



THE ADJUTANT GENERAL WASHINGTON NATIONAL GUARD INSTRUCTION

NGWA-Z
DISTRIBUTION: Special

TAGI 0100.01
4 November 2015

ADMINISTRATION OF THE WASHINGTON NATIONAL GUARD CONDITIONAL SCHOLARSHIP PROGRAM

1. References: Enclosure A
2. Purpose. Provide authorization and procedures for the management of the Washington National Guard (WANG) Conditional Scholarship Program and the WANG Conditional Scholarship Advisory Board, herein after known as the Advisory Board.
3. Summary. The WANG Conditional Scholarship Program provides scholarships to qualified Airmen and Soldiers of the WANG. The program is established to provide higher education opportunities to qualified service members while serving as an incentive to extend their service obligation to the WANG.
4. Scope. TAGI 0100.01 applies to all Airmen and Soldiers assigned to the WANG. Eligibility to receive funds are limited to service members in good standing not to exceed the rank of Captain (O3) as outlined in the Revised Code of Washington (RCW) 28B.103 (National Guard Conditional Scholarship Program).
5. Roles and Responsibilities.
 - a. The Adjutant General (TAG).
 - (1) Responsible for the overall administration of the program in accordance with RCW 28B.103 and this instruction.
 - (2) Appoint a President and members to the Washington National Guard Scholarship Advisory Board. Both the President and board members will serve a term of two years. The board will have delegation of authority to approve and distribute conditional scholarship funds as outlined in this document.
 - (3) Ensure 100% execution of WANG Scholarship Program funds provided by the Washington State Legislature.

b. Advisory Board President.

(1) TAG's representative with delegation of authority to execute the program as outlined in this document.

(2) Serve a two year term as the President of the Advisory Board.

(3) Establish date, time, and location of quarterly Advisory Board meetings.

(4) Establish a procedural process to ensure Advisory Board meetings are concise, well managed, and meet the intent of the Scholarship Program as outlined in this document.

(5) Ensure Advisory Board meeting notes are taken and properly maintained for the duration of the two year appointment as President.

(6) Notify TAG of issues precluding the implementation of this TAG Instruction.

c. Advisory Board Members.

(1) Participate in all scheduled Advisory Board meetings and select those individuals most qualified and/or deserving to receive the conditional scholarship.

(2) Provide feedback and recommendations to the President of the Advisory Board in order to improve the TAGI.

(3) Establish additional criteria such as GPA cut off limits, retirement point levels or other aspects that may be used as selective criteria in the event more applications are received than funding is available to support. Document this information in meeting notes to ensure transparency.

d. WMD State Finance Office.

(1) Provide personnel to participate in all scheduled Advisory Board meetings and select those individuals most qualified and/or deserving to receive the conditional scholarship fund.

(2) WMD State Finance Office representative must have knowledge of the state financial procedures required to manage, track, and distribute the state funds. This individual will provide updates to the WMD Chief Financial Officer as required.

(3) WMD State Finance Office representative will ensure procedures are in place for proper management, tracking, and other related monetary procedures and processes to account for all funds provided by the state legislature.

(4) Distribute conditional scholarship funds to applicants approved to receive funds, as required.

(5) Provide updates to TAG and Advisory Board on amount of funds distributed, funds available, and other relevant accounting information on a quarterly basis in order to provide situational awareness of the program.

(6) Maintain accountability of required documentation for the length of time required by state statute in order to ensure proper accountability of the program. Specifics should be paid towards those items needed to successfully pass an internal or external audit.

e. Service Educational Services Office

(1) Receive, validate, and forward complete conditional scholarship applications to the Advisory Board in order to support the quarterly Advisory Board meetings.

(2) Notify those applicants that were and were not approved to receive the conditional scholarship, as required.

(3) Provide customer support to service members regarding the conditional scholarship program, the application process, and the criteria required to qualify for funds. This includes answering questions, conducting quality and assurance (QA) on packets, and assisting service members in completing the application.

f. WA ANG Personnel Office (A1) / WAARNG Personnel Office (G1)

(1) Provide supporting documentation to the service member, the Advisory Board, or the Educational Service Office that the Airmen or Soldier is in compliance with eligibility and program requirements outlined in Enclosure B as required.

(2) Provide the Advisory Board with supporting documentation regarding the service member's non-retention if they are involuntarily separated from service as required.

6. The point of contact for this document is COL Kevin D. McMahan, Director of Manpower and Personnel (J1), Washington National Guard, at (253) 512-8349.



