

Old Student Loan Program Frequent Asked Questions

For Amount caps, Term etc please see 'Introduction to OSLP'

If an Old Student, wishes to donate the interest back to MAVA, it can be done. However, interest earned is reported to IRS on Form 1099-INT for both interest bearing and non-interest bearing loans.

Q: Why does MAVA need loans from Old Students?

A: The OSL Program has been developed to help generate the funding needed for the growth of permanent center in the region. This is in addition to dana and monthly pledges.

Q: Is there a cost to the center associated with issuing legal notes?

A: No fees are anticipated. No lending institutions are involved. The program documents are based on other OSL programs currently operating at other centers. If enforcement action were to become necessary, then fees would apply.

Q: How will this information be communicated to Old Students?

A: Postings on weekly sitting listserv. Posters at the dana table on Days 10 and 11 following courses. Old Student Loan information will be part of the Day 10 talk. Forms will be at Dana table. Webinars will be held. Education and awareness of need among old students by e-mail, telephone or personal contacts. If the student has the volition they may choose to take action.

Q: What about student emergency situations?

A: All attempts will be made to keep a back up fund/source at all times, in the case of unforeseen circumstances – such as settling an estate.

Q: How is the privacy and security of funds maintained?

A: All information will be strictly confidential between the Center and the Old Student lender. Only a few individuals at the Center, such as the Treasurer, Loan administrator, and book keeper will have the loan details. An identification numbering system will be used instead of names for record keeping. Trust members will be informed of totals, but not details of names, amounts and terms.

Q: What are the contingencies for early withdrawals?

A: No assurance to withdraw early. However, in an emergency, every attempt would be made to fulfill the obligation in a timely manner.

Q: How will loans be repaid?

A: As this is an ongoing program, short term loans will be revolving regularly. Monthly pledges and other dana will be used to repay the loan principal over time. Debt service on Long term loans will be paid with monthly pledges and other course dana.

Q: If a personal bank loan is used to make an OSL offer, will the cost be covered?

A: Yes, MAVA will cover the cost of the loan up to an interest rate of 5%, if the loan offer is accepted.

Q: What if interest rates go up?

A: Short term loans are at fixed interest due to the shorter duration. Long term loans are pegged to prime to accommodate changing interest climate. A floor and ceiling are established to ensure minimum return for old student and manage risk for the center.

Q: What if loans are not needed eventually?

A: A loan offer may not be accepted if it does not fit in the loan portfolio. For example: 3-year portfolio, 4-year portfolio, 5-year portfolio; all loans cannot mature at the same time.

Q: When will the loans start earning interest?

A: Effective date for start of the loan will be when the money is used for the Center.