Grant In Aid	Priority Field of Study	Performance-Base	Total per term
Fall 2013 Term	\$105,200	\$87,000	\$68,500	\$260,700
Spring 2014 Term	\$113,200	\$93,000	\$72,500	\$278,700
Senior	Grant In Aid	Priority Field of Study	Performance-Base	Total per term
Fall 2013 Term	\$64,000	\$58,000	\$34,500	\$156,500
Spring 2014 Term	\$72,000	\$69,000	\$43,000	\$184,000
Graduate	Grant In Aid	Priority Field of Study	Performance-Base	Total per term
Fall 2013 Term	\$20,400	\$21,000	\$9,500	\$50,900
Spring 2014 Term	\$34,200	\$25,000	\$11,000	\$70,200
Advance	Grant In Aid	Priority Field of Study	Performance-Base	Total per Term
Fall 2013 Term	\$13,500			\$13,500
Spring 2014 Term	\$9,000			\$9,000
Total disbursement for Fall 2013-\$863,400.00				
Total disbursement for Spring 2014-\$827,800.00				
Remaining funds are used to cover the upcoming term				

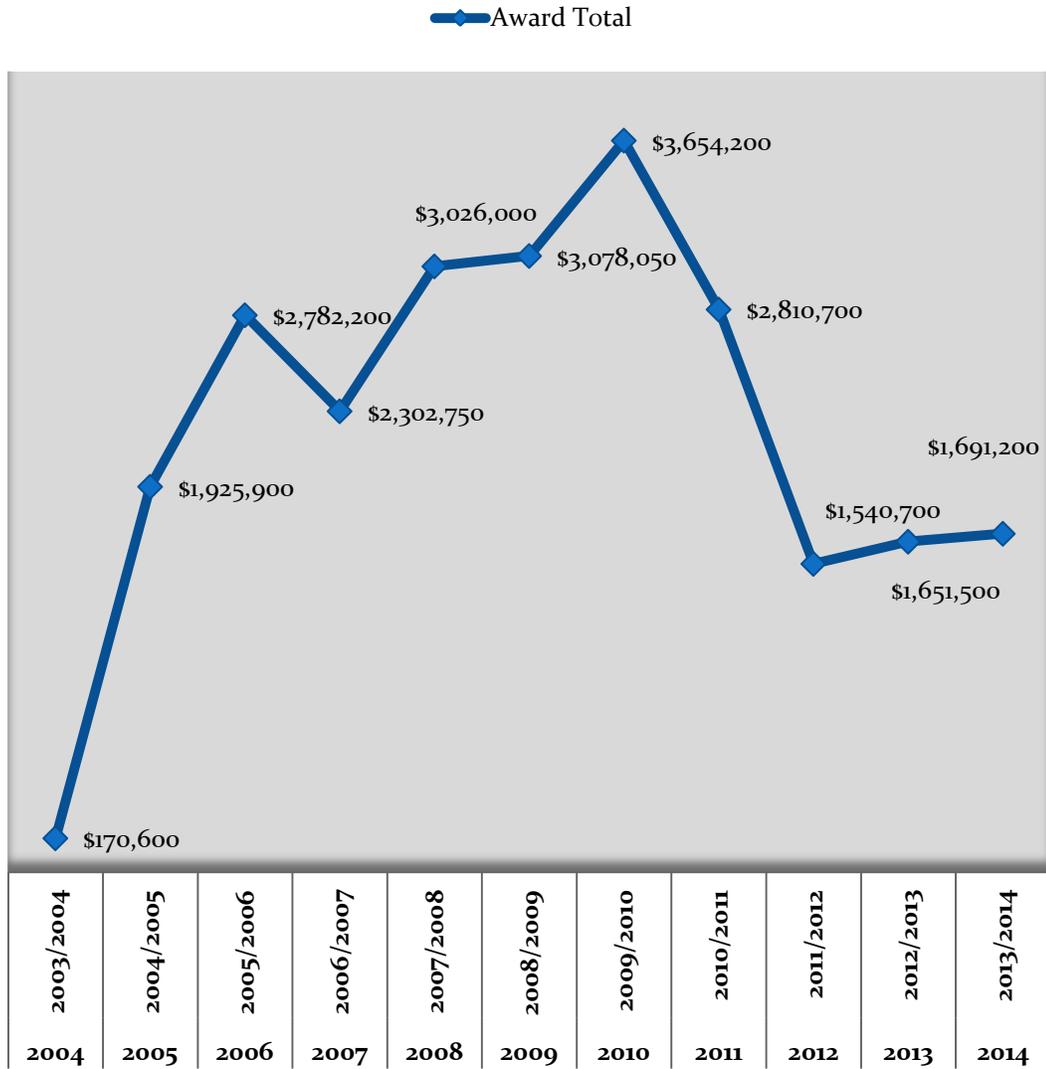
Fiscal Year 2004-2014 Expenditure Report