BRET D. DAUGHERTY
Major General, WAARNG
The Adjutant General

Enclosures:

- A References
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- F Conditional Scholarship Forgiveness or Repayment
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Enclosure A
(References)

1. RCW 28B.103 (<http://apps.leg.wa.gov/rcw/default.aspx?cite=28B.103&full=true>)
2. RCW 28B.15, Sections 012 and 013
(<http://apps.leg.wa.gov/rcw/default.aspx?cite=28B.15>)
3. WAC 250-18-020 Residency Status for Higher Education
4. Accredited Institutions of Post-Secondary Education, Programs, Candidates
5. WA ARNG Pam 130-178 Separation Processing of Unsatisfactory Participants, Unsatisfactory Performance, Misconduct and Fraudulent Entry
6. ANGI 36-2002 Enlistment and Reenlistment in the Air National Guard and as a Reserve of the Air Force
7. ANGI 36-3201 Air National Guard Separations Documents
8. NGR (AR) 600-100 Commissioned Officers Federal Recognition and Related Personnel Actions
9. NGR 600-101 Warrant Officers Federal Recognition and Related Personnel Actions
10. NGR 600-200 Enlisted Personnel Management
11. AFI 36-3209, Separation and Retirement Procedures for Air National Guard and Air Force Reserve Members
12. AR 600-8-2 Suspension of Favorable Personnel Actions (Flags)
13. AR 135-91 Service Obligations, Methods of Fulfillment, Participation Requirements, and Enforcement Procedures

Enclosure B
(Eligibility & Program Selection Requirements)

1. Eligibility. Airmen and Soldiers must meet the following criteria in order to be eligible to receive a conditional scholarship.

a. Military Membership. Must be an enlisted member, warrant officer, or commissioned officer not exceeding the rank of captain.

b. Participation. Must be an active and participating member in good standing with the Washington National Guard as defined below:

(1) An active member is an individual who is assigned to a federally recognized unit of the Washington National Guard and is not a member of the Inactive National Guard (ING).

(2) A participating member who earned a minimum of 50 retirement points in the preceding year within the Washington National Guard. Eligibility requirements are based on the twelve months service preceding the application.

(3) Applicants must have a minimum of two years remaining on their current enlistment contract or service obligation. National Guard members having less than two years remaining on their service contract can apply. If the Advisory Board approves the conditional scholarship then a two year requirement will be added to their respective scholarship obligation as long as they meet reenlistment requirements and approval by their chain of command approval, see Table E-1. Army members may extend in accordance with NGR 600-200. Air members may extend in accordance with ANGI 36-2002.

c. Initial Training Requirements.

(1) Army: Successful completion of Basic Combat Training, Advanced Individual Training (or equivalent of Initial Active Duty for Training) and awarded an Initial Military Occupational Skill.

(2) Air: Successful completion of Basic Military Training, Initial Technical School and the award of the "Three Level" Air Force Specialty Code.

d. Scholastic Requirements.

(1) Must be an eligible student as defined in RCW 28B.103.010(1) and a Washington resident for student purposes as defined in RCW 28B.15.012 and RCW 28B.15.013 (see glossary for "Eligible Student" definition).

(2) Applicants must have and maintain a cumulative grade point average of 2.0, using the 4.0 scale - hereafter noted as 2.0/4.0, at the undergraduate level or "pass"

where appropriate, to be considered for scholarship award. Each class must also be a C or better in order to maintain eligibility.

(3) Applicants must have and maintain a cumulative grade point average of 3.0, using the 4.0 scale - hereafter noted as 3.0/4.0, in an advanced degree program, or "pass" where appropriate, to be considered for scholarship award. Each class must also be a B or better in order to maintain eligibility.

(4) Applicants will provide an official transcript showing successful completion of course(s) in order to support the requirement they have maintained a cumulative grade point average following the school term.

(5) The Advisory Board may use grades for each class and overall grade point average as discriminators when awarding scholarships, i.e., applicants with higher grade point averages may be prioritized above applicants with lower grade point averages. Additionally, grade point average may be used as order of merit criteria when the number of applications exceeds available funds.

2. Non-Eligibility.

a. Airmen or Soldiers with any period of unsatisfactory military participation in the previous 12 months are not eligible for consideration.

b. Airmen or Soldiers with adverse administrative action, i.e., court-martial or non-judicial punishment, in the past 24 months are not eligible for consideration. Non-transferable flags may also disqualify an individual and are defined in AR 600-8-2. Air National Guard members must not have an administrative action initiated in accordance with AFI 36-3209.

c. Airmen or Soldiers with involuntary reduction in rank/grade for cause within the last 12 months as a result of disciplinary action are not eligible for consideration.

3. Reinstatement. An individual disqualified from the program may be reinstated with the recommendation of their chain of command thru the Wing or Major Subordinate Command (MSC) Commander to the Advisory Board. The Advisory Board will review the request and may approve reinstatement. However, reinstatement will not commence until all non-eligibility requirements are mitigated and the Airman/Soldier is compliant.

