## North Carolina State University

## Loan Agreement

This loan agreement, between the University through its Finance and Administration division (“University”) and [Unit/College/Dept] (hereafter “Borrowing Unit”) entered into this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_.

1. Principal. Loan Amount (Principal) will not to exceed $[xxx]. Borrowing Unit promises to pay the aggregate unpaid principal amount outstanding under this Agreement to University according to the debt repayment schedule attached (Exhibit A).
2. Interest . Interest on loans will be charged on unpaid principal until the full amount of principal has been paid. Borrowing Unit will pay interest at the blended university loan rate, currently [x.xx]%. The blended rate may change, from time to time, and University will inform Borrowing Unit of the new rate, the effective date and the new repayment schedule sufficiently early to allow Borrowing Unit to incorporate it into their next fiscal year budget.
3. Payments. Payments will be billed in two semi-annual installments in September and March to project \_\_\_\_\_\_\_\_\_\_\_\_\_\_. Payments will be charged at 50% of annual debt service requirement consistent with Exhibit A. Payments will commence at start of project with a final repayment schedule completed after the total project costs have been paid and the capital improvement project is closed out. It is the Borrowing Unit’s responsibility to ensure that there are sufficient funds available to fund each scheduled payment. Borrowing Unit must notify University if they wish to change the project used for repayment(s).
4. Right to Prepay. Borrowing Unit has the right to make additional payments of principal at any time before they are due. Borrowing Unit will communicate its intent to prepay to F&A and may make a full or partial prepayment at any time without penalty.

University will use all prepayments to reduce the amount of principal Borrowing Unit owes under this Agreement. If Borrowing Unit makes a partial prepayment, the due date and amount of ensuing payments will be unaffected, but will reduce the principal due under Exhibit A commensurate with the prepayment(s).

1. Adjustment of Payment Schedule. Borrowing Unit may request an adjustment to the debt payment schedule in Exhibit A to be negotiated with University. Adjustments to repayment schedule may be negotiated taking into consideration the reason(s) for the request, the financial capacity and liquidity of Borrowing Unit, and circumstances surrounding the University’s overall debt portfolio.
2. Financial Performance and Request for Documentation. Debt service coverage of 1.25x is expected to be maintained throughout the term of repayment unless otherwise approved by University. The University may request financial information to confirm liquidity and the on-going financial strength of the Borrowing Unit as well as other documentation required under the circumstances.
3. Acceptance of Loan Terms. By executing this Agreement, the Borrowing Unit is agreeing to the foregoing loan terms, conditions, and repayment schedule.

Contact for University:

Jennifer Brady, Financial Reporting Director

Administrative II, Suite 100

jbrady@ncsu.edu 919-515-3823

Point of Contact for Borrowing Unit:

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Borrowing Unit:

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Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

University:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_