Fiscal Year	Appropriation	Academic Year	Award Total
2004	\$ 1,029,400.00	2003/2004	\$ 170,600.00
2005	\$ 2,400,002.00	2004/2005	\$ 1,925,900.00
2006	\$ 3,000,000.00	2005/2006	\$ 2,782,200.00
2007	\$ 2,895,984.00	2006/2007	\$ 2,302,750.00
2008	\$ 2,764,425.00	2007/2008	\$ 3,026,000.00
2009	\$ 2,762,048.18	2008/2009	\$ 3,078,050.00
2010	\$ 3,000,000.00	2009/2010	\$ 3,654,200.00
2011	\$ 3,000,000.00	2010/2011	\$ 2,810,700.00
2012	\$ 1,288,599.00	2011/2012	\$ 1,540,700.00
2013	\$ 2,909,581.00	2012/2013	\$ 1,651,500.00
2014	\$ 3,217,719.00	2013/2014	\$ 1,691,200.00
Appropriation Total:	\$ 28,267,758.00	Award Total:	\$ 24,633,800.00

Table 1: Figures provided by the Department of Finance
 Chart 1: FY 2004-2014 Expenditure Chart pg. 17

Award

Award Total Per Academic Year



FY 2014 SHEFA OPERATIONS AND PERSONNEL		
SAIPAN HIGHER EDUCATION FINANCIAL ASSISTANCE PROGRAM (SHEFA)		
COST ALLOCATION	Retirement Contributions	FY 2014
Personnel:	-	
Position Title and Name		Per Annum
1. Administrator	-	\$43,000.00
I. Administrative Services Section:	-	
1. Administrative Assistant	-	\$18,000.00
2. Office Clerk	-	\$10,164.00
	Total Personnel:	\$71,164.00
Fringe Benefits:	-	
Retirement Employer's Contribution @ 37.379% (DB)		
401A Retirement Employer's Contribution @ 4% (DC)		
Life & Health Insurance Employers Contribution @ 4%		\$2,846.56
Medicare Employers Contribution @ 1.45%		\$1,031.88
	Total Fringe:	\$3,878.44
	Total Personnel plus Fringe:	\$75,042.44
FY 2014		
Insurance/Equipment	-	
NMHC Annual Insurance Coverage	-	\$300.00
Post Office Box Rental	-	\$180.00
Secure Safe (annual security maintenance)	-	\$480.00
	Total Insurance/Equipment:	\$960.00
Supplies:	-	
Supplies Operations	-	\$1,500.00
Supplies Office	-	\$500.00
Office Equipment		\$400.00
	Total Supplies:	\$2,400.00
Others:	-	
Boards and Other Comp.	-	\$2,000.00
Communications (telephone, internet, fax and postage)	-	\$3,500.00
Computer Systems-Equipment/Maintenance	-	\$500.00
Utilities (power/water/sewage)	-	\$12,377.56
Repair and Maintenance (computer system and minor building repairs)	-	\$2,000.00
Lawn Care & Garbage Services		\$1,220.00
	Total Others:	\$21,597.56
	Total Budget:	\$24,957.56
	Grand Total (Personnel & Operations Budget):	\$100,000.00