Enclosure C
(Participation Criteria)

1. Applicants must complete courses at an institution of higher education located in the State of Washington. This institution must be accredited by the Northwest Association of Schools and Colleges, the Northwest Commission on College and Universities and/or provide approved training under the Montgomery GI Bill. Institutions based outside of Washington that do not have a physical location within the state are not eligible. Approved courses for institutions that are not based in Washington are those that are taken in a Washington classroom / laboratory instruction format vs. online.
2. Applicants must be accepted and/or enrolled in an academic program that leads towards a baccalaureate degree, an advanced degree, an associate degree, or a certificate.
3. The priority for funding for conditional scholarships goes to undergraduate programs that produce a baccalaureate degree. The Advisory Board will accept and review requests for conditional scholarships for advanced degrees, but they are not the priority. The individual's career goals and availability of funds will be taken into consideration before approving advanced degree applications.
4. Participants must achieve/maintain a grade point average of "2.0/4.0" or better for undergraduate studies. Participants in an advanced degree program must achieve/maintain a grade point average of "3.0/4.0" or better. Pass or Satisfactory designations for grading purposes are acceptable as indicators of academic progress if they are the educational institution's normal grading procedures. Conditional scholarship funds are not authorized for courses that are audited.
5. The maximum annual scholarship is limited by the RCW. Funds will not exceed the annual cost of undergraduate tuition fees and services, plus activities fees, plus the average cost for undergraduate books and supplies at the University of Washington. This criteria applies to advanced degree programs as well.
6. The maximum conditional scholarship amount an Airman or Soldier will receive for undergraduate degree programs will not exceed the amount equal to 12 academic quarters, or equivalent, based on the University of Washington. Graduate programs are limited to nine academic quarters, or the equivalent.

Enclosure D
(Application & Award Process)

1. Applicants must complete and submit the following forms and documents in order to be considered for the conditional scholarship:

a. Washington National Guard Scholarship Program Statement of Understanding and Terms of Conditions. See Enclosure I.

b. Washington National Guard Scholarship Program Application. See Enclosure J.

c. Promissory Note and Disclosure Statement. See Enclosure K.

d. Airmen will submit AF Form 526 (PCARS) as a part of the packet. Soldiers will submit NGB 23B (Army National Guard Retirement Points History Statement).

e. Documents supporting current Enlistment Contract, Air National Guard enlistment extension paperwork, or officer service commitment.

f. State of Washington Statewide Vendor Registration & Direct Deposit Authorization form.

g. Substitute Form W9. Request for Taxpayer Identification Number and Certification.

h. A memorandum signed by your unit commander denoting you are in good standing and have no adverse actions.

i. Official (certified or raised seal) proof of enrollment from the academic institution must be mailed directly from the institution to the appropriate service Education Services Office (ESO). Grade reports, letters from the college or copies of transcripts are not acceptable.

2. Applicants will submit their packet to their respective ESO. The ESO will screen applications for accuracy and completeness. Inaccurate or incomplete applications will be returned to the service member by the respective service ESO for correction. Accepted applications will be held by the ESO until the next Advisory Board meeting when the applications will be considered.

a. Air National Guard ESOs

(1) 141st Base Education & Training Manager, Fairchild AFB, Spokane, WA.
DSN: 370-7072 Comm: (509) 247-7072.

(2) 194th Base Education & Training Manager, Camp Murray, WA 98430. DSN:
370-3318 Comm: (253) 512-3318.

(3) 225th ADG Education & Training Manager, JBLM McChord Field, Tacoma, WA. DSN: 382-4877 Comm: (253) 982-4877.

b. Army National Guard ESO. Education Services Office, JFHQ-WA, ATTN G1, Camp Murray, Tacoma, WA 98430. DSN 323-8838 Comm: (253) 512-8838.

3. The Advisory Board will meet quarterly as determined by the President of the Board. At this time, the Advisory Board will review the packets using established criteria and award conditional scholarship funds.

4. The Advisory Board will notify the ESO of the board results at the conclusion of the Advisory Board meeting. The ESOs will notify all applicants of the Advisory Board's decision.

5. The Advisory Board will notify the WMD State Finance Office of who was approved to receive the conditional scholarships. The WMD State Finance Office will prepare and issue funds via electronic distribution.

Enclosure E
(Conditional Scholarship Service Obligation)

1. An Airman or Soldier who receives a conditional scholarship will incur a service obligation and must agree to remain an active and participating member of the Washington National Guard.

a. Service obligations are incurred based upon the number of credits the applicant is requesting conditional scholarship funds to cover. See Table E-1.

b. The career maximum credits available for an individual is 180 quarter-hours/120 semester hours.

