

**Student Loan Repayment Program
Service Agreement****1. Introduction**

This Student Loan Repayment Program Service Agreement is an employment agreement between the Department of Energy (DOE) and _____ (employee's name) _____ (hereinafter referred to as "you" or "your") for the purpose of specifying conditions under which you agree to work as a Federal employee at DOE's National Nuclear Security Administration (NNSA) in return for NNSA repaying part or all of your outstanding student loan(s) through loan payments to the lender(s). This agreement will continue in effect until the terms and conditions have been satisfied or funding is no longer available.

2. Period of Service

You are required to serve (3 years for initial awards; 1 year for subsequent annual awards after the initial 3-year service agreement has been fulfilled), beginning (date, i.e., either the first day of the applicable pay period for which the initial loan payment is to be disbursed by the Payroll Office following signing of the service agreement; the date that the employee enters on duty (EOD); the date the employee returns to duty from school; or at any time after EOD) and ending (date).

3. Loan Payments

a. The amount of the applicable outstanding student loan balance(s) as of (date) is \$ (amount). The amount of student loan payments that DOE will make on your behalf under this service agreement is \$ (maximum \$10,000) per calendar year, and a total amount of \$ (maximum \$60,000) over (3 years for initial awards; 1 year for subsequent annual awards after the initial 3-year service agreement has been fulfilled) years subject to annual reviews and re-certification by the NNSA to ensure that funds are available and to determine the status of the subject student loan(s).

b. Payments by DOE under this service agreement do not exempt you from your responsibility and/or liability for any loan(s) for which you are obligated, as DOE is not obligated to the lender/note holder for its commitment to you. You are still responsible for the entire loan balance(s), including any amount not paid by DOE, and any late fees associated with the timing of the DOE loan payments. Further, you will also be responsible for any tax obligations resulting from the loan payment benefits made pursuant to this agreement.

c. Loan payments by DOE hereunder will be made through the payroll disbursement process directly to the lender/note holder. Payments will be made approximately 25 days after the period of service begins (12 days after the end of the pay period). The loan payments made on your behalf are treated as wages that are subject to income, social security, and Medicare taxes being withheld. The amount of the loan payments to each lender may be reduced by mandatory and voluntary deductions, including tax levies and garnishments.

d. DOE's payments will be made as a lump sum payment of \$ (amount) , paid annually for ____ years; taxes related to each payment will be deducted from that amount and a net payment made.

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a. During the term of this agreement, you agree that the NNSA is authorized to verify the status of each loan, including any obligation that you have; and to discuss the terms and amount of the outstanding obligation(s) with each lender/note holder. You agree to provide DOE with the information about each loan, such as the lender/note holder's name, address, phone number, bank routing number, etc., your identifying information, including social security number, and your payment obligation, i.e., the amount due and the time period that the loan is to be paid. You hereby represent that the payment of benefits, which are the subject of this service agreement, will apply only to your student loan indebtedness outstanding as of the date that this service agreement is executed by you and NNSA.

b. If DOE's payments hereunder cover only a part of your repayment obligation(s) under the subject student loan(s), and if you are in arrears or default on your own loan repayment obligation(s), then DOE will determine the appropriate course of action at that time. DOE will consider such remedies as paying the amount in arrears or default and extending the period of service if appropriate, renegotiating the terms of the loan repayment schedule, and terminating future DOE payments. If payments are terminated under this paragraph, the minimum period of service, 3 years, must be completed or you will be obligated to reimburse DOE, under DOE's debt collection procedures, for the full amount of the loan payments that DOE has paid on your behalf pursuant to this agreement; if 3 years of service under this service agreement have already been completed, then any remaining service obligation under this paragraph will be terminated.

c. DOE reserves the right to terminate this agreement early in the event that funding is no longer available after the first fiscal year. If payments are terminated under this paragraph, the minimum period of service, 3 years, must nevertheless be completed or you will be obligated to reimburse DOE, under DOE's debt collection procedures, the full amount of the loan payments that DOE has paid on your behalf pursuant to this agreement; if 3 years of service have already been completed under this service agreement, then any remaining service obligation will be terminated at the end of the fiscal year in which the funding will expire. You will be notified at least 90 days prior to termination to allow you time to make other arrangements.

d. You are required to maintain at least a fully successful or equivalent performance rating and applicable security clearance (access authorization) for the duration of this service agreement. If your performance rating falls below that level, or if your security clearance is revoked, or if you are separated involuntarily on account of misconduct, then the loan payments will be terminated immediately and you will be obligated to reimburse DOE, under DOE's debt collection procedures, the full amount of the loan payments that DOE has paid on your behalf pursuant to this agreement.

e. If you fail to complete the period of service hereunder because you voluntarily separate from DOE for any reason, the loan payments will be terminated immediately; and, further, you will be obligated to reimburse DOE, under DOE's debt collection procedures, the full amount of the loan payments that DOE has paid on your behalf pursuant to this agreement. However, if you separate from DOE in order to accept employment in another agency and that agency agrees to reimburse DOE for the loan payments it made on your behalf, or if you are separated involuntarily for reasons other than those set out in the

