

**U.S. Department of Housing  
And Urban Development**

**SERVICE AGREEMENT FOR RECEIPT OF REPAYMENT OF STUDENT LOAN(S)**

**U.S. Department of Housing and Urban Development  
Service Agreement for Receipt of Repayment of Student Loan(s)**

In consideration of the U.S. Department of Housing and Urban Development agreeing to repay a lump sum gross amount of \$ \_\_\_\_\_ toward my outstanding student loan balance(s) (federally insured, made, or guaranteed under parts B, D or E of title IV of the Higher Education Act of 1965 or the Public Health Service Act), I hereby agree to remain in the service of the Department for a minimum period of three years. Generally, the service period begins on the date you and the selecting official sign the service agreement, unless otherwise amended in this agreement. Periods of leave without pay (LWOP) will extend this service agreement to compensate for the period of LWOP.

I agree that if I do not remain in the Department, or in the case of a repayment issued to retain my services, if I do not remain in the Department, for the above specified period, I will become obligated to repay to the Department the full amount of any student loan benefits that were provided. I understand that under such circumstances, these monies are recoverable from me as a debt due the United States. If I am involuntarily separated for reasons other than those cited under the terms, limitations, and conditions below, prior to the expiration of my service period, I may request a waiver of the collection of the overpayment. This service agreement in no way constitutes a right, promise, or entitlement for my continued employment or the noncompetitive conversion of my appointment to the competitive service.

I understand that renewals of payments may be made under this agreement without requiring me to enter into a new service agreement of up to \$6,000 per calendar year but not to exceed a maximum Departmental career benefit of \$40,000. The renewal of future payments shall be based upon the availability of funds; the continued difficulty/need for the Department to retain a highly qualified individual in a particular position; my performance rating of record being at least fully successful or equivalent; and my compliance with the terms, limitations, and conditions attached. If a repayment of student loan benefits is issued in the next two calendar years, no extension of the initial service agreement shall be required. However, after the third calendar year of service, for each calendar year that a repayment benefit is issued, the employee will be required to serve an additional year of employment with the Department. Below is the schedule:

Schedule of Payments and Service Agreement Requirement Table				
Maximum Limit not to Exceed			Years of Service Required	Extended Service Required
Calendar Year Outlay	Repayment Amount (in US Dollars)	Cumulative Repayment (in US Dollars)		
1	6,000	6,000	3 years	
2	6,000	12,000		No
3	6,000	18,000		No
4	6,000	24,000	1 year	Yes
5	6,000	30,000	1 year	Yes
6	6,000	36,000	1 year	Yes
7	4,000	40,000	1 year	Yes

**U.S. Department of Housing  
And Urban Development**

<b>Terms, Limitations, and Conditions for Repayment of Student Loan(s)</b>		
1. I understand that execution of this initial service agreement in no way constitutes a right, promise, entitlement to future repayment benefits, continued employment, or noncompetitive conversion to the competitive service.		
2. I understand that the Department reserves the right to terminate this agreement early for lack of the availability of funds. In such event, I will be given advance notification.		
3. I understand that I will be responsible for making loan payments on the portion of the loan(s) that continues to be my responsibility.		
4. I understand that this agreement does not exempt me from my responsibility and/or liability for any loan(s) that I have taken out.		
5. I understand that final agreement to repay a listed outstanding loan is contingent upon the Department obtaining verification of the eligibility of the listed loan(s); outstanding loan balance(s); and payment status of the loan(s).		
6. Payments may be applied only to the indebtedness outstanding at the time the Department and I enter into an agreement and may not begin before I enter on duty. The date that the service agreement is signed marks the beginning of the service period.		
7. Any student loan repayment shall be issued in a lump sum amount or in monthly installments directly to the lending institution through electronic funds transfer (EFT). The maximum amount that may be issued in a calendar year is \$6,000 [first six years or \$4,000 the seventh year] or the outstanding loan balance(s), but not to exceed the amount outstanding.		
8. The appropriate taxes will be withheld from the lump sum or monthly repayment benefit based upon the flat rate method as follows: 27 percent for federal tax, 2 percent for state and local taxes, and Medicare, OASDI and social security will be computed at their current rates.		
9. I understand that the Department is not responsible for late fees assessed by the holder due to repayment issuance not being received by the due date or any other reason.		
10. I understand that if my loan enters a default status at any time during the service agreement period, no further repayments shall be issued and any previously issued repayments shall become a debt owed to the Department repayable by me in full.		
11. I understand that my performance must remain at least at the fully successful or equivalent level.		
12. I understand that if I fail to meet any of the terms and conditions in this agreement, I must reimburse the Department for payments previously issued.		
<b>I certify that I have read and I accept the above terms and conditions under which the Department will repay part or all of the outstanding balances on student loans in my name cited in form HUD-550.</b>		
Employee's Signature	Full Name (Type or Print Legibly)	Date Signed
Approving Official's Signature and Title	Program Office Name	Date Signed