Level	Quarterly Credit	Semester Credit	Academic Year	Service Obligation
Level I	1 to 45	1 to 30	1 Year	1 Year
Level II	46 to 90	31 to 60	2 Years	2 Years
Level III	91 to 135	61 to 90	3 Years	3 Years
Level IV	136 to 180	91 to 120	4 Years	4 Years

Table E-1. Service Obligation by Level and Completed Credits

2. The service obligation extends the enlistment contract of enlisted Airmen and Soldiers and the contractual obligation for warrant and commissioned officers. The first extension will occur upon the initial (first) award of a scholarship. Subsequent extensions occur concurrently with the date the applicant is awarded the conditional scholarship. ANG members will incur a service obligation to be added to any existing obligation.

a. An Airman previously received a conditional scholarship to support 26 total semester hours, thus incurring a one-year obligation (Level I). A subsequent award is provided to support 12 semester hours, thereby incurring a total accumulation of 38 semester hours. This changes the Airmen's service obligation from Level I to Level II and adds an additional 12 month extension to the enlistment contract.

b. A Soldier submits an application and is awarded a conditional scholarship for the first time. The Soldier immediately incurs a one-year obligation (Level I).

3. Airmen and Soldiers called to federal active duty are considered a member in good standing. They will continue to accrue credit toward their scholarship service obligation, provided the service member returns to the Washington National Guard upon their release from active duty.

Enclosure F
(Conditional Scholarship Forgiveness or Repayment)

1. An Airman or Soldier who receives a conditional scholarship and meets the service obligations outlined in Enclosure E will have no further financial obligation to the Washington National Guard.
2. The conditional scholarship will revert to a loan and the service member must repay the loaned amount, plus interest, in accordance with RCW 28B.103 if any of the following conditions are not met:
 - a. Airman or Soldier fails to maintain and/or satisfy eligibility requirements outlined in Enclosure B.
 - b. Airman or Soldier fails to maintain and/or satisfy participation requirements outlined in Enclosure C.
 - c. Airman or Soldier fails to meet their service obligation(s) outlined in Enclosure E.
3. The service member is required to begin repayment of any outstanding loan balance within 60 days of losing eligibility. The period of repayment may not exceed four years and interest will accrue on an annual basis at a rate of 8%. The minimum monthly payment is \$50.00. The State Finance Office will provide the member a payment plan.
4. Should an Airman or Soldier meet part of their service obligation, but not the entire obligation, they are subject to repayment for the percentage of the additional scholarship service obligation not met.
 - a. Calculation of the total amount due is based on the outstanding principal balance due at the time the member no longer meets satisfactory participation or program eligibility.
 - b. The percentage of the additional scholarship service obligation (months) not fulfilled will determine the percentage of the loan due for repayment. Percentages of the additional service obligation will be calculated on a per month basis rounded to the nearest full month.
 - c. For example, a Soldier had 24 months of additional scholarship service obligation but fulfills only 16 months. The Soldier is responsible for the remaining 8 months or 33% of the outstanding loan balance.
5. Exceptional circumstances beyond the control of an Airman or Soldier may be appealed to the Advisory Board.
6. The State Finance Office will coordinate periodic reviews with the respective Educational Service Office to ensure conditional scholarship recipients are meeting their service obligations. The State Finance Office will initiate the repayment process when a

service member becomes liable for repayment. The State Finance Office will provide notification of the repayment requirement and repayment plan to the participant.

7. Interest will not accrue until such time the conditional scholarship transfers into a loan.

8. Any discrepancy on drill status attendance will be corrected at the unit level with correct documentation provided to the Education Services Office.

9. The Advisory Board will review case-by-case those Airmen or Soldiers who are involuntary separated from service via a board process, i.e., Quality Retention Board (QRB). Involuntary separation from service will not automatically generate forgiveness of the conditional scholarship.

10. In the event an Airman or Soldier passes away and had an outstanding obligation, the conditional scholarship will automatically be forgiven as long as they were meeting the eligibility or service obligations. A service member who passes away and is in the process of repaying their loan amount will have their situation reviewed by the Advisory Board. The Board will review the facts and circumstances and make a determination if the loan amount should be forgiven or recouped.

Enclosure G
(Conditional Scholarship Advisory Board Composition)

1. The Washington National Guard Scholarship Advisory Board will be appointed by The Adjutant General. Its composition is as follows:

a. The board, at a minimum, will consist of five voting members, but will not exceed a total of seven voting members.

b. The President of the Advisory Board is appointed by The Adjutant General. This individual will be a commissioned officer from either the Washington Air or Army National Guard in the grade of LTC/O5 or higher. The President of the board will serve a term of two years.

c. Advisory Board members are appointed by The Adjutant General. These individuals will be, at a minimum, two officers (CPT/O3 or above), one from each service, two enlisted members (E7 or above), one from each service, and one Washington Military Department (WMD) State Finance Office employee. These individuals will serve a term of two years. If The Adjutant General wishes, he can add two additional members from either service or the WMD.

2. In the event the President or a board member cannot fulfill their two year requirement, they will provide written justification to The Adjutant General asking for relief.

Enclosure H
(Conditional Scholarship Administration & Auditing)

1. This program will be administered IAW RCW Chapter 28B.103.
2. The Washington National Guard Scholarship program is subject to periodic state audit and review. The program is a part of the Military Department's annual financial risk assessment and internal control review. Reviews and/or audits are coordinated through the State Finance Office.

