

## Introduction to the Old Student Loan Program

The Mid-Atlantic Vipassana Association (MAVA) is working to increase the student capacity at Dhamma Delaware from a 15 person to 80+ person capacity running 10-day Vipassana courses throughout the year. For details of the growth plan and construction phases, see the old student website.

The Old Student Loan Program (OSLP) we have developed is based on other programs currently in operation at other centers. This program will help us with funding towards the growth of the center.

There are 2 loan programs to choose from:

- 1) Short Term
- 2) Long Term

### **1) Short Term OSLP**

Loan Amount: Minimum \$10k with \$10k increments (Maximum loan amount: \$100k)

Term: 3-5 years

Interest: 1.5% paid annually

Payback: Balloon payment at end of term

Donate Interest: Y/N (Old student choice)

### **2) Long Term OSLP**

Loan Amount: Minimum \$25k with \$25k increments (Maximum loan amount: \$500,000)

Term: 7, 10, 15 years

Amortization: over 15 years

Payback: At end of selected term (7, 10, 15 years)

Donate Interest: Y/N (Old student choice)\*

Interest:

Option	Term (yrs)	Interest	Interest Floor	Interest Ceiling	Interest Payments	Amortization	Principal Payment Paid Back
1	7	Fed	1.50%	4.50%	monthly	15yrs	Balloon at end of 7 yrs
2	10	Fed + 2%	2.00%	5.00%	monthly	15yrs	Balloon at end of 10 yrs
3	15	Fed + 4%	2.50%	5.50%	monthly	15yrs	No Principal balance left

Interest adjusted once annually using prevailing federal rate on Jan 1 of every year. For the 15 year option, if Old Student chooses, loan can be fixed at 4.5% to enable consistency of cash flow.

Sample as of July 2015 using Principal of \$100,000

Current Fed rate: 0.25% ; Current Prime rate: 3.25%

Option	Loan amt	Term (yrs)	Interest	Mthly P+I	Annual P+I	Total Interest	Principal pmt Paid back
1	\$100,000	7	0.25% (Floor: 1.5%)	\$620.74	\$7,448.88	\$23,449.07	\$60,446.06 at end of 7 yrs
2	\$100,000	10	2.25%	\$655.08	\$7,860.96	\$31,084.41	\$40,296.70 at end of 10 yrs
3	\$100,000	15	4.25%	\$752.28	\$9,027.36	\$36,323.76	Fully paid at end of 15 yrs

\* While these are standard programs offered, please note that if old student has the volition and ability; or chooses to donate interest back, a much simpler loan at fixed interest rate of 1.5% can be

constructed. Please also note that longer duration loans (15 years) allow more funds to be directed to construction activities.

Exceptions to the schedule above may be made based on specific individual circumstances for loan amounts \$100k or greater and with mutual agreement between old student and the finance committee.

We invite you to examine the attached outline on the Old Student Loan Program (OSLP). Refer to FAQs and Loan Offer agreement.

We would like to implement the OSLP by accepting loan amounts convenient for students, and structuring the repayment of the principal amount in a way to provide maximum assurance of repayment ability. Interest offered is designed to encourage longer loan terms by offsetting the chance of rising interest rate returns in the commercial markets.

Please feel free to contact us for more information and details of this program.

MAVA – Finance Committee

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