



**Missouri State**  
UNIVERSITY

**STAFF DIVERSITY COMPOSITION INITIATIVE  
FORGIVABLE LOAN PROGRAM AGREEMENT**

This Forgivable Loan Program Agreement (“Agreement”) is entered into by and between the Board of Governors of Missouri State University (“University”) and \_\_\_\_\_ (“Candidate”), and is effective as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (“Effective Date”).

WHEREAS, the Candidate has made arrangements to pursue an advanced degree; and

WHEREAS, the University and the Candidate desire to reach an agreement pursuant to the University’s Staff Diversity Composition Initiative (“SDCI”), under which the Candidate commits to work for the University after obtaining an advanced degree and the University commits to loan money to the Candidate and incrementally forgive such loan during the Candidate’s employment with the University.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. The University will provide a loan (the “Loan”) to the Candidate in an amount no greater than \$\_\_\_\_\_. Said loan will be payable to the Candidate in \_\_\_\_\_ installments in amounts no greater than \$\_\_\_\_\_, twice annually starting in the \_\_\_\_\_ semester of 20\_\_\_\_\_ and ending in the \_\_\_\_\_ semester of 20\_\_\_\_\_. Candidate may choose not to take a loan installment payment or to take a loan installment payment for less than the amount authorized above, and the extent of Candidate’s liability to repay the Loan will be based on the actual amount loaned not the amount authorized above. The University will distribute installments to the Candidate at or near the beginning of the University’s fall semester and at or near the beginning of the University’s spring semester during this time period.

2. The Loan shall be considered a debt owed by the Candidate to the University. Candidate shall be responsible for paying the Loan in its entirety or otherwise having the Loan discharged pursuant to this Agreement.

3. In consideration of the Loan, the Candidate commits to the following:
- a. To obtain the degree referenced below from the institution referenced below on or before the date referenced below:

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Degree

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Institution

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Date

- b. To become and remain employed by the University, in the department of \_\_\_\_\_, for a period of no less than \_\_\_\_\_ uninterrupted years, starting no later than \_\_\_\_\_, 20\_\_\_\_\_;
- c. To comply with all of the University's reasonable instructions and requests for information before, during, and after such degree program and subsequent employment;
- d. To maintain a 3.0 cumulative GPA (on a 4.0 scale) while pursuing the degree referenced above;
- e. To earn grades only higher than a "C" while pursuing the degree referenced above; and
- f. To make satisfactory progress (in the University's sole discretion, as established with the respective academic unit that commits to employ the Candidate) toward the degree referenced above.

4. The Loan will be incrementally discharged as it is paid by the Candidate. Alternatively, in lieu of repayment, the University will incrementally forgive the Loan as follows: \$\_\_\_\_\_ will be forgiven on the last banking day of each month until the earlier of (1) the end of the term referenced in Section 3(b) above or (2) the Loan is

discharged in its entirety; provided that the Candidate is employed with the University when the forgiveness is scheduled to occur.

5. If the Candidate fails to fulfill any of the obligations set forth in Section 3 above, or if the University has reasonable cause to believe the Candidate will fail to fulfill any of the obligations set forth in Section 3 above, regardless of whether the failure is due to no fault of the Candidate, the unforgiven and unpaid amount of the Loan will immediately and automatically accelerate and become immediately due and payable. The Candidate waives any right or interest he or she has in receiving demand for payment and notice of breach or acceleration. Additionally, the Loan will bear a monthly interest rate of 1%, accruing monthly, after the Loan accelerates and becomes due and payable; and interest shall be treated as principal for purposes of accrual.

The Candidate may apply for a forbearance period (a period in which the University agrees not to collect the accelerated Loan following the Candidate's failure to fulfill the obligations set forth above) by submitting a written request to the Office of the President articulating the reason the Candidate believes the University should grant a forbearance. The University will consider the circumstances presented by the Candidate in rendering a decision on the request; however, the University retains sole, unbridled discretion to grant or deny the request. If the University grants the request, the University reserves the right to determine the length of forbearance. The University will not ordinarily grant forbearance periods that expire more than six months following the date on which acceleration occurred pursuant to the immediately preceding paragraph.

