

This page contains a summary of the program eligibility criteria and application process. Subsequent pages describe program terms and conditions in more detail. This information is provided to help potential borrowers understand the benefits and obligations, and to make an informed decision whether or not to accept a Nurse Faculty Loan. This information does not replace or alter terms of the promissory note, which is signed when the loan is made.

PURPOSE

The purpose of the Nurse Faculty Loan Program (NFLP) is to increase the number of qualified nursing faculty by providing loans to students who are enrolled in an eligible advanced education nursing program and committed to become nurse faculty.

In exchange for full-time, post-graduation employment as nurse faculty, the program authorizes cancellation of up to 85% of the NFLP loan plus interest thereon. Four consecutive years of full-time employment is required to qualify for the maximum cancellation/forgiveness.

ELIGIBLE NMC PROGRAMS

- Master of Nursing (MSN) – Nurse Educator
- RN to MSN – Nurse Educator
- Doctor of Nursing Practice (DNP)
- Post-Master’s Certificate (PMC) – Nurse Educator

ELIGIBILITY CRITERIA

- Enrolled in an eligible program that prepares the individual to become nurse faculty
- In good academic standing
- Committed to completing the program of study and serving as full-time nurse faculty for a period of 4 consecutive years at an accredited school of nursing following graduation from the program
- Eligible to work in the United States post-graduation (Must be a citizen of the United States, a non-citizen national, or a lawful permanent resident of the U.S., the District of Columbia, Guam, the Commonwealth of Puerto Rico, the Northern Mariana Islands, American Samoa, the U.S. Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau)
 - A student in the United States on a student or visitor's visa is not eligible for the NFLP loan.
- Have no judgment liens entered against his/her property for default on a federal debt, 28 U.S.C. 3201(e)

APPLICATION PROCESS

- Be accepted to and enrolled in an eligible program of study at Nebraska Methodist College (NMC).
- Submit the [Free Application for Federal Student Aid \(FAFSA\)](#) each academic year. (The FAFSA is used to confirm citizenship status and non-default on federal student loans. The NFLP is not a need-based program, and FAFSA *financial* data are not used to determine NFLP eligibility.)
- DNP students must inform the NMC Financial Aid Office of their interest in the NFLP loan.
- Eligible students in a Nurse Educator track (MSN, RN to MSN, or PMC) will be offered the NFLP loan upon receipt of the FAFSA and confirmation of admission to the program.
- After receiving the financial aid award notification each academic year, complete the online NFLP Loan Application, accept the loan award, and complete other required online processes such as entrance counseling, rights and responsibilities, truth-in-lending disclosures, and promissory note.
- Sign and submit a Letter of Commitment each academic year.

NURSE FACULTY LOAN PROGRAM DETAILS

AWARD AMOUNTS & LIMITATIONS

- Allowable Costs – NFLP funds are intended to cover the cost of tuition, fees, and books.
 - Receipt of other awards designated for these expenses will result in a corresponding decrease in the NFLP award.
 - A book allowance is based on a per credit hour average of the book costs for the program, so actual book costs may vary from the award allowance provided.
 - Upon request, the NFLP award may be increased to cover the reasonable cost of a computer.
- Limitations –
 - NFLP loans may not exceed \$35,500 for an academic year.
 - The NFLP loan will be made annually (subject to the availability of funds and the recipient maintaining good academic standing) for the period required to complete the course of study, not to exceed 5 years of NFLP support. Receipt of funds in one or more terms of an academic year (fall, spring, summer) counts as one year of support.
 - If funding is limited, past NFLP recipients will have priority over new applicants.

ENROLLMENT REQUIREMENTS

- Must be enrolled full-time or part-time in an eligible program listed on page 1.
- Must complete the specified educator and practicum courses before graduating from the program.
- Any term or semester for which the student is not enrolled during the academic year, the student must be on an approved, temporary leave of absence in accordance with NMC's student enrollment and leave policy.

Leave of Absence (LOA) Process: NMC requires students to submit an official request that includes the reason for the leave prior to the start of the LOA. This requirement applies to any term for which the recipient does not enroll (including summer). If unforeseen circumstances prevent a student from providing a prior request, the student must provide such notification as soon as possible.

Failure to provide notice OR failure to return from the LOA when scheduled may result in the student being reported as having withdrawn from the program, placing the loan into immediate repayment at the prevailing market rate and forfeiting eligibility for cancellation.

ACADEMIC STANDING

- Must comply with policies described in the [College Catalog](#) and the [academic program's handbook](#)
- Must comply with the [Financial Aid Satisfactory Academic Progress \(SAP\) Policy for Credit Hour Programs](#)

SERVICE OBLIGATION FOR LOAN CANCELLATION

- An NFLP borrower must, within 12 months of graduation, obtain full-time employment as a nurse faculty at an accredited school of nursing. Full-time employment is defined on page 3.
- After each year of full-time employment, a portion of the NFLP loan will be cancelled as described on page 3. Maximum cancellation is 85% of the outstanding NFLP loan (and interest thereon) as determined on the first date of employment.
- A service requirement/obligation incurred under another federal program for educational support must remain separate and distinct from the service requirement/obligation for the NFLP program.
- A borrower who receives NFLP support for two advanced degree programs must fulfill a separate service obligation for each program.

