

# Information contained in this school application packet is for a TAP Loan

Please have applicant check the eligibility guidelines before beginning the application process.

**Eligibility:** Must show proof of United States Citizenship.

**AND:**

Must be a New Mexico resident for a minimum of six (6) months.

You may be required to provide proof of residency.

Member Low Income family, resident of small rural community or closely associated with agriculture activities.

Applicant cannot have filed bankruptcy within the last 24 months. All applicants are REQUIRED to provide a creditworthy Cosigner/Guarantor. Cosigner/Guarantor CANNOT be a spouse. No Exceptions. Having a creditworthy cosigner/guarantor does not mean automatic approval. (Creditworthy is defined as good credit, no late pays, no collections, no bankruptcy, and must have sufficient income to debt ratio.) If Cosigner/Guarantor's only income is from social security and/or pensions, they may not be eligible to cosign this loan.

**1. Application.** The application must be completed in full, signed, and dated by applicant and cosigner/guarantor. The school section must be completed and signed by an authorized person from the school. A cosigner/guarantor is REQUIRED for all applicants. They must read all instructions before filling in the application. On the back of the instructions cover, bottom right corner is a list of documents that must be returned with the application. Any missing documentation or information on the application will delay the processing of the application. Processing could take up to a week (sometimes longer), so they need to plan accordingly, NMRRRC is not responsible if paperwork is not completed by graduation date.

\*\*If the application is denied, we will forward an Adverse Action Notice to the applicant and cosigner/guarantor. If they call the number listed on the form within 60 days of the notice, they may be eligible to receive a free copy of their credit report.

\*\*If the application is approved and once we have received all required documentation, we will then forward the Promissory Note.

**2. Promissory Note.** The applicant and cosigner/guarantor MUST sign this form in front of a notary. They DO NOT need to use the same notary or be done on the same day. If they still have not forwarded all required documentation, we may send them a checklist of items that will be needed before disbursement will be made. NMRRRC is not responsible for missing documentation that may cause delays in processing.

**3. Check Disbursement.** The applicant has a 3-business day right to rescind. Therefore, once the correctly signed and notarized Promissory note is received by our office, we can issue the check according to any agreement with the school as long as the 3-business days have passed. Please note checks will not be issued more than 30 days prior to class start and cannot be issued once the student has graduated. When the loan is disbursed, we will forward to the applicant a payment statement, applicant copies of documentation, and/or the check depending on the agreement with the school.

**Miscellaneous Information:** Information Release Form – Once a loan has been disbursed, NMRRRC cannot release ANY information about this loan account to anyone except the Borrower, Cosigner/Guarantor and/or the school. Therefore, if they wish to have a spouse and/or anyone else able to contact NMRRRC on their behalf, they MUST list that person and their required information for verification on the Information Release forms that will be sent with the Promissory Note. The application and cosigner/guarantor is required to complete this form even if they do not wish to list anyone else.

\*Once a loan has been disbursed, we do have an electronic payment system (EPS). There is no charge for using the electronic system. The borrower can complete the necessary paperwork with their promissory note and then we will begin pulling their monthly payments directly from their checking/savings account on the 1st or 15th of each month. Applicant will need to specify which date they would prefer; they need to put that date on the form. If that date falls on a weekend or holiday the payment will be pulled the following business day.

Interest rate is a fixed 8%. The borrower is required to pay at least the interest while in school and for six months from their last day of enrollment. Full payments will then begin. TAP loans are set up on a 5-year repayment plan. They may pay additional each month to help reduce the interest and repayment time with no penalties. They may pay off the loan at any time with no penalties.

If they find themselves having financial difficulties, they should contact our office for available options BEFORE the account becomes delinquent. We do offer options of Forbearance to help the borrower keep the account current. They will receive a new Truth in Lending Disclosure that shows new number of payments, new total interest, and new monthly payment amount if they are approved for capitalization forbearance.