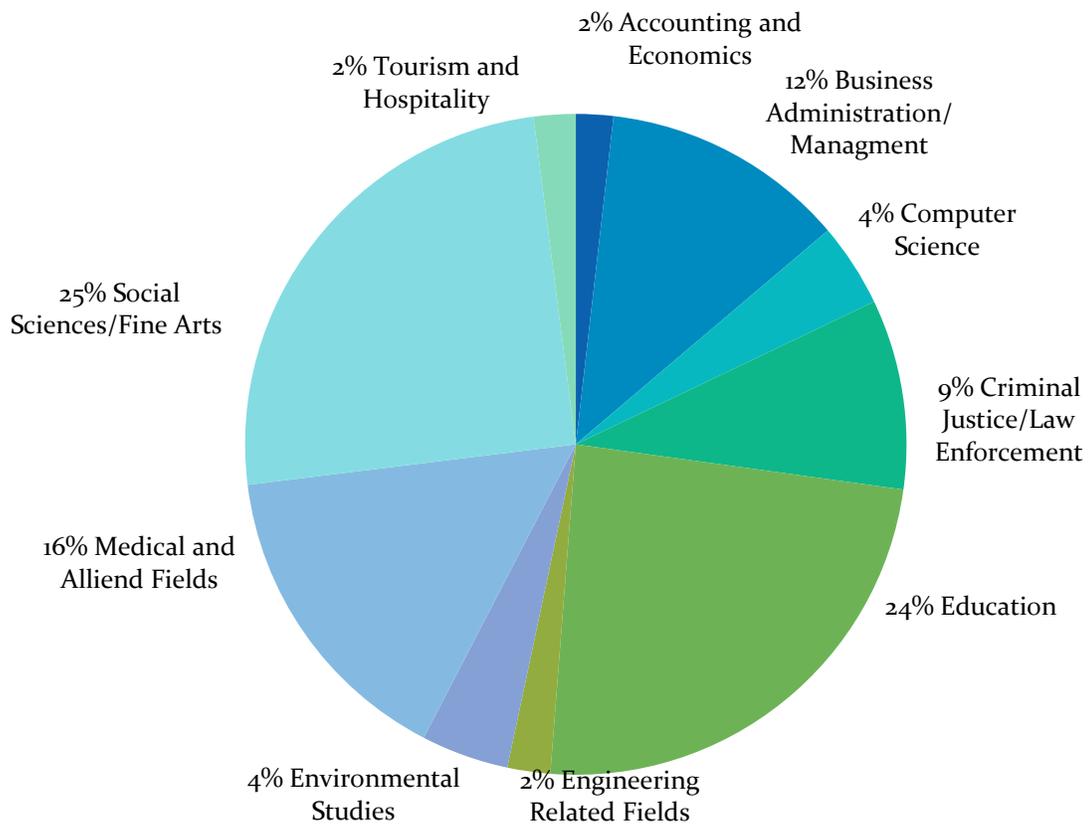
2004-2014 Loan Collections/Repayment

Within three months of successful completion or thirty days of termination or non-enrollment from the institution of record, whichever event occurs first, the recipient of financial assistance from the SHEFA fund is required to return to Saipan for employment and/or to provide services in the private or public section, in recognition of the need for educated citizenry and workforce on Saipan. If a former recipient decides to remain and work abroad three months after completion or termination of his or her college studies, the grant assistance converts into a loan in accordance with the provisions in the memorandum of agreement signed between SHEFA and the award recipient.

Year	Business Unit	Sub-Acct.	Description	Amount
2004	3359	45541	Scholarship Loan Payment	\$ -
2005	3359	45541	Scholarship Loan Payment	\$ -
2006	3359	45541	Scholarship Loan Payment	\$ 553.84
2007	3359	45541	Scholarship Loan Payment	\$ 3,525.71
2008	3359	45541	Scholarship Loan Payment	\$ 2,538.80
2009	3359	45541	Scholarship Loan Payment	\$ 2,325.71
2010	3359	45541	Scholarship Loan Payment	\$ 2,000.04
2011	3359	45541	Scholarship Loan Payment	\$ 5,745.37
2012	3359	45541	Scholarship Loan Payment	\$ 666.68
2013	3359	45541	Scholarship Loan Payment	\$ 5,745.36
2014	3359	45541	Scholarship Loan Payment	\$ 14,868.01
Total to date:				\$ 37,969.52

