

Student Aid Policy

Revised: 2012

The Ministerial Student Aid Fund (MSAF) is available for seminary and course of study students related to the Dakotas Annual Conference (DAC). The purpose of the fund is to provide financial assistance for a student's seminary education through loans.

1. Eligibility. Any seminary student related to the DAC who is a certified candidate for ministry enrolled and completing satisfactory work at a recognized seminary toward the completion of a M.Div. Degree (or degree in specialized ministry) is eligible to receive aid from MSAF. A recognized seminary is defined as a seminary properly recognized and approved by the University Senate of the Division of Higher Education of The United Methodist Church.

Aid from the MSAF will be provided after the student has consulted with the loan officer of the seminary. Aid will not be made beyond the basic seminary (or specialized) degree (M.Div. or other) and/or reception into Full Membership in the Conference.

Loan approval is contingent upon full-time satisfactory progress being made toward the completion of the appropriate Degree.

The DAC Board of Ordained Ministry will make the final decision regarding loan approval and the applicant will be bound by that decision.

2. Process. Funds provided to a student through the MSAF are first given on a loan basis. Students must sign a promissory note indicating their commitment to repay the loan under the terms and conditions of the note before the aid is given. Should certain conditions be met, all or a portion of the principal and interest due on a loan will be forgiven by service in the Dakotas Conference of The United Methodist Church. Conditions for forgiving the loan are outlined in number six below.

3. Loan Maximums.

- A. The DAC Board of Ordained Ministry will set the Yearly Maximum Aid available. The amount will be published in the JOURNAL.
- B. The DAC Board of Ordained Ministry will set a Loan-Grant Cap for aid available to a student while in seminary.
- C. In special circumstances (e.g. "matching aid scholarships") additional loan/grant aid may be granted. The additional aid will be subtracted from available "debt reduction" aid available to the individual.

If insufficient funds are available to meet all MSAF requests, approved applicants will receive aid in proportion to the funds available. 2nd and 3rd year students shall be given priority.

Loans for the second, third, or fourth years in seminary will be approved only as a new loan upon receipt of the completed application and promissory note, (see number four below).

4. Applications. Students may apply for MSAF assistance by completing and signing the following forms: a) MSAF Loan Application; and b) MSAF Promissory Note.

An application for aid will not be approved until the two documents listed above are properly completed and submitted to the Conference Loan Officer. The forms listed above may be obtained from the Conference Loan Officer.

Applications for aid may be made at any time. In addition, an application for aid may be submitted as many times as needed until the Yearly Maximum Aid or the Loan-Grant Cap for a student has been reached.

5. Loan Repayment Provisions. The total of loans made to the student during his or her seminary education career will become due and payable upon graduation from seminary with a M.Div. Degree or other appropriate degree. Interest will begin to accrue upon the student's graduation from seminary with the appropriate degree or immediately after any of the circumstances defined in 5A through 5G have occurred (see below). The DAC Board of Ordained Ministry will determine interest rates and Yearly

Minimum Payments required. Payments will begin within six months after graduation or within six months after any of the circumstance defined in 5A through 5G have occurred. Principal and interest payments will continue until the loan is fully paid. Payment schedules will be prepared by the Conference Director of Finance and Administrative Services and forwarded to the Conference Loan Officer for transmittal to the aid recipient. Loan payments will be made to and the accounting thereof will reside with the Conference Office of Finance and Administrative Services.

The Loan will be repaid in the following circumstances:

- A. If the aid recipient receives an appointment in an annual conference other than the Dakotas Annual Conference.
- B. If the aid recipient refuses to accept an appointment by the Dakotas Area Bishop within the boundaries of the DAC.
- C. If the aid recipient requests and receives a leave of absence, sabbatical leave or honorable location.
- D. If the aid recipient is refused admission to the DAC by the Conference Clergy or other Conference bodies as prescribed by the Discipline of The United Methodist Church and the Standing Rules of the Dakotas Conference.
- E. If the aid recipient is placed in an appointment beyond the local church by the Dakotas Area Bishop where the location of that appointment is outside the boundaries of the DAC.
- F. If the aid recipient leaves seminary regardless of his/her intention to complete degree.
- G. If the aid recipient's membership in the conference is voluntarily or involuntarily terminated or if aid recipient no longer continues as a certified candidate for ordained ministry.

