

# Pursuit Bond

## Economic Hardship Policy

February 2019

- **What is the Economic Hardship Policy?**

We understand that financial challenges can arise, and we want to make sure Fellows have time to address them. To that end, we are instituting a 'Economic Hardship Pause' in which a Fellow with a Bond-eligible job can take break in making Fellow payments:

- Fellows will be offered up to three months of pause in payments
- The 3 months can be used all at once or non-consecutively in one month increments
- The Fellow will be required to start or return to making monthly salary payments on the first day of the month following the end of the pause.
- The pause is applicable for the duration of the Fellow's Pursuit Bond Agreement, and not for each individual job.

- **Who qualifies for the Economic Hardship Pause?**

All Fellows with Bond-eligible jobs who have shared an up-to-date employment contract with Pursuit and who have set up a payment account with Vemo. Because the Economic Hardship Pause is a new policy, Fellows will be asked to sign an amendment to the original Bond contract in order to access this service.

- **How does it work?**

During the months of the Economic Hardship Pause, Fellows will not be billed for any payments. The amounts during the pause do not accrue and will not be due in the future. Once the pause ends, the Fellow will be billed the next payment after the pause. (See below the examples for further explanation.) The length of the payment period will extend by as many months of pause the Fellow uses (i.e. if a Fellow pauses for 2 months, the payment period will extend by 2 months for a total of 38 months, in 2 of which the Fellow did not pay. The payment term will always include 36 months of payment as long as the Fellow is eligible to make payments.) After utilizing all three months of the pause, the Fellow will not be able to request a further pause for the remainder of the payment period.

During the pause, in order to continue the pause, the Fellow must satisfy both of the following requirements:

- Conduct a 1-on-1 financial planning session within 1 month of the pause start.
- Pay \$50 each month during the pause in lieu of any payment. They will be billed the \$50 on the first of every month. This \$50 will be subtracted from the total amount the Fellow owes.

- **What happens if I have an outstanding balance?**

Fellows who are overdue on salary payments can retroactively apply the pause period to the months in which they've not paid. If their outstanding amount is greater than 3 months and they wish to utilize the entire 3-month pause, they will immediately owe the remaining balance without any pause and (as will always be the case) their payment term will extend for as many months of pause they choose to use. (See below the examples for further explanation.)

- **How do I apply for the Economic Hardship?**

To apply for the pause, Fellows must notify [bond@pursuit.org](mailto:bond@pursuit.org) with their intent to apply for a pause no later than 10 days before the 1st of the month they wish to start the pause (i.e. by March 21st if they wish to start their pause on April 1st). They will receive a form which they will need to complete and send to [bond@pursuit.org](mailto:bond@pursuit.org). Because the Economic Hardship Pause is a new policy, Fellows will be asked to sign an amendment to the original contract in order to access this service. The Pursuit Bond team will then work to schedule a 1-on-1 financial planning session and also send confirmation of completed processing the pause.

- **What happens if I don't fulfill the requirements of the pause?**

Failure to fulfill both conditions of the pause (\$50 pay and 1-on-1 financial planning) will result in a nullification of the pause. If the \$50 payment has not been received 15 days after the due date, this will nullify the pause and the Fellow will have to pay the normal amount (past and present) on the next payment date and all standard policy / procedures will take into effect.

If the pause is nullified, the Fellow will be required to pay the full amounts owed during the period of the original pause dates. The nullified months of pause will be reinstated back to the Fellow to be used at a later date.

- **What if a Fellow needs more than a three-month pause before he/she/they start making salary payments?**

While we understand the impact of financial challenges on our Fellows, our investor agreement stipulates that it is not legally possible for Pursuit to extend the pause beyond three months. Therefore, we expect all Fellows with Pursuit Bond-eligible jobs who are not using their Economic Hardship Pause to make monthly salary payments as is defined in the legally binding Bond contract they signed.