Enclosure I
(Statement of Understanding & Terms of Condition)

NAME:	_____	_____	_____
	Last Name	First Name	MI
GRADE:	_____	DATE:	_____

1. By initialing each paragraph I indicate I have read and understand the policy and procedures for participating in the Washington National Guard Scholarship Program.

a. Eligibility: (For section "a" only, initial the applicable paragraphs)

(1) ___ As a WAARNG Soldier, Successful completion of Basic Combat Training, Advanced Individual Training (or equivalent of Initial Active Duty for Training) and awarded an Initial Military Occupational Skill.

(2) ___ As a WA ANG Airman, I have successfully completed Basic Military Training, initial Technical School and have been awarded the 3 level Air Force Specialty Code.

(3) My military rank is (please specify)

(a) ___ Enlisted Service Member

(b) ___ Warrant Officer

(c) ___ Commissioned officer, Captain or below

(4) ___ I am an active/participating member in good standing, assigned to a unit in the Washington National Guard and have a memo from my unit denoting this.

(5) ___ I have completed a minimum of 12 months in the Washington National Guard on my current tour.

(6) ___ I have a minimum of two years remaining on my current enlistment contract/service obligation, or am willing to extend my enlistment or obligation to meet the two year requirement with chain of command approval, along with my applicable scholarship service obligation.

b. ___ Disqualifiers: I am not eligible to continue receiving my award under the conditions outlined below. I understand I will be subject to repayment of any or my entire award if one of these conditions occurs.

(1) ___ Transfer from the WA National Guard or to an inactive status.

(2) _____ Nontransferable Flag. This includes, but is not restricted to unsatisfactory performance and any UCMJ/RCW actions.

c. _____ I understand I may be reinstated into the program with the recommendation of the unit commander and approval of the Advisory Board. However, I know I am not eligible to receive additional awards until 12 months after the disqualifying event.

d. _____ I am a registered undergraduate/graduate student taking courses that apply towards a baccalaureate or advanced degree, or certificate program, at an accredited institution of higher education based in Washington.

e. _____ I understand I must maintain an average Grade Point Average (GPA) of 2.0/4.0 or better, or Pass/Satisfactory for courses normally graded as such, for undergraduate courses in order to stay in compliance with TAGI 0100.01. Failure to maintain this GPA or compliance with TAGI 0100.01 will cause this conditional scholarship to transition to a loan and must be repaid.

f. _____ I understand I must maintain an average Grade Point Average (GPA) of 3.0/4.0 or better, or Pass/Satisfactory for courses normally graded as such, in an advanced degree program in order to stay in compliance with TAGI 0100.01. Failure to maintain this GPA or compliance with TAGI 0100.01 will cause this conditional scholarship to transition to a loan and must be repaid.

2. _____ Scholarship Service Obligation: I agree to remain an active/participating member in the Washington National Guard for one additional year (12 months) of service for the initial scholarship award and an additional year for subsequent awards based upon the credits shown in the table below. The service obligation will extend the enlistment contract for enlisted Airmen and Soldiers and the contractual obligation for officers. The first extension will occur upon the initial (first) awarding of scholarship. **All extensions are applied to the end date of the enlistment contract (your ETS)/contractual obligation in effect at the time the funds are awarded.**

Level	Quarterly Credit	Semester Credit	Academic Year	Service Obligation
I	1 to 45	1 to 30	1 year	1 year
II	46 to 90	31 to 60	2 years	2 years
III	91 to 135	61 to 90	3 years	3 years
IV	136 to 180	91 to 120	4 years	4 years

3. _____ Repayment. If I do not fulfill all contracted service obligations, or the parameters outlined in TAGI 0100.01, the scholarship transitions into a loan and must be repaid. The loan amount will accrue an interest rate of 8% annually. Re-payment of the loan can be made to the WMD State Finance Office using a check or money order. I must initiate repayment within 60 days of separation or notification that I am not in compliance with TAGI 0100.01.

4. _____ I understand the annual amount of each conditional scholarship may vary, but shall not exceed the annual cost of undergraduate tuition fees and services and activities fees at the University of Washington, plus an allowance for books and supplies.

_____ Applicant Signature Date	_____ *Air/Army: Commander/Authorized Rep Date
_____ Printed/Typed Name	_____ Printed/Typed Name

*By signing this form I certify the applicant is a National Guard member in good standing.

