

# GUIDELINES FOR AWARDING OF DEBT REDUCTION WYOMING DISTRICT

## PURPOSE

The purpose of the Student Financial Aid fund is to provide scholarships for the men and women of the Wyoming District to train for full-time service in the Lutheran Church Missouri Synod (LCMS) and debt reduction assistance to rostered church workers of the LCMS.

## OBJECTIVES

The objectives of Student Financial Aid are to cover four areas of needed assistance. The following four objectives detailed below are in a ranked order:

- 1) Scholarships
- 2) Education Loan Debt Reduction for Wyoming District graduates (first tier)
- 3) To help cover the cost of prospective students looking into full-time Church work visiting a **Seminary**, University or College. Will cover the cost of registration and or travel at an official visitation of Seminary, University or College, up to \$500.00. Will cover a one time visit to a college or University and one time visit to Seminary and one time attendance to Christ Academy per prospective Student.
- 4) Education Loan Debt Reduction for graduates coming into the Wyoming District (second tier)
- 5) Support to any LCMS seminary, college, or university as recommended by the CCS and approved by the Wyoming District Board of Directors.

## DEBT REDUCTION ASSISTANCE PROGRAM GUIDELINES

- 1.) **PURPOSE** The purpose of the Debt Reduction Assistance Program of the Wyoming District – LCMS is to make the repayment of student loans less of a burden for new workers in their congregations and ministries. Therefore, after all scholarships as outlined in Objective 1 have been satisfied, debt reduction assistance will be considered. Debt reduction will first be granted to all graduates originating from the Wyoming District (first tier applicants), whose membership at a Wyoming District congregation remained in good standing throughout their education at a Synodical university, college or seminary. After all qualifying first tier graduates have been granted assistance and if funds are still available, second tier individuals who will qualify for debt reduction assistance will be considered. Second tier debt reduction recipients will be rostered workers called or placed to a member congregation of the Wyoming District.

- 2.) **ELIGIBILITY** Any individual on the roster of the LCMS who originated from the Wyoming District (first tier) or who has been placed in or called to the Wyoming District (second tier) shall be eligible to apply for and receive debt reduction assistance toward the repayment of qualifying student loans that were incurred while attending a Synodical university, college or seminary. Loans obtained through non-Synodical schools will also be considered where the church worker is, or is working towards, LCMS rostered church worker. Loans obtained after graduation or other debt that is not obtained through normal student loan processes will not be considered in this Debt Reduction Assistance Program.
- 3.) **APPLICATION** The initial application must include a properly completed and signed grant application and worksheet, along with a recent statement detailing the balance of the student loans, name of financial institution, and disbursement date of the student loan. Each eligible worker must apply annually to be considered for debt reduction assistance. Applications will due back to the Student Aid Facilitator by October 1 to be considered for debt reduction assistance. Consideration will be made for the first six years that the church worker is eligible to apply.

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4.) **AMOUNT OF GRANT**

- a. **BASE AMOUNT** The amount upon which debt reduction assistance shall be based shall be equal to the amount of the eligible loans outstanding on the date of installation in a congregation, which shall not exceed \$24,000.00.
- b. **GRANT AMOUNT** The amount to be granted shall be equal to the sum of the following:
- i. One hundred percent (100%) of the lesser of (a) the base amount or (b) \$8,000.00; PLUS,
  - ii. Seventy five percent (75%) of the lesser of (a) the base amount less \$8,000.00 or (b) \$8,000.00; PLUS
  - iii. Fifty percent (50%) of the lesser of (a) the base amount less \$16,000.00 or (b) \$8,000.00

The maximum amount of debt reduction assistance shall be \$18,000.00 (100% of the first \$8,000.00, plus 75% of the next \$8,000.00 plus 50% of the next \$8,000.00.)

- 5.) **PAYMENT** The amount of debt reduction assistance shall be paid in equal annual installments over a period of not less than three nor more than six years. In no event shall any installment exceed \$3,000.00. Each installment shall be paid in a lump sum at the discretion of the managing facilitator. Any second tier worker who was called or placed in the Wyoming District will forfeit future qualification if they accept a call outside of the Wyoming District. Payment of any installments shall be limited to the available funds as granted through the district’s budgeting procedure and any amount remaining after scholarships have been processed.
- 6.) **ADMINISTRATION** The facilitator, in consultation with the CCS Chairman, will oversee and make recommendation regarding this debt reduction assistance program. The Facilitator can also consult with the Commission on Congregational Services (CCS) and the Wyoming District President as needed. All applications and correspondence with regard to this assistance shall be directed to the Facilitator.
- 7.) **TAXES** All federal, state, and local taxes, including self employment taxes, and any other tax which may be imposed on any amount paid under this program shall be the sole responsibility of the worker.
- 8.) **TERMINATION OF PROGRAM** This Debt Reduction Assistance Program may be terminated or suspended at any time and there is no implied intent or promise of any future payments in association with this program.