CANCELLATION PROCESS, TIMELINE & AMOUNTS

To receive cancellation, an NFLP borrower must complete several critical steps within specified time frames. A missed step or deadline will result in the loss of eligibility for cancellation and a higher interest rate for the remainder of the repayment period.

- Obtain full-time employment as a nurse faculty at an accredited school of nursing **and** submit the NFLP Employment Certification Form to NMC within 12 months of graduation.
 - Full-time employment is defined as:
 - A full-time faculty appointment at an accredited school of nursing, or
 - A part-time (or adjunct) faculty appointment at an accredited school of nursing in combination with another part-time (or adjunct) faculty position or part-time or full-time clinical preceptor/educator position working with nursing students and affiliated with an accredited school of nursing that together equates to full-time employment, or
 - Employment as designated joint-appointment nurse faculty serving as full-time advanced practice registered nurse (APRN) preceptor within an academic-practice partnership framework affiliated with an accredited school of nursing. (Under this option, it will be the NFLP graduate's responsibility to develop a partnership with a school in need of a preceptor for its APRN students.)
 - Nurse faculty is defined as an academic educator (faculty) or a clinical educator/instructor role at an accredited school of nursing, or a clinical educator/preceptor role working with nursing students at an accredited health facility.
 - Actual employment may begin after the 12-month period, but the borrower must have obtained and submitted an acceptance or appointment letter within 12 months of graduation.
 - If employment verification is not received by NMC within 12 months following graduation, the borrower will not be eligible for the NFLP loan cancellation provision and interest will be converted to the prevailing market rate.
- Submit the NFLP Request for Postponement of Installment Payment form annually for each period of cancellation.
 - This form is intended to notify NMC that repayment is not expected from a borrower who is employed full-time as defined above and will be requesting partial cancellation of the loan at the end of each complete year of employment.
 - For the first year, the form should be submitted with the *NFLP Employment Certification Form* within 12 months of graduation.
 - For each subsequent year, the form should be submitted with the *NFLP Request for Partial Cancellation* 30 days prior to expiration.
- Submit the NFLP Request for Partial Cancellation form to NMC at the end of each complete year of employment (30 days prior to expiration). For each complete year of eligible full-time employment, a portion of the NFLP loan will be cancelled as follows:
 - 20% of the principal and the interest on the amount of the loan (as determined on the first date of employment) upon completion of each of the *first, second, and third year* of eligible full-time employment; and
 - 25% of the principal and the interest on the amount of the loan (as determined on the first date of employment) upon completion of the *fourth year* of eligible full-time employment.
 - To qualify for the maximum 85% cancellation, the borrower must maintain eligible full-time employment for a consecutive 4-year period.
 - The Promissory Note, which specifies the terms and conditions of the NFLP loan, binds the student to his/her repayment obligation and states the provisions for loan cancellation.

EMPLOYMENT CHANGES/TERMINATION

Certain breaks or changes in employment may impact a borrower's eligibility for cancellation:

- Leave During Employment – Approved Family Medical Leave (FML) up to 3 months is not considered a break in employment. Leaves longer than 3 months or for non-FML reasons will be considered on a case by case basis.
- Changing Employment – A reasonable period of time to change from one place of employment to another does not constitute a break in employment. NMC defines this as no more than 3 months.
- Termination of Employment – A borrower who is terminated during the Postponement period must notify NMC within 30 days after the last day of such employment. NMC will then place the borrower into repayment with installment payment(s) payable to NMC according to the borrower's repayment schedule. The interest rate will be converted to the prevailing market rate.

INTEREST

- Interest begins to accrue 3 months after the borrower graduates or ceases to be enrolled in an eligible program of study.
- For borrowers who graduate from the eligible nursing program, the interest rate is 3% per year.
 - Loans for borrowers employed as full-time nurse faculty (as defined on page 3) for a consecutive 4-year period will bear interest at the rate of 3% for the 4-year period and the remaining 6 years of the repayment period.
- Prevailing Market Rate –
 - Interest will accrue at the prevailing market rate when a borrower:
 - Fails to complete the course of study,
 - Fails to establish eligible full-time employment following graduation from the program, or
 - Ceases qualified full-time employment prior to completing the entire 4-year service agreement.
 - The prevailing market rate is determined by the U.S. Treasury Department and is published quarterly in the *Federal Register*. The rate is fixed, and will be the prevailing market rate in effect when the rate is converted. Refer to the [U.S. Department of Health & Human Services \(HHS\) Office of Finance web site](#) for current or historical rates.
 - From January 2015 through December 2019, rates ranged from 9.5% to 10.75%.