Enclosure J
(Conditional Scholarship Application)

SERVICE MEMBER INFORMATION			
NAME: Last	First	MI	
SSN	GRADE	FOR OFFICE USE ONLY	
		Date of Oath of Enlistment	ETS: (YY/MM/DD)
() - HOME PHONE NUMBER		() - UNIT PHONE NUMBER	
STREET ADDRESS		UNIT	
CITY	STATE	ZIP	E-MAIL ADDRESS

COLLEGE/UNIVERSITY INFORMATION	
INSTITUTIONS ATTENDED /ADDRESS IN WASHINGTON*	MAJOR
/	
/	
/	
<small>*Must be an institution located in Washington that provides approved training under the Montgomery GI Bill; must be working on a baccalaureate, associate's degree, advanced degree, or certificate. Institutions that are based outside of Washington and do not have a physical location in the state of Washington are not eligible.</small>	
CURRENT LEVEL OF EDUCATION	Type of degree you are currently pursuing
<input type="checkbox"/> Undergraduate <input type="checkbox"/> Associates Degree <input type="checkbox"/> Bachelor Degree <input type="checkbox"/> Graduate Student	_____ <input type="checkbox"/> I am applying for the maximum potential credits <input type="checkbox"/> I am applying for QH (table on Form 627R)

Forward this completed application, the Statement of Understanding and Terms of Conditions, Direct Deposit Authorization form, W9 for Electronic Transfer of funds, and documentation showing your current enlistment or contractual obligation dates, retirement point summary, and memorandum denoting your good standing within your assigned unit to the address of the appropriate Education Services Offices listed in Enclosure D.

Note that only official proof of enrollment sent directly from the school to the Education Services Office will be accepted.

APPLICANT SIGNATURE DATE

PRINTED NAME OF Army/Air: Commander/Auth Rep

COMMANDER/REP SIGNATURE DATE

Enclosure K
(Promissory Note and Disclosure Statement)

Borrower Information			<i>Please print neatly or type</i>	
1. Last Name		First Name	2. Social Security Number	
3. Mailing Address		4. Home Telephone ()	5. Date of Birth (mo/day/year)	
City	State	Zip Code	6. E-Mail address	
7. Contacts: Provide two contacts with addresses different from your own that will always know your current address. The first contact should be a relative.				
Name	A.		B.	
Permanent Address				
City, State, Zip Code				
Area Code/Telephone				
Relationship to Borrower				
8. Current Unit:				

INTERPRETATION. *The terms of this contract shall be construed in light of the legislation establishing the Washington National Guard Conditional Scholarship Program, RCW 28B.103, TAGI 0100.01 dated 11/04/15, and any other regulations or instructions issued by The Adjutant General, hereafter referred to as TAG, for the administration of the Program, which are incorporated herein by reference.*

TERMS

1. PURPOSE. This agreement is for the purpose of providing conditional scholarship funds for attendance at an eligible institution by an eligible student (herein the Borrower) as part of the National Guard Conditional Scholarship Program in exchange for completion of a required service obligation in the Washington National Guard as required by RCW 28B.103 and explained in the terms below. A conditional scholarship means funds provided are considered a loan that is either forgiven if the recipient fulfills a required service obligation or is repaid to the Washington Military Department with required interest.

2. BORROWER OBLIGATIONS. The Borrower agrees to:

a. Execute an extension of Borrower's current term of enlistment in the Washington Army or Air National Guard prior to disbursement of conditional scholarship loan funds.

b. Complete Borrower's additional year of service obligation by serving in the Washington Army or Air National Guard in accordance with Table E-1 (Service Obligation by Level and Credits) of TAGI 0100.01 dated 11/04/15, as applicable. If any period of additional service

obligation is not completed, the entire amount paid as a conditional scholarship related to the uncompleted service obligation is considered a debt due and owing to be repaid by the Borrower with interest.

c. Satisfactorily complete the academic term at the institution enrolled in for higher education for which the conditional scholarship was awarded.

d. Repay to the Military Department the unsatisfied portion of the conditional scholarship loan owed to the State of Washington with interest (after consideration of any service obligation completed).

e. Receive forgiveness of the loan in exchange for completion of Borrower's required service obligation in the Washington Army or Air National Guard.

(1) The Borrower will receive credit for completing each additional year of service obligation during which the Borrower attends all unit training assemblies, annual training, and individual military training as may be directed.

(2) The Borrower will receive no credit toward completion of service obligation owing for service concurrent with the scholarship disbursement period.

3. LOAN PAYMENT PLAN. In the event the Borrower fails to complete the required additional service obligation or withdraws from the institution of higher education prior to completion of the academic term in which enrolled, the Borrower will be deemed to have elected to repay the conditional scholarship loan. The Military Department Finance Office will provide the Borrower with a loan repayment plan. The period of repayment shall be four years, with payments accruing quarterly commencing nine months from the date the Borrower left the Washington National Guard or withdrew from the institution of higher education. The interest rate on repayments shall be eight percent (8%) per year.

4. DEFERMENT OF LOANS. No interest accrues and no payments are required of a Borrower during periods of deferment. All deferments must be pre-approved by TAG, or his or her designee, and must comply with deferment policies.

5. FORBEARANCE. TAG, or his or her designee, may approve a limited deferment of payment of principal based on special circumstances, such as a financial hardship to the Borrower. The Borrower's loan account will be assessed interest during the period of forbearance.