SNAPSHOT OF STUDENT MAJORS FALL 13/SP 14

- Accounting/Economics
- Business Administration/Management
- Computer Science (Information Technology, Computer Programming, etc...)
- Criminal Justice/Law Enforcement Area
- Education
- Engineering and Related Fields
- Environmental Studies (Natural Resource Management, Marine Science, Environmental Science)
- Medical and Allied Fields, Pharmacy, Dentistry, Nursing
- Social Science and Fine Arts (Arts, Communications, Political Science, Psychology, Social Work, Journalism)
- Tourism and Hospitality



SHEFA ADDRESS

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FACEBOOK

Saipan SHEFA

APPENDIX 1

Memorandum of Agreement

M THIS PROMISSORY NOTE/MEMORANDUM OF AGREEMENT made and entered into this _____ day of _____, 20____, by and between the Board of SHEFA for the Municipality of Saipan within the Office of the Mayor of Saipan and _____, and/or with his/her parent, _____, if below 18 years, hereinafter referred to as the “Debtor” at address: (permanent & current postal address) residing in _____ (village) of Saipan.

WITNESSETH

WHEREAS, Saipan Local Law (SLL) 13-21 established the Saipan Higher Education Financial Assistance within the Office of the Mayor of Saipan to be governed by the Saipan Higher Education Financial Assistance Board (SHEFA);

WHEREAS, the SHEFA Board, in administering the SHEFA fund, will enter into a legally binding and enforce- able promissory note/memorandum of agreement with a qualified and eligible resident of Saipan together with a parent, if recipient of SHEFA financial assistance is below 18 years, prior to the disbursement of any SHEFA fund. In entering into a mutually binding promissory note/ memorandum of understanding, the SHEFA Board becomes the “Lender” of record for SHEFA fund and the recipient of SHEFA financial assistance together with the parent, if recipient is below 18 years, become severally and collectively the “Debtor” of any and all type and amount of SHEFA financial assistance received and acknowledged herein pursuant to § 165-20.1-105 including:

1. Grant-in-Aid
2. Scholarship
3. Loan

WHEREAS, the Saipan Higher Education Financial Assistance (SHEFA) is established as a supplementary financial assistance to eligible residents of the Municipality of Saipan, inclusive of the Northern Islands who desire to pursue post-secondary education at a U.S. accredited institution of higher learning on Saipan or abroad on the condition that a recipient of SHEFA fund shall return to Saipan pursuant to SHEFA rules and regulations for purposes of employment, and to provide services to the private or public sector or both, in recognition of the need for educated citizenry and workforce on Saipan.

NOW, THEREFORE, in consideration of SHEFA financial assistance including grant-in-aid, scholarship and loan which recipient/debtor received and acknowledged by signing this promissory note/memorandum of understanding between the Debtor and the Lender, the Debtor agrees, covenants and represents as follows:

1. The Debtor is admitted to or enrolled in _____(name of institution, a U.S. accredited post-secondary institution of higher learning) in pursuit of a degree in _____(specify type of degree or e.g., A.A., B.A., M.A., PH.D., J.D., MD. etc. and field of study).

2. The Debtor shall utilize all financial assistance for educational expenses directly related or incidental to attendance and continued attendance at an institution of record and shall enroll in at least a minimum of 12 credits for undergraduate; full-time status as defined by the institution for graduate; and full-time status as defined by the institution for advanced standing and maintain the

minimum or higher grade point average (GPA) in accordance with the SHEFA Rules and Regulations.

3. The Debtor shall complete the required credits at each academic term for the financial assistance received (mark one):

i. Undergraduate Full-Time: Twelve or more credits

ii. Graduate Full-Time: As defined by the institution

iii. Advanced Full-Time: As defined by the institution

4. The Debtor shall maintain at the end of each academic term the required cumulative grade point average and term grade point average as it applies below by marking the appropriate category:

i. Undergraduate: 2.5 Cumulative GPA

Twelve or more credits

ii. Performance-Based Scholarship: 3.5 Term† GPA

Twelve or more credits for undergraduates

iii. Graduate: Pass or No Pass Grading

As defined by the Institution

iv. Advanced: Pass or No Pass Grading

As defined by the institution

v. Priority Field of Study: 2.5 Cumulative GPA

vi. Loan Applicant/Recipient: 2.5 Cumulative GPA.