6. Additionally, if the Candidate fails to fulfill any of the obligations and conditions set forth in Section 3 above, or if the University has reasonable cause to believe the Candidate will fail to fulfill any of the obligations and conditions set forth in Section 3 above, regardless of whether the failure is due to no fault of the Candidate, the University shall have the following remedies, in addition to its other remedies available at law and in equity:

- a. The University may, at its option, withhold any and all unpaid installments of the Loan to the Candidate, and the University's obligation to provide such installment Loan payments to the Candidate shall cease and terminate.
- b. The University may, at its option, refuse to incrementally forgive the Loan, and the University's obligation to provide forgiveness after the date of the Candidate's breach

or the University reasonable cause to anticipate breach shall cease and terminate, rendering the Candidate liable for the part of the Loan (plus interest) that the University had not previously forgiven pursuant to the schedule set forth in Section 4.

7. The Candidate understands that if all or any portion of the Loan is forgiven by the University then (i) the amount which has been forgiven (the “Loan Forgiveness Amount”) will constitute taxable compensation income to the Candidate for federal, state and local income tax purposes for the year in which such amount is forgiven; (ii) the Loan Forgiveness Amount will be included in an IRS Form W-2 or an IRS Form 1099 to be issued to the Candidate by the University for the year in which such amount is forgiven; and (iii) the University will notify the Candidate of the amount of any federal, state and local income taxes and employment taxes required to be withheld by the University in respect of the Loan Forgiveness Amount, and the University in its sole discretion may (A) require the Candidate to provide the funds necessary to satisfy such withholding obligation and/or (B) withhold the appropriate income taxes and employment taxes from the Candidate's wages. The Candidate is responsible for paying the Candidate’s portion of all taxes associated with the Loan Forgiveness Amount, and the Candidate will indemnify the University for any monies expended (including but not limited to judgments, settlement payments, attorney’s fees, and court costs) related to demands or claims made against it for taxes associated with the Loan Forgiveness Amount.

8. In consideration of the Candidate’s obligations hereunder, appropriate administrators at the University will recommend to the University’s Board of Governors that the University employ the Candidate in the position referenced below for hire on or before the date referenced below at or above the salary referenced below (if a salary has been agreed upon):

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Position and Rank

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Department or Unit

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Date of Hire

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Salary (if left blank, no salary has been agreed upon)

If the parties have not agreed upon a salary, the University agrees to pay the Candidate a reasonable salary comparable to at least market value or to the value of salaries paid to other similarly qualified and situated individuals hired into the position and rank referenced above in the department or unit referenced above on or about the date of hire referenced above.

This Agreement shall not be construed as a contract for employment. The University's obligation to recommend Candidate's employment is contingent upon sufficient enrollment; and the University reserves the right to revoke this recommendation due to misconduct, the University's financial situation, or for other reasonable cause. The Candidate's employment will be governed by the same policies, procedures, regulations, and handbooks applicable to other employees holding the same position and rank in the department or unit referenced above. If the Candidate is not employed by the University or if the Candidate's employment is terminated (by the Candidate or by the University, with or without cause) before the end of the term set forth in Section 3(b) above, the remedies set forth in Sections 5, 6, and elsewhere in this Agreement, as well as the other remedies available at law and in equity, will be available to the University. If the University breaches this Agreement, all remedies available at law and in equity will be available to the Candidate.

9. The Candidate agrees to pay all expenses incurred by the University in any attempt to collect amounts due under this Agreement, including but not limited to all court costs and attorneys' fees. Such expenses shall be treated as part of the principal loan obligation, and interest shall accrue thereon.

10. Time is of the essence for all obligations and conditions in and under this Agreement.

11. To the extent permitted by applicable law, the Candidate waives demand and presentment for payment, notice of dishonor, notice of protest, and protest of this Agreement.

12. This Agreement shall constitute the entire agreement between the parties. No waiver or modification of the terms of this Agreement shall be valid unless in writing, signed by the Candidate and the University. Any modification shall be valid only to the extent set forth in writing.

13. The failure of either party to insist on the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of such terms and conditions, shall not be construed as thereafter waiving such terms and conditions, which shall continue and remain in full force and effect as if no forbearance or waiver had occurred.

14. The rights and obligations of each party under this Agreement are personal to that party and may not be assigned or transferred to any other person, firm, corporation or other entity without the prior written consent of the other party. In the event of a proper assignment, this Agreement shall be binding upon and inure to the benefit of the parties' successors and assigns. The provisions of this Agreement are for the benefit of the parties hereto, and not for the benefit of any other person or legal entity.

15. This Agreement shall be construed under the laws of the State of Missouri. Any legal action between the parties arising out of or otherwise relating to this Agreement may be filed and maintained only in the state or federal courts located in Greene County, Missouri.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the Effective Date.

**CANDIDATE**

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Candidate Signature

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Printed Name of Candidate

**THE BOARD OF GOVERNORS OF MISSOURI STATE UNIVERSITY**

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Clifton M. Smart, III  
President