6. CANCELLATION OF LOANS. In the event of a Borrower's death or total and permanent disability, the Borrower's unpaid indebtedness may be cancelled after required documentation is submitted and approved by TAG, or his or her designee.

7. PREPAYMENT. The Borrower will not be penalized if they choose to prepay all or any part of the unpaid balance at any time. Note: Prepayment is not recommended for a Borrower who may qualify for loan forgiveness due to service. Payments are non-refundable and once principal is repaid by the Borrower, that amount is no longer eligible for loan deferments, forbearance, or loan forgiveness. Prepayment will, however, reduce the total amount of interest paid.

8. REPAYMENT. Repayment applies to a Borrower who does not complete the intended educational program, does not complete the required additional year of service, or is not in deferment status. The following applies to a Borrower in repayment status:

a. The unsatisfied portion of the loan owed to the State of Washington (after consideration of any service obligation rendered) will be due and payable.

b. The Borrower must make quarterly payments until the loan principal, interest, and any additional fees or charges are paid in full.

c. The first payment will be due nine months from the date that the Borrower leaves the Washington National Guard or withdraws from the institution of higher education in which enrolled for award of the conditional scholarship loan, or one month following the end of the deferment or forbearance period, whichever date is first.

d. All payments and prepayments will be applied in the following order: late charges, collection charges, returned check charges and legal fees first; outstanding interest second; and outstanding principal last.

e. The Borrower is responsible for making payments on time even if the Borrower does not receive a bill or repayment notice.

f. TAG may institute legal action to enforce repayment and recover the costs of collection as well as attorney fees.

9. INTEREST. Interest on the outstanding principal balance accrues at the rate of eight percent (8%) per year.

10. LATE, RETURNED CHECK AND COLLECTION CHARGES AND FEES. A late charge of five percent (5%) of the installment payment may be charged on any payment received later than 20 days after the due date. The Borrower promises to pay costs and expenses incurred by the Military Department for collection of any amount not paid when due (to the extent permitted by law) including reasonable attorneys' fees, whether or not suit is commenced. The Borrower shall pay a returned check charge of \$25 on each check returned unpaid in addition to any charges or fees imposed by banks or other institutions.

11. REPAYMENT DEFAULT. At the option of TAG, the entire unpaid indebtedness may be declared in default, including interest due, and shall become immediately due and payable in the event of such default. Default occurs when the Borrower fails to file cancellation or deferment forms, or make a scheduled repayment within 90 days of a loan payment due date. Under default:

a. The Borrower will lose all rights to deferments, forbearance, or loan forgiveness.

b. TAG, or his or her designee, may institute legal action to enforce repayment and recover the costs and expenses of collection as well as attorneys' fees.

c. Upon default, TAG, or his or her designee, may report the failure to pay to a credit bureau, which may adversely affect Borrower's credit rating.

12. TAXABILITY. Refer to IRS Publication 970 Tax Benefits for Education (Chapter 5 – Student Loan Cancellations) and/or consult a tax expert.

13. PLACE OF NOTE. The laws of the state of Washington shall govern the terms and conditions of this Note in the event of dispute.

14. NOTIFICATIONS. The Borrower shall promptly notify TAG, in writing, of any change in Borrower's name, contact information, educational plan, academic status, or military status.

15. LIABILITY. The Adjutant General, the Washington Military Department, and the Washington National Guard are not liable for any damages to the Borrower caused by:

- a. Lack of funds appropriated by the Washington Legislature for conditional scholarships;
- b. Late disbursement of scholarship proceeds; or
- c. Cancellation of scholarship award due to the Borrower's failure to meet program eligibility criteria.

INTEREST RATES, CHARGES, FEES AND COST EXAMPLES

The interest, fees and cost examples shown in the Repayment Cost Example Table (page K-5) are based on a scenario if a Borrower withdraws from school or fails to complete one additional year of service. Interest will begin accruing on the principal balance quarterly commencing nine months from the date that the Borrower leaves the Washington National Guard or withdraws from the institution of higher education.

INTEREST

Your interest rate during the life of the repayment is: 8 % Per Year	Interest Rate During The Life of The Repayment The interest rate you will pay will be 8% per year on the unpaid balance.
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REPAYMENT Charges AND FEES

Late Charge: A late charge of 5% of the payment due may be charged on any payment received later than 20 days after the due date.

Returned Check Charge: Up to \$25 (*does not include any fees charged by banks or other institutions*)

Collection and Legal Fees: Any necessary expenses for collection of any amount not paid when due (to the extent permitted by law) including attorney's fees, whether or not suit is commenced.