**Worksheet**  
**Debt Reduction Assistance Program - Calculation Form**  
**Wyoming District – Lutheran Church Missouri Synod**

1	Enter the outstanding balance of your eligible loans on your date of installation in a congregation or ministry of the District.	
2	Enter the maximum amount of eligible loans permitted under the program.	24,000.00
3	Enter the lesser of lines 1 and 2. This is your “base amount”	

		Column A	Column B	Column C
4	Enter your base amount from line 3 in Column A, B and C			
5		0.00	8,000.00	16,000.00
6	Subtract the amounts on line 5 from the amounts on line 4 in all three columns. If the result is less than zero, enter zero			
7	Enter \$8,000 or the amounts on line 6, <b>whichever is less</b> , on all three lines.			
8		X 100%	X 75%	X 50%

9	Multiply the amounts on line 7 by the percentages on line 8 in all three columns			
10	Add the amounts on line 9 and enter the amount. This is the potential grant amount.			
11	Divide the amount on line 10 by 3,000 and round up to the nearest whole number, but not less than three. This is the number of installments.			
12	Divide the amount on line 10 by the number on line 11. This is this year's payment.			

### **EXAMPLE OF CALCULATION FORM**

1	Enter the outstanding balance of your eligible loans on your date of installation in a congregation or ministry of the District.	<b>17,300.00</b>
2	Enter the maximum amount of eligible loans permitted under the program.	24,000.00.
3	Enter the lesser of lines 1 and 2. This is your "base amount"	<b>17,300.00</b>

		Column A	Column B	Column C
4	Enter your base amount from line 3 in Column A, B and C	<b>17,300.00</b>	<b>17,300.00</b>	<b>17,300.00</b>
5		0.00	8,000.00	16,000.00
6	Subtract the amounts on line 5 from the amounts on line 4 in all three columns. If the result is less than zero, enter zero	<b>17,300.00</b>	<b>9,300.00</b>	<b>1,300.00</b>
7	Enter \$8,000 or the amounts on line 6, <b>whichever is less</b> , on all three lines.	<b>8,000.00</b>	<b>8,000.00</b>	<b>1,300.00</b>
8		X 100%	X 75%	X 50%
9	Multiply the amounts on line 7 by the percentages on line 8 in all three columns	<b>8,000.00</b>	<b>6,000.00</b>	<b>650.00</b>

10	Add the amounts on line 9 and enter the amount. This is the potential grant amount.	<b>14,650.00</b>
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11	Divide the amount on line 10 by 3,000 and round up to the nearest whole number, but not less than three. This is the number of installments.	<b>4.88 rounded to 5</b>
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12	Divide the amount on line 10 by the number on line 11. This is this year's payment.	<b>2,930.00</b>
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**APPLICATION FORM FOR DEBT REDUCTION ASSISTANCE**  
**Wyoming District – Lutheran Church Missouri Synod**

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

NAME: \_\_\_\_\_ Email \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PLACE OF SERVICE: \_\_\_\_\_

DATE OF GRADUATION: \_\_\_\_\_

DATE OF INSTALLATION/ PLACEMENT: \_\_\_\_\_

BALANCE OF ELIGIBLE LOANS OUTSTANDING  
 ON DATE OF GRADUATION: \_\_\_\_\_

CURRENT BALANCE OF ELIGIBLE STUDENT LOANS OUTSTANDING AS  
 OF SEPTEMBER 1, \_\_\_\_\_ (Current year): \_\_\_\_\_

**SYNODICAL AND OTHER POST-HIGH SCHOOL INSTITUTIONS ATTENDED**

_____	Dates _____	Degree _____
_____	Dates _____	Degree _____
_____	Dates _____	Degree _____
_____	Dates _____	Degree _____

**EDUCATION INDEBTENESS**

Type	Amount of Original Debt	Monthly Payment	Balance Owed	At Date
Example Stafford Loan	\$5,000	\$100	\$4,500	8/11
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Please attach copies of current loan documentation. At a minimum, the documentation should show:

- Dates and amounts of disbursements to you or on your behalf while a resident at, or under the supervision of, a college, university or seminary of the synod, and
- Balance owed on the date of graduation from college, university or seminary. (for Initial Application only)
- Balance outstanding (Latest Loan Statement) each year with application.

To the best of my knowledge, the above statements are accurate and true. I pledge to apply assistance received from the Wyoming District to the retirement of my educational debt.

**Signature of Applicant** \_\_\_\_\_ **Date** \_\_\_\_\_