REPAYMENT

- Grace Period: The grace period for an NFLP loan is 9 months and begins immediately after the borrower graduates or otherwise ceases to pursue an eligible course of study at the school of nursing. Neither interest nor principal is payable during the grace period, although interest begins to accrue after 3 months.
- Repayment Period: The 10-year repayment period begins after the 9-month grace period. Payments are not due from a borrower during periods of Postponement while employed full-time to qualify for the cancellation. However, these years are included in the 10-year repayment period.
- Repayment Schedule: The NFLP loan is repayable in equal or graduated periodic installments, which must be made no less often than quarterly, in accordance with the terms of the schedule provided by NMC and agreed to by the borrower.
 - If the borrower's NFLP loan has been cancelled for the maximum portion (85%) of the principal amount of the loan and interest, the remaining amount (15%) of the unpaid loan balance is repayable in equal or graduated periodic installments over the remaining 6 years of the repayment period.
 - If the borrower receives partial cancellation for 1, 2 or 3 years of employment (i.e. a total cancellation of 20%, 40% or 60%), the remaining unpaid balance of the loan is repayable in equal or graduated periodic installments over the remaining repayment period (9, 8 or 7 years, respectively).

- **Prepayment:** The borrower may, at his or her option and without penalty, prepay all or any part of the principal and accrued interest at any time. If an accelerated payment is made, that prepayment must first be applied to any accrued interest and then to the principal balance.
- **Consolidation:** At any time after the end of the grace period, NFLP loans are eligible to be consolidated. However, after consolidation the loan is not eligible for cancellation.

DEFERMENT

- NFLP borrowers are eligible for deferment for up to 3 years:
 - When ordered to active duty as a member of a uniformed service of the United States (Army, Navy, Marine Corps, Air Force, Coast Guard, the National Oceanic and Atmospheric Administration Corps, or the U.S. Public Health Service Commissioned Corps)
 - A borrower who voluntarily joins a uniformed service is NOT eligible for deferment, nor is a borrower who is employed by one of the uniformed services in a civilian capacity.
 - When the borrower graduated and is employed as nurse faculty, and returns to a graduate nursing education program to further their preparation as nurse faculty, or
 - When the borrower graduated and is pursuing advanced professional training in Nursing (e.g. post-doctoral program/fellowship).
- Deferments are not automatic. A borrower must submit a *Certification for Deferment Status* for each period of deferment, at least 30 days before the beginning of:
 - The activity that makes the borrower eligible for deferment, or
 - The repayment period (i.e., the due date of the first payment) if the borrower is beginning the activity during the grace period.
- During periods of deferment, interest continues to accrue at the prevailing market rate but is not required to be paid during this period.
- Deferment periods are not excluded from the 10-year repayment period.

FORBEARANCE/INABILITY TO PAY

- NMC may, at its discretion, place a borrower's NFLP loan in forbearance when extraordinary circumstances such as poor health or hardships temporarily affect the borrower's ability to make scheduled loan repayments. Forbearance is limited to situations in which the borrower clearly intends to repay the NFLP loan obligation but is temporarily unable to comply with the existing repayment schedule.
- During periods of forbearance interest on the loan continues to accrue. The borrower may opt to make monthly interest payments during the forbearance period. If interest is not paid during the forbearance, all interest that accrued during the forbearance period will be due in full with the first payment after the forbearance ends.
- A borrower must request forbearance by submitting a completed *NFLP Forbearance Request Form* to NMC. The school must notify the borrower in writing of its approval or denial of the forbearance request.
- Periods of forbearance are not excluded from the borrower's 10-year repayment period.

DEATH OR DISABILITY

- **Death:** NMC will cancel any remaining payments on the NFLP loan upon receipt of a death certificate or other official proof of the borrower's death.
- **Permanent and Total Disability:** A borrower may be entitled to cancellation of any remaining payment of the NFLP loan in the event of permanent and total disability. Permanent and total disability is defined as unable to engage in gainful employment of any kind because of a medically determined impairment that is expected to continue for a long and indefinite period of time or to result in death.
 - To claim cancellation for disability, a borrower must submit a formal request to NMC, and provide specific documentation pertaining to the borrower's loans, disability, treatment, employment history and financial support. Upon review of the documentation, the Secretary of HHS or a designee will make this determination and will cancel the NFLP loan upon approval.

- For more information about these documentation requirements, contact the NMC Business Office.

DEFAULT

- Any of the following conditions will cause the NFLP loan to be considered in default:
 - Failure to graduate from the program of study
 - Failure to obtain eligible full-time employment and provide certification within 12 months of graduation
 - Failure to complete 4 consecutive years of eligible full-time employment
 - Failure to make payments as required by the promissory note and repayment agreement
- When a loan is in default:
 - It is no longer eligible for cancellation
 - Interest rate will be increased to the prevailing market rate as described on page 4

CONTACT INFO

- For questions about NFLP application requirements, eligibility, award amounts, disbursements, etc., contact:
Mark Araujo, Associate Director
NMC Financial Aid Office
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- For questions about NFLP exit counseling, and processes related to employment, postponement, cancellation, repayment or forbearance, contact:
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