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immediately preceding paragraph, you will no longer be considered indebted to DOE. If you complete the period of service hereunder and then voluntarily separate from DOE, you will be ineligible for continued loan payments and DOE will immediately terminate any remaining loan payments, but you will have no reimbursement obligation to DOE.

f. If you apply and are selected for a position in a DOE Element other than the Departmental element that entered into this agreement, DOE's policy is that the gaining Departmental element is not required to assume the loan repayment obligation hereunder, but you must complete any remaining period of service to satisfy the minimum 3-year period required by law to avoid being obligated to reimburse DOE, under DOE's debt collection procedures, the full amount of the loan payments that DOE has paid on your behalf pursuant to this agreement. Accordingly, your right to placement as a surplus and/or displaced employee under the Career Transition and Assistance Program does not grant you loan repayment by the gaining Departmental element. However, if you are reassigned to another Departmental element as a management directed action, the gaining Departmental element will assume full responsibility for this agreement.

g. If this service agreement pertains to a student loan for courses that you are taking while employed at DOE, then you must maintain a grade point average (GPA) of (no.) at all times during this service agreement. In the event that the GPA drops below (no.) , DOE will determine whether future payments should be terminated. If payments are terminated under this paragraph, the minimum period of service, 3 years, must be completed or you will be obligated to reimburse DOE, under DOE's debt collection procedures, the full amount of the loan payments that DOE has paid on your behalf pursuant to this agreement; if 3 years of service under this service agreement have already been completed, then any remaining service obligation will be terminated. So long as this service agreement is in effect, following each term of the school you are attending you are to provide your Departmental element with a copy of your course grades from that school so that DOE can verify your continued eligibility for loan payment benefits under this paragraph.

h. If you are determined to be indebted to DOE, you have the right to file a request for a waiver of any indebtedness that you may have to DOE under this service agreement based on a demonstration by you that DOE's recovery of such indebtedness, in whole or in part, would be against equity and good conscience or against the public interest. The filing of such a waiver request shall not stay the operation of DOE's debt collection procedures. The request must be filed with the Chief Financial Officer of your current or former Departmental element that was making the loan payments.

i. This agreement in no way constitutes a right, promise, or entitlement for continued employment and/or noncompetitive conversion to the competitive service, if applicable.

j. In the event that applicable laws or regulations change that would result in a change(s) in the terms and conditions of this agreement, the parties hereto mutually agree that this agreement will be subject to them. If such a change reduces the minimum-length-of-service requirement, and if existing agreements are potentially affected, DOE agrees to renegotiate the period of service section of this agreement if it deems it appropriate to do so. Any changes other than those required by applicable laws or regulations must be mutually agreed to in writing by the parties hereto.

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5. Certifications

I hereby certify that I have read and understand the terms and conditions of this agreement and have attached the necessary information on each loan for which DOE will make payments.

Selected Applicant/Employee

Date

Pursuant to OPM regulations, 5 CFR ' 537.105, I hereby certify that:

1. In the absence of the loan repayment benefits contemplated in this agreement, NNSA would encounter difficulty in filling the position of _____ (name of position) _____ with a highly-qualified candidate (or retaining a highly-qualified employee in the position of _____ (name of position) _____), and I have stated my detailed reasons for this conclusion in my written determination that is part of the official file pertaining to this matter.

2. When selecting the above-named employee to receive loan repayment benefits, I have adhered to merit system principles and have taken into consideration the need to maintain a balanced workforce in which women and members of racial and ethnic minority groups are appropriately represented in Government service.

3. To my knowledge, approval of this agreement does not create any inequitable treatment of candidates and employees and has been exercised consistent with the diversity goals and needs of this Departmental element.

The source of funding for this agreement is _____ (accounting information: fund-type, B&R, if other than employee's salary accounting information).

Recommending Official

Date

Attachment(s): Information on each loan and lender/note holder

Distribution:

Original - OPF

Copies - Employee, payroll office, supervisor, finance staff, etc.

**Student Loan Repayment Program
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Part 537 of Title 5 of the Code of Federal Regulations requires the use of a service agreement to support employer repayments of student loans. Providing information and signing this agreement is voluntary, but failure to provide the requested information on your loan(s) and, if applicable, course grades in order to determine your grade point average, or to sign this agreement will preclude the authorization of such payments on your behalf. It will not, however, affect your being appointed to a position offered by the Department of Energy. The use of the information involved with this agreement is by applicable management officials and supporting administrative staffs, payroll and accounting staffs, human resource staffs, and equal employment opportunity staffs to verify the status of your loan(s), make the payments to the appropriate note holder(s), and ensure equitable treatment. There are no additional uses that may be made of the information collected.

The official copy of this agreement is maintained in your Official Personnel File (OPF), which is a category of record included in the OPM/GOVT-1 General Personnel Records system. One copy of the information that you provide, along with a copy of this agreement will be maintained in your payroll file, which is a category of record included in DOE-13, Payroll and Leave Records. Other copies may be maintained in your Departmental element, such as by your supervisor and finance office, which is appropriate under the OPM/GOVT-1 records system.