The DAC Board of Ordained Ministry will make the final determination as to whether or not the aid recipient will repay the loan. The aid recipient is bound by the Board's decision regarding the repayment of his or her loan.

6. Service Conversion Privilege. The aid recipient may earn forgiveness of portions of the loan under the following circumstances.

After completion of the appropriate degree, the principal of the loan may be forgiven at a rate per year determined by the DAC Board of Ordained Ministry with no interest accrual while the recipient is serving an appointment under the authority of the Dakotas Area Bishop within the boundaries of the DAC. Forgiveness will be granted yearly at Annual Conference.

The DAC Board of Ordained Ministry will make the final determination as to whether or not the forgiveness privilege will be offered to the aid recipient. The aid recipient is bound by the Board's decision regarding the forgiveness privilege.

If the aid recipient has been previously extended the forgiveness privilege but leaves the Dakotas Annual Conference for any reason or otherwise fall within the provision of 5A through 5G above, the grant will revert back to cash repayment of the remaining principal balance with interest as required under the provisions of number five above.

COURSE OF STUDY

Some persons seek to serve in the Annual Conference through the approved Course of Study as outlined The United Methodist Discipline. Student Aid funds are available for Course of Study students.

All aspects of the forgoing Student Aid Policy apply to those pursuing Course of Study with the following exceptions/clarifications.

1. Course of Study students will be eligible for the Yearly Maximum Aid as determined by the DAC Board of Ordained Ministry or actual expenses, whichever is less, at a 75/25 reimbursement ratio. The DAC Board of Ordained Ministry through MSAF will cover 75% of eligible expenses. The remaining 25% will be covered by the student, the student's continuing education funds as a local pastor, and/or by local church sponsorships.
2. Eligible expenses include tuition and fees, books, room and board (subject to conference Per Diem as per CFC policies), and travel (at conference rate paid to a maximum of

the cost of travel to one of the three closest United Methodist Seminaries — Iliff, Garrett-Evangelical, St. Paul's - with additional travel expenses left to the candidate).

3. Course of Study and Advanced Course of Study students will be eligible for an Overall Cap as determined by the DAC Board of Ordained Ministry.

4. Special situations of need may be appealed to the DAC Board of Ordained of Ministry.

EDUCATIONAL DEBT REDUCTION SUPPORT FOR NEW PASTORS

Provisional members of the Dakotas Conference may be eligible to receive up to a Yearly Maximum as determined by the DAC Board of Ordained Ministry per year for up to six successive years for educational debt retirement. Eligibility continues after Elder's ordination.

The following stipulations determine eligibility.

1. All educational requirements for Elder's Orders have been completed.
2. The applicant must be in a full-time appointment within the bounds of the Dakotas Annual Conference, however, less-than-full-time appointments may receive grants on a pro rata basis. Appointments to attend school do not qualify. Debt Reduction support will cease with any termination of relationship with the DAC, or appointment outside the bounds of the conference.
3. The applicant will supply evidence of educational debt related to ministerial education.
4. Debt Reduction support is considered a loan-grant must be repaid or forgiven by service in the conference. Yearly debt reduction forgiveness (per the levels of aid stated below) will apply only after requirements for forgiveness or repayment have been satisfied for any outstanding seminary or COS loan/grants. Exception to this policy may be approved by the DAC Board of Ordained Ministry. Application forms must be requested annually from the Conference Loan Officer. Debt Reduction Grant decisions will be made by the Board of Ordained Ministry Ministerial Student Aid/Finance Group.
5. Special situations of need may be appealed to the DAC Board of Ordained of Ministry.

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FOR INFORMATION, IN 2012-2013 THE DAKOTAS BOARD OF MINISTRY HAS ESTABLISHED THE FOLLOWING LEVELS OF AID.

Yearly Loan Grant Maximum \$2,000

Seminary Loan-Grant Cap \$6,000

Course of Study Overall Cap \$9,000

Interest Rate 7%

Yearly Minimum Payments \$500

Yearly Forgiveness \$2,000 for Seminary and COS Loan/Grants

Yearly Debt Reduction \$1,000

Overall Debt Reduction \$6,000

Yearly Forgiveness \$1,000 for Debt Reduction Loan/Grants

APPROVED 06/12