†Term refers to fall term and spring term per academic year for applicant or recipient on semester system; fall term, winter term and spring term for applicant or recipient on quarter system; winter and spring term GPA may be combined in computing the higher of the term GPA for purposes of GPA scholarship. GPA scholarship for semester term is awarded on the fall and spring semester and fall and spring for quarter term.

5. The Debtor shall submit a copy of his/her official grade report/transcript promptly after the conclusion of each academic term directly from the institution of record to the SHEFA Office. The grade report submittal will determine the eligibility for continued assistance on every subsequent term. Within ninety days upon matriculation from the institution of record, the Debtor shall submit a copy of his/her college degree and proof of employment on Saipan or the Northern Islands. The Debtor also fully understands and agrees to his/her legal obligations pursuant to the

explicit and implicit terms and conditions set forth in this promissory note/memorandum of agreement.

6. The Debtor understands acknowledges and accepts the maximum duration of eligibility for financial assistance from the SHEFA fund:

2 Academic Years - Associate Degree

4 Academic Years - Bachelors' Degree††

2 Academic Years - Graduate Degree

3 Academic Years - Advanced Degree†††

††maximum of five academic years for specialized majors and/or specialized certification by the institution of record.

†††maximum of three academic years not including summer, with a provision for up to three additional academic years for dissertation writing, dissertation defense, and internship requirements or medical degree training requirement, and up to two years for jurisprudence work or related residence internship or related training requirements.

7. The Debtor hereby declares that he/she is not pursuing an academic program that leads to a religious studies degree, and shall not take religion courses not specifically prescribed in the Individualized Degree Plan (IDP).

8. The Debtor shall agree to return to Saipan within three months after the completion of his/her degree plan or termination of or non-enrollment from the institution of record, and provide services by working on Saipan for any employer-whether in the private or public sector or both. The Debtor further agrees to perform services in the private or public sector or both on Saipan for a period equal to the period for which the Debtor received financial assistance under § 165-20.1-105(a)(b) from the Lender. The Debtor agrees to pay back twenty-five of the total amount of loan received under § 165-20.1-105(c) and a minimum of three years of service to either in the private or public sector or both on Saipan. If the recipient of SHEFA financial assistance does not return back to Saipan after completion of his/her studies, or non-enrollment from school or termination from the institution of record, he/she must repay the entire debt back on all SHEFA funds received under § 165-20.1-105(a)(b)(c) with interest in accordance with this promissory note/memorandum of agreement.

9. The Debtor understands and hereby agrees that failure to comply with any part of sections 1-8 of this promissory note/memorandum of agreement and the SHEFA rules and regulations will constitute a material breach of the promissory note/memorandum of agreement and a default, and will require the Debtor to pay the entire award received. If such a default occurs, the Debtor must repay their entire debt to the Lender with equal monthly payments within 6 years of the default. The Debtor may repay according to any of the following repayment options as shown below.

Total Debt for repayment	Per Month 12 months	Per Month 24 months	Per Month 36 months	Per Month 48 months	Per Month 60 months	Per Month 72 months
\$1,000 - \$4,999	\$84 - \$417	\$42 - \$209	\$28 - \$139	\$21 - \$104	\$17 - \$84	\$14 - \$70

\$5,000 - \$9,999	\$417 - \$834	\$209 - \$417	\$139 - \$278	\$104 - \$209	\$84 - \$167	\$70 - \$139
\$10,000 - \$14,999	\$834 - \$1,250	\$417 - \$625	\$278 - \$417	\$209 - \$313	\$167 - \$250	\$139 - \$209
\$15,000 - \$19,999	\$1,250 - \$1,667	\$625 - \$834	\$417 - \$556	\$313 - \$417	\$250 - \$334	\$209 - \$278
\$20,000 - \$24,999	\$1,667 - \$2,084	\$834 - \$1,042	\$556 - \$694	\$417 - \$521	\$334 - \$417	\$278 - \$348
\$25,000 - \$29,999	\$2,084 - \$2,500	\$1,042 - \$1,250	\$694 - \$834	\$521 - \$625	\$417 - \$500	\$348 - \$417
\$30,000 - \$34,999	\$2,500 - \$2,917	\$1,250 - \$1,459	\$834 - \$973	\$625 - \$730	\$500 - \$584	\$417 - \$487
\$35,000 - \$40,999	\$2,917 - \$3,334	\$1,459 - \$1,667	\$973 - \$1,111	\$730 - \$834	\$584 - \$667	\$487 - \$556

