



# PIONEER EQUIPMENT DEALERS ASSOCIATION

## **“PLOW”**

### **Post-secondary Loan Obligation Write-down**

**\$20,000 Student Loan Repayment Program**

With the rising cost of tuition, it is becoming increasingly difficult to earn a great degree and start out life “on the right foot.” Many new graduates are bogged down with a large amount of student loan debt that takes years, sometimes decades, to repay. The escalating costs of books, supplies, and room & board contribute to the staggering financial burden many graduates face. Additionally, the time, effort, and stress it takes to find a good job once an individual has earned a degree can be overwhelming.

With the PLOW student loan repayment program, students will have the opportunity to have up to \$20,000 of their student loans paid for them.

Here’s how it works. First, the student meets with a participating farm equipment dealer to discuss potential job opportunities. The student learns about the dealership and job positions by talking to the dealer, touring the dealership, visiting with dealership staff, and asking questions. The dealer will discuss with the student the type of education that would be most appropriate for the position being sought by the student. This would include identifying a major and an approved institution offering that major. The next step is for the student to enroll in school and begin a course of study. The student is fully responsible for acquiring adequate funding for both their degree and personal needs. This funding is usually obtained through the college financial aid office.

Upon graduating, the student may apply for employment with participating dealerships. If the student is hired by a participating dealership, the student may be entitled to participate in the PLOW student loan repayment program. At the end of the student’s first year of full-time employment, the dealership will make a \$1,500 payment to the financial institution holding the student’s loan. Provided the student continues to work for the dealership, this process will continue for 9 additional years. However, at the end of years 6 through 10, the student loan payment increases to \$2,500 per year! This adds up to \$20,000 in payments!

This is a general description of the PLOW student loan repayment program. Please review the attached Rules and Regulations for the details of the PLOW student loan repayment program. A dealer’s actions in meeting with a student to discuss job opportunities is not a contract nor is it a promise, expressed or implied, of employment of any kind for the student once the student finishes his or her education.

Certain conditions may apply.

## **“PLOW” RULES & REGULATIONS**

- a. An official transcript **must** be submitted to the dealership upon completion of degree. The student must graduate with an approved major/degree from an approved institution of higher learning.
- b. The student is fully responsible for acquiring adequate funding for both their degree and personal needs. The student **must** be eligible to receive financial aid from a lending institution.
- c. Payments will only be made on education loans that have been submitted to the dealership. All of the student’s education financing must be disclosed to the dealership at the end of each semester or prior to the start date of full-time employment. This includes providing a copy of the promissory note for all applicable loans. Student loan payments will be submitted only to the financial institution and applied directly to the student’s loan. Reimbursement will not be made for any payment on the student loan that has been made by the student, another individual, or any agency.
- d. This program does not apply to any other loans or financial obligations that the student has incurred. This program is **ONLY** for student loans. Student loans that are eligible for payment must be guaranteed under Part B of the Higher Education Act of 1965 or under Part E of the Act after October 1, 1975. These loans include:
  1. Stafford Loans (subsidized)
  2. Stafford Loans (unsubsidized)
  3. Perkins Loans (formerly NDSL)
  4. Supplemental Loans for Students (SLS)
  5. Federal Insured Student Loans (FISL)
  6. Auxiliary Loans to Assist Students (ALAS)
  7. William D. Ford Federal Direct Program
  8. Consolidated Loan Program (CLP) and (SMART)

Student loans must be consolidated into a “Federal Consolidation Loan” at one financial institution.

- e. The dealer will not be required to make any payment for a particular year if the student’s employment is terminated for any reason, with or without cause, prior to the anniversary date of the student’s employment.
- f. The dealer will make an annual payment on the student’s qualifying student loans after each year the student has completed a full year of continuous full-time employment for the dealer. The annual payment will be \$1,500 for years 1 through 5, and \$2,500 for years 6 through 10. The maximum amount that will be repaid on all loans, on behalf of any student, will be \$20,000.
- g. Neither the loans nor the loan payment obligation will be assumed by the dealership. The dealership is in no way liable or obligated to pay any sum of money other than what is outlined within the context of this PLOW program.
- h. Certain dealerships might not participate in the PLOW program. This program, including the hiring terms and conditions, is entirely subject to the dealership’s discretion and state law. The dealership is in no way obligated to hire any person or to offer this program to anyone. Pioneer EDA is in no way liable for any part of this program and will not provide any financial assistance to any person or entity. Any agreements between the dealership and the individual are strictly between those two parties. A student’s right to receive benefits from a dealer is subject to the student and dealer entering into a written agreement regarding the same.

## **DEALERS CORNER:**

### **Student Loan Payment Tax Liability**

Dealers are encouraged to consult with their tax attorneys to determine the tax consequences of the student loan payments.

### **Student Loan Payment & Forbearance**

Upon graduating, the student will need to contact their student loan lender and make a request for forbearance. The student will need to explain the basic concept of the PLOW program to the lender. The student may be allowed to defer the principal portion of their student loan payment; they may or may not be required to make a monthly interest payment. The lender will inform the student of their repayment options and together will determine a repayment schedule.

### **General**

One exciting aspect of the PLOW program is that it can be customized specifically for each individual dealership. It can be completely restructured and set up for any period of time or for any dollar amount.

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