A Student Journey with an Income Share Agreement

Kayla's Journey Begins

AUGUST 2019

Kayla signs an ISA for $17,000.

Kayla's ISA Terms

- **$17,000 ISA**
- **10% Income Share**
- **24 Monthly Required Payments**
- **1.2x ($20,400) Payment Cap**
- **Cybersecurity Program: $50,000 Minimum Income**
- **Data Science Program: $60,000 Minimum Income**

DECEMBER 2019

Kayla graduates.

FEBRUARY 2020

Kayla starts her job in Cybersecurity with a salary of $80,000.

Grace Period (January-March)

APRIL 2020

Kayla's grace period ends and she begins making monthly payments

APRIL 2020 – MARCH 2022

Kayla's income may fluctuate with raises or job changes, but her income share remains at 10%.

MARCH 2022

Kayla makes her 24th and final payment.

ISA OBLIGATION ENDS!

DIVERGENCE ACADEMY

Here's how Kayla's ISA Payments are Calculated Each Month

Year	Kayla's Annual Income	Kayla's Monthly Income (= annual income/12)	Income Share (specified in contract, never changes)	Kayla's Monthly Payment (= income share x monthly income)	Amount paid for the year (= # monthly payments x monthly payment)	Total payments toward ISA obligation	Total Number of Monthly payments toward ISA obligation
2020	$80,000	$6,667	10%	$667	$6,000 (9 months)	$6,000	9
2021	$80,000	$6,667	10%	$667	$8,000 (12 months)	$14,000	21
2022	$95,000	$7,917	10%	$792	$2,375 (3 months)	$16,375	24

[1]Kayla's monthly income = her gross annual income/12
[2]The income share never changes
[3]Kayla's monthly payment = income share x monthly income
[4]Amount paid for the year = # of monthly payments x monthly payment amount

- Kayla's payments fluctuate with her earnings
- If her income drops below the minimum income threshold, her payments will pause and there is no interest accrued or fee imposed.

In this example, Kayla makes her 24 required payments, amounting to $16,375. Her obligation is finished and she makes no further payments.

DIVERGENCE ACADEMY

Key ISA Terms

- **ISA Amount:** The amount credited (funded) to a student's account (e.g., tuition).
- **Income Share**: Percentage of monthly income a student will share.
- **Required Payments:** Number of monthly payments required to fulfill ISA obligation (also called payment term).
- **Payment Window:** Maximum time window for an ISA. An ISA in good standing ends when the payment window is over, even if– based on your monthly earned income– you've been required to pay less than the ISA amount or nothing at all.
- **Minimum Income Threshold:** Income below which payments are paused.
- **Payment Cap:** Maximum amount a student can be obligated to share; expressed as a multiple of the ISA amount.
- **Grace Period:** 3 months after leaving school before payments begin.