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## Some examples of how the pause works

***Example 1: I have no outstanding balances and I need to use my pause for 3 months.***



- On Jan 15, I realize that I will need to utilize my Economic Hardship pause for 3 months.
- On Jan 21, I email [bond@pursuit.org](mailto:bond@pursuit.org) asking to use my pause. I receive the link to the Pause Request form and the contract amendment. I complete the Pause Request form and the amendment, and send them back to Pursuit. I receive an email from [bond@pursuit.org](mailto:bond@pursuit.org) confirming a time and date for my 1-on-1 financial planning session and confirming completion of the processing of my pause.
- On Feb 1, the pause starts and I receive a bill for \$50 instead of my normal monthly payment amount. I pay the \$50 within 10 days.
- On Feb 20, I conduct my 1+1 financial planning session.
- On Mar 1, I receive a bill for \$50 which I then pay within 10 days.
- On Apr 1, I receive a bill for \$50 which I then pay within 10 days.
- On May 1, my pause ends and I receive a bill for my normal monthly payment amount minus \$150 which I then pay.
- The number of months I have left to make payments to Pursuit Bond extends by 3 months.

***Example 2: I have 3 months of outstanding balance and I need to use my pause.***

- On Jan 15, I realize that I will need to utilize my Economic Hardship pause for 3 months.
- On Jan 21, I email [bond@pursuit.org](mailto:bond@pursuit.org) asking to use my pause. I receive the link to the Pause Request form and the contract amendment. I complete the Pause Request form and the amendment, and send them back to Pursuit. I receive an email from [bond@pursuit.org](mailto:bond@pursuit.org) confirming a time and date for my 1-on-1 financial planning session and confirming completion of the processing of my pause.
- All 3 months are applied to the outstanding balance.
- On Feb 1, I receive a bill for my normal monthly payment amount.
- I no longer have an outstanding balance.
- The number of months I have left to make payments to Pursuit Bond extends by 3 months.

***Example 3: I use my pause and my salary increases during my pause.***

- On Jan 15, I realize that I will need to utilize my Economic Hardship pause for 3 months.
- On Jan 21, I email [bond@pursuit.org](mailto:bond@pursuit.org) asking to use my pause. I receive the link to the Pause Request form and the contract amendment. I complete the Pause Request form and the amendment, and send them back to Pursuit. I receive an email from [bond@pursuit.org](mailto:bond@pursuit.org) confirming a time and date for my 1-on-1 financial planning session and confirming completion of the processing of my pause.
- On Feb 1, the pause starts and I receive a bill for \$50 instead of my normal monthly payment amount. I pay the \$50 within 10 days.
- On Feb 20, I conduct my 1+1 financial planning session.
- In March, I receive an increase to my salary. I notify [bond@pursuit.org](mailto:bond@pursuit.org) of my salary increase and provide appropriate documentation if applicable.
- On Mar 1, I receive a bill for \$50 which I then pay within 10 days.



- On Apr 1, I receive a bill for \$50 which I then pay within 10 days.
- On May 1, my pause ends and I receive a bill for my new monthly payment amount (based on my new salary) which I then pay.
- The number of months I have left to make payments to Pursuit Bond extends by 3 months.

***Example 4: I lose my job during my pause***

- On Jan 15, I realize that I will need to utilize my Economic Hardship pause for 3 months.
- On Jan 21, I email [bond@pursuit.org](mailto:bond@pursuit.org) asking to use my pause. I receive the link to the Pause Request form and the contract amendment. I complete the Pause Request form and the amendment, and send them back to Pursuit. I receive an email from [bond@pursuit.org](mailto:bond@pursuit.org) confirming a time and date for my 1-on-1 financial planning session and confirming completion of the processing of my pause.
- On Feb 1, the pause starts and I receive a bill for \$50 instead of my normal monthly payment amount. I pay the \$50 within 10 days.
- On Feb 20, I conduct my 1+1 financial planning session.
- On Mar 1, I receive a bill for \$50 which I then pay within 10 days.
- On Mar 10, I receive notice that my company has terminated my employment and I have lost my job.
- I notify [bond@pursuit.org](mailto:bond@pursuit.org) that I have lost my job. This makes me ineligible for the Pursuit Bond.
- On Apr 1, I do not receive a bill.
- Given that in April, I was not eligible for the Pursuit Bond and therefore did not need my pause, I have only utilized 2 out of the 3 months of pause. The 1-month was reinstated for me to use at a future period when I will need it.
- The number of months I have left to make payments to the Pursuit Bond extends by 2 months.