

Organizing for Settlement Fund Questions and answers on the Education Minnesota strike loan program.

1. What is a strike loan?

Education Minnesota has established a strike loan program in coordination with the American Federation of Teachers and the National Education Association. The strike loan program is administered by the financial institution and/or Education Minnesota. The purpose is to provide members actively participating in a work stoppage (e.g. participating in strike activities) with a source of funds to meet emergency cash needs during this “payless” period.

2. Do I pay interest on these loans?

No. Members’ only obligation is to repay the amount borrowed. As part of the services provided by Education Minnesota, all interest is paid by Education Minnesota, AFT or NEA.

3. When will I be eligible to apply for a loan?

Only members of the union who actively participate in the strike are eligible for a loan. Union members will be eligible to submit a loan application on the day the strike commences. More specific information will be provided by the strike loan committee.

4. What happens if I default?

After the financial institution has sent out all loan notices for repayment, should the loan have gone into default status, the loan will be paid back by Education Minnesota and the borrower will receive a letter from Education Minnesota.

5. How much may I borrow?

Eligibility of up to a \$600 loan shall begin after the fourth scheduled working day missed. Thereafter, members shall be eligible to receive an additional loan for each 14 calendar days missed up to a maximum total loan of \$1,800 as listed in the table below.

Period	Day	Aggregate Amount Financed	Months to repay loan	Principal payment per month
1	5	\$600	4	\$150
2	19	\$1,800	8	\$225

6. Should I take advantage of this special program?

This program is designed to assist members who need funds during this period. Members should keep in mind the funds advanced to them under this program must be repaid and represent a contractual obligation by them.

7. How can I get a loan request form?

Loan request forms will be available to members through the local strike loan committee which will provide more specific information on dissemination of the funds.

8. What must I do?

A loan application through the financial institution and/or Education Minnesota will be submitted by the member. The strike loan committee will have more information regarding the loan application process as the strike date gets closer.

9. How long must I wait to receive the funds?

The processing of all applications should be completed and direct deposits made according to the schedule in the table detailing loan funds by the financial institution and/or Education Minnesota after receipt and verification of your application.

10. When will I need to start repaying my loan?

The first payment will be due 60 days after the earlier of (a) when a new contract is ratified with the school district or (b) when a majority of the membership returns to work. Subsequent monthly payments will be due on the same day of each succeeding month.

11. How long do I have to repay my loan?

All loans will be repaid in consecutive monthly installments as specified in the schedule in the chart accompanying item No. 5 of this brochure.

12. How will I know my monthly payment?

At the termination of the work stoppage, the financial institution and/or Education Minnesota will provide a complete summary of your loan, the amount of your monthly payment and an explanation of when your payments will be due. An explanation of the repayment process will be provided by the financial institution and/or Education Minnesota.

13. What if I decide not to borrow the first week?

If you decide not to borrow \$600 the first loan period, you will be eligible to borrow up to \$1,800 the second loan period. You do not waive your entitlement to this sum if you decide not to borrow during any particular loan period.

14. What happens if I miss the deadline for applying for a loan but still need a loan?

Members are requested to make arrangements to submit their loan applications at the times and dates specified by the local strike loan committee. If you miss the deadline, you may not submit a loan application until the next regularly scheduled loan period. Anyone experiencing hardship by complying with this policy should contact their local strike loan committee.

15. What happens if a work stoppage terminates and then begins again the same fiscal year?

Eligibility will begin again on the same basis as allowed by the eligibility schedule listed under No. 5, up to a maximum of \$1,800.