



Anatomy of the Promissory Note

Header

Loan #: mmmoyy/nnnnnnn		Proflight #: xxxxxxxx
Loan \$: Total Loan in \$		Depart Country: Country Code
USRP#: xx-xxxxxx-x		Depart Date: dd MMM YYYY
		Agency: Billing Agency Code
IOM TRAVEL LOAN PROMISSORY NOTE		
		

The Barcode embeds the following information:

- USRP Case Number
- Billing Agency code
- Promissory Note Loan Number
- Departure Date
- Promissory Note Loan Amount
- Proflight Number
- Principal Applicant Name (Last Middle First





Anatomy of the Promissory Note

Paragraph 1 identifies the roles of the entities named in the agreement, and establishes the loan is voluntary

- The loan agreement is entered into voluntarily
 - “at my (our) request”
- IOM is named the creditor (1st party)
- Refugee(s) is/are named as the borrower(s) (2nd party)
- The Agency is named billing services provider (3rd party)
- The USG is the source of funds but is not a party to the loan

The loan is not a federal debt, nor is it a debt owed by the refugee to either the Agency or the USG; it is a debt the refugee owes to IOM





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Paragraph 2 identifies the monthly repayment amount and terms

- Following the six-month anniversary of arrival in the US payments are due monthly until the debt is paid
- ...unless otherwise modified because of financial hardship
- ...unless otherwise notified by IOM or the designated billing agency, Payments shall be made to [Billing Agency Name Description] located at [Billing Agency Address].

In practice, the terms are routinely adjusted on request





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Paragraph 3 identifies the responsibility of the refugee to stay in touch with the billing agency until the debt is repaid

- The refugee will keep the designated billing agency informed of address changes after arrival in the US
- The refugee will inform the designated billing agency in writing if, because of financial hardship, s/he is unable to comply with the Payment schedule and terms of the note.

The benefit to the refugee of keeping in touch with the billing agency is that the designated billing agency may be able to extend and/or modify the repayment terms.





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Paragraph 4 describes the conditions and implications of Default

- The note will be in “Default” and returned to IOM for collection if the loan has not been extended or modified and no payments are received within 4 consecutive months or the Total Balance Due is not repaid within the prescribed number of months after the Start Date .
- Once the note is in Default, IOM may add additional charges, attorney’s fees and other collection costs

*The billing agencies are prohibited from servicing defaulted accounts.
In practice, the ‘4-month’ default trigger is often avoided through deferrals.*





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Paragraph 5 reserves the right of IOM to ask the USG or 3rd-party debt collectors to assist with collecting from defaulted loans

- IOM may request the assistance of the USG or any other designated entity in collecting this note at any time after Default has occurred.
- All legal means may be used to collect any amounts owing on the note once the note is in Default.
- In the case of an assignment to the USG, the USG may charge interest from the date of assignment at a rate established by US Federal Law on the unpaid balance.

In practice, no debt has been assigned to the USG





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Paragraph 6 stipulates how payments from defaulted accounts are credited

- In the event this note is in Default, any Payments received in accordance with this note will be credited as of the date received, first to any interest which may be imposed in accordance with paragraph 5 above and, second, to the outstanding principal sum, including any costs which may have been imposed in accordance with this note.

Interest (if any) is always credited before principal





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Paragraph 7 acknowledges that adverse repayment history information may be reported to credit bureaus or the USG

- If any monthly Payment is not received by its due date, I (we) understand that this fact and other relevant information may be reported to a consumer reporting agency, credit bureau organization or to an agency of the United States Government

In practice, IOM routinely reports all repayment history information to TransUnion





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Paragraph 8 affirms IOM's Privileges and Immunities

- Nothing in this Note affects or waives the privileges and immunities of IOM as a public international organization.





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Paragraph 9 each signor is responsible for the entire Loan

- Each of the undersigned hereby accepts full responsibility for the repayment of the Total Balance Due provided under the conditions outlined above.





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Closing Paragraph

The closing paragraph establishes that the refugee understands what s/he has signed:

- By signing or placing my (our) thumbprints(s) below, I (we) represent that I (we) have read the terms of this note, or if unable to read, have been read the terms of this note in a language I (we) understand.