The Debtor must inform the Lender of which repayment schedule he or she has accepted within thirty days of the default. If the Debtor does not select a repayment schedule within thirty days, the Debtor will be deemed to have selected the “Per Month 72 Months” repayment schedule listed above. The Debtor’s first monthly payment shall be due on the first of the month following the default, but at least thirty days after the default. All subsequent payments will be due on the first of each following month until the Debtor repays the entire debt to the Lender. Note: the Debtor may pay the balance in full at any time within the schedule plan.

10. If the Debtor fails to pay any monthly payment, or any part of any monthly payment (“payment default”), then the whole principal sum shall become immediately due and payable at the option of the Lender, without notice, and interest shall accrue at the rate of five percent per annum on the total amount outstanding. Interest shall accrue until Debtor fully cures the payment default by paying all past due monthly payments and all accrued interest. Payments received shall be applied first to the accrued interest and then the balance thereof to the principal.

11. Military Deferral. The time for the Debtor to comply with the requirements of section 8, above, shall be extended upon request if the Debtor enlists in the armed forces of the United States of America. Specifically, the Debtor’s obligation to comply with the requirements of section 8 shall be deferred, upon request, until the Debtor’s service in the armed forces ends. The Debtor may take advantage of this deferral for a maximum of three years after the termination or completion of his/her degree plan or non-enrollment from an institution of higher education of record. Once the Debtor’s service in the armed forces ends or three years passes from the termination or completion of his/her degree plan or non-enrollment from institution of higher education of record, whichever event occurs first, the Debtor shall have to comply with the requirements of section 8. All deferrals granted under this section are not valid unless approved in writing by SHEFA. The Debtor must renew his or her deferral annually.

12. In the event of commencement of suit to enforce payment of this promissory note/memorandum of agreement, the undersigned agree(s) to pay the Lender for attorney’s fees as the Court in the Commonwealth of the Northern Mariana Islands may deem reasonable.

13. The recipient of SHEFA financial assistance together with the parent, if applicant is below 18 years, fully understands and agrees that compliance with the provisions in this promissory note/memorandum of agreement and all provisions of the SHEFA rules and regulations shall

constitute a condition for any and all financial assistance herein by SHEFA as hereby acknowledged and attested to by both the recipient and parent, if recipient is below 18 years. Moreover, this agreement shall authorize SHEFA to request and obtain any and all necessary information from other agencies related to the application for financial assistance, and shall further authorize the SHEFA Office to provide essential information and data such as resume, diploma, or degree name and contact mailing, or e-mail addresses to potential employer(s) on Saipan including posting such information and data on SHEFA's website or its affiliate on Saipan.

14. The parties agree that the courts of the Commonwealth of the Northern Mariana Islands (Superior Court and Supreme Court) shall have exclusive jurisdiction over any action involving this promissory note/memorandum of agreement.

This agreement shall be interpreted using the laws of the Commonwealth of the Northern Mariana Islands.

IN WITNESS WHEREOF, the recipient (Debtor) and/or parent, if recipient is below 18 years, have hereunto set his/her or their hand(s) on the date first above written.

Print Recipient Name / Signature Date

Print Parent Name / Signature, Date if Recipient is below 18 yrs.

NOTARY PUBLIC:

On this _____ day of 20_____, before me appeared _____ and (recipient parent, if recipient is below 18 years), who executed the agreement contained herein, and duly acknowledged to me that he/she and parent, if recipient is below 18 years, executed the same freely and voluntarily for the uses and purposes therein mentioned.

Notary Public (Print & Sign) _____

My Commission expires: : _____

For SHEFA: _____

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