REPAYMENT COST EXAMPLES

	Amount Borrowed (total amount paid to you by the program before going into Repayment)	Service Credit Earned	Interest Rate (highest possible starting rate)	Loan Term (how long it takes you to pay off the loan)	Assumes Monthly Payment of:	Total Paid (includes interest paid)
Example 1	\$500	None	8.00%	1 years	\$43.49	\$521.93
Example 2	\$1,000	None	8.00%	2 years	\$45.23	\$1,085.45

About this example

The total amount you will pay for this loan will vary depending upon how long you take to repay it and whether or not you have earned any service credit before going into repayment. This example provides two estimates assuming a minimum payment is made each month for the total amount of years shown in each example. Examples are based on the highest starting interest rate currently charged. Service obligations and service credit rates may vary for each individual. The total paid could be different if other fees/legal costs are assessed. **Interest rates and amounts borrowed are for example purposes only and do not reflect your actual repayment.**

BORROWER CERTIFICATION. *The undersigned Borrower agrees to:*

- ♦ *Notify TAG of any changes to name, address, phone number, email address, educational plan, academic status, or military status;*
- ♦ *Use loan proceeds only for educationally related purposes;*
- ♦ *Repay this loan in accordance with the terms of this Note;*
- ♦ *Fulfill all terms of this Note.*

I, the Borrower, agree to serve as a member of the Washington Army or Air National Guard for one additional year and complete the academic term at the institution for higher education enrolled in for which the conditional scholarship was awarded or pay back the amount owed (after any service provided has been considered) plus interest.

I understand that multiple loans may be made to me under this Promissory Note. I have the right to accept, decline, or request a lower loan amount(s). I authorize the Washington National Guard to transfer loan proceeds to my school on my behalf. By endorsement of warrants or by notification of disbursement(s) of the loan proceeds to my student account at the school I am acknowledging receipt of the funds under the terms of this Note.

I have reviewed and understand the terms of this agreement based on the repayment cost examples shown.

Borrower Signature *Date*

WA NG Use Only. This contract is not effective until signed by an authorized Washington National Guard representative.		
Printed Name:	Signature:	Date:

Form Revised 6 OCT 2015

Enclosure L
(Glossary)

Academic Year

Typical requirements to complete one full year of normal academic studies. Considered to be 45 Quarter Hours or 30 Semester Hours.

Advisory Board

See Washington National Guard Scholarship Advisory Board.

Eligible student

An enlisted member or an officer of the rank of captain or below in the Washington National Guard who attends an institution of higher education that is located in this state and accredited by the Northwest Association of Schools and Colleges, or beginning September 1, 2006, an institution that is located in this state that provides approved training under the Montgomery GI Bill, and who meets any additional selection criteria adopted by the office.

Eligible Institution

Any institution of higher education that is located in this state and accredited by the Northwest Association of Schools and Colleges, the Northwest Commission on College and Universities, and who meets any additional selection criteria adopted by the Office. As of 1 September 2006, an institution located in Washington that provides approved training under the Montgomery GI Bill must be working on a baccalaureate, associate's degree or certificate. Institutions that are based outside of Washington and do not have a physical location in the state of Washington are not eligible.

Forgiven/to forgive/forgiveness

Either to render service in the Washington National Guard in lieu of monetary repayment, or to be relieved of the service obligation under rules adopted by the Office.

Office

The office of The Adjutant General of the Washington State Military Department.

Participant

An eligible student who has received a Washington National Guard Scholarship under RCW 28B.103 and TAGI 0100.01.

Resident Student

All Washington National Guardsmen meeting the criteria of RCW 28B.15.012 and RCW 28B.15.013 will be considered resident students.

Service Obligation

Agreeing to an enlistment contract extension for a minimum of one year and a maximum of four years in return for the receipt of Washington National Guard Conditional Scholarship Program loan funds. The period of the obligation will be calculated based upon the level of the payment in accordance with Table E-1.

State Fiscal Year

The period of 1 July through 30 June, regardless of the year.

Unsatisfactory Participant

A member of the Washington National Guard who fails to attend or complete any part of or the entire period of Annual Training without proper authority; or fails to attend or complete any period of Inactive Duty for Training without appropriate command approval.

Unsatisfactory Performance

A member who does not develop sufficiently to participate satisfactorily in further training. A member who commits a serious act forming the basis for initiation of separation proceedings such that the member's retention would have an adverse impact on military discipline, good order and morale. A member who presents a disruptive influence in present or future duty assignments. A member whose performance of effective duty precludes potential for advancement or leadership. A member who presents the likelihood that circumstances form the basis for the initiation of separation proceedings will continue or recur.

Washington National Guard Scholarship Advisory Board

Established by The Adjutant General, the board shall consider applications and award scholarships, conduct oversight of the program, make changes to the program regulations and approve/disapprove any appeals regarding funding decisions. Also known as the Advisory Board.

Washington National Guard Conditional Scholarship Program

A scholarship program that awards eligible students money for college credits completed at an eligible institution. The scholarship amount is treated as a loan that is forgiven upon the condition that the awardee renders the appropriate additional service in the Washington National Guard.