PRM MoU Drives Signatures Reqs

Promissory Note and Cultural Orientation are described in MoU

Annex I: Resettlement Support Center

“Upon request by the Bureau, conduct cultural orientation for approved refugees according to Bureau guidelines to assist refugees to make the transition to life in the United States.”

Annex III: Transportation Arrangements to the United States

“Confirm that every adult refugee signs a promissory note and is informed of the responsibility for repaying their loans to the designated resettlement agencies in accordance with the specified terms.”





Refugee Signature

The Refugee(s) signature(s) are required to commence billing

SIGNATURES			
Borrower(s)	Alien#(s)	Signature(s):	Date(s):
1) <u>Insert Signatory Name</u>	<u>Sig A#</u>	_____	_____
2) <u>Insert Co-Signatory Name</u>	<u>CoSig A#</u>	_____	_____
Borrower(s) Address in USA:			Telephone:
Witness:		Signature:	Date:

The Refugee(s) signature(s) are required.





Witness Signature

The Witness signature gives authority that the refugee(s) signatures are legitimate by attesting that the witness physically saw the borrower(s) sign the promissory note

SIGNATURES			
Borrower(s)	Alien#(s)	Signature(s):	Date(s):
1) <u>Insert Signatory Name</u>	<u>Sig A#</u>	_____	_____
2) <u>Insert Co-Signatory Name</u>	<u>CoSig A#</u>	_____	_____
Borrower(s) Address in USA:			Telephone:
Witness:		Signature:	Date:

*The Witness signature is required.
The date of the witness signature should be the same as the date(s) of the borrower(s) signature(s).*





Reader Signature

The Reader Signature give assurance the refugee understands what s/he has signed

<i>Where applicable, I certify that I (Reader) have fully and accurately read to the Borrower(s) the terms of the note above in a language the Borrower(s) can understand.</i>		
Reader:	Signature:	Date:

The Reader signature is required if the Refugee could not/did not read the PN.





Language is Based on Citizenship

Language	Arabic	French	Spanish
Citizenship	EGYPT IRAQ JORDAN KUWAIT LEBANON LIBYA MAURITANIA PALESTINIAN TERRITORY SAUDI ARABIA SOMALIA SUDAN SYRIA TUNISIA YEMEN	BENIN BURUNDI CAMEROON CENTRAL AFRICAN REPUBLIC CHAD CONGO CONGO (DRC) COTE DIVOIRE GABON GUINEA RWANDA SENEGAL TOGO	COLOMBIA CUBA GUATEMALA HONDURAS

Language	Amharic	Burmese	Nepali	Persian (Farsi)	Tigrinya
Citizenship	ETHIOPIA	MYANMAR	BHUTAN NEPAL	AFGHANISTAN IRAN	ERITREA





Payments Schedule

90% of all loans have terms of 4 years or less

LOAN RANGE		SCHEDULE				
From...	... To	The Number of Monthly Payments	The Number of Months to Repay the Loan	The Number of Months Before Default	Min Monthly Payment	Max Monthly Payment
\$0.00	\$999.00	36	42	46	\$35.00	\$35.00
\$1,000.00	\$1,999.00	36	42	46	\$35.00	\$55.53
\$2,000.00	\$2,999.00	36	42	46	\$55.56	\$83.31
\$3,000.00	\$3,999.00	36	42	46	\$83.33	\$111.08
\$4,000.00	\$4,999.00	36	42	46	\$111.11	\$138.86
\$5,000.00	\$5,999.00	48	54	58	\$104.17	\$124.98
\$6,000.00	\$6,999.00	48	54	58	\$125.00	\$145.81
\$7,000.00	\$7,999.00	60	66	70	\$116.67	\$133.32
\$8,000.00	\$8,999.00	60	66	70	\$133.33	\$149.98
\$9,000.00	\$9,999.00	72	78	82	\$125.00	\$138.88
\$10,000.00	\$10,999.00	72	78	82	\$138.89	\$152.76
\$11,000.00	\$11,999.00	84	90	94	\$130.95	\$142.85
\$12,000.00	\$12,999.00	84	90	94	\$142.86	\$154.75
\$13,000.00	\$13,999.00	96	102	106	\$135.42	\$145.82
\$14,000.00	\$14,999.00	96	102	106	\$145.83	\$156.24
\$15,000.00		108	114	118	\$138.89	

