

TITLE 183, FINANCIAL ASSISTANCE

CHAPTER 6, NURSING FACULTY STUDENT LOAN PROGRAM

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TITLE 183 FINANCIAL ASSISTANCE

CHAPTER 6 NURSING FACULTY STUDENT LOAN PROGRAM

6-001 SCOPE AND AUTHORITY: These regulations govern the Nursing Faculty Student Loan Program. The regulations are authorized by and implement the Nursing Faculty Student Loan Act, Neb. Rev. Stat. §§ 71-17,108 to 71-17,116.

6-002 DEFINITIONS

Accredited masters or doctoral nursing program means a postgraduate nursing education program that has been accredited by a nationally recognized accrediting agency and offered by a public or private postsecondary educational institution in Nebraska.

Act means the Nursing Faculty Student Loan Act.

Approved nursing program means a program offered by a public or private postsecondary educational institution in Nebraska:

1. Which consists of courses of instruction in regularly scheduled classes leading to a master of science degree, a bachelor of science degree, an associate degree, or a diploma in nursing; or
2. For the preparation for licensure as a licensed practical nurse; and
3. Available to regularly enrolled undergraduate or graduate students.

Department means the Department of Health and Human Services Regulation and Licensure.

Discontinuation of full-time nursing instruction means more than 90 consecutive days have passed since the recipient has been engaged in full-time nursing instruction.

Educational expenses means tuition, fees, and books.

Enrollment means the program enrollment as reported to the Nebraska Board of Nursing in the most recent annual report.

Full-time nursing instruction means being engaged in nursing instruction full-time as defined by the employing institution(s).

Nursing instruction means employment by a Nebraska nursing education program that includes responsibility for one or more of the following: administration, curriculum, instruction, guidance and research.

Residency in the State of Nebraska has the definition found in Neb. Rev. Stat. § 85-502.

6-003 ALLOCATION OF LOANS TO NURSING EDUCATION PROGRAMS

6-003.01 The Department will annually award loans to qualified applicants as recommended by the program, based on availability of loan funds. When sufficient loan funds are available, the number of loans awarded to students in each accredited masters or doctoral nursing program will be distributed based on total graduate program enrollment expressed in full-time equivalencies.

6-004 LOAN QUALIFICATION CRITERIA

6-004.01 To be considered for receipt of a loan under the Act, a student must:

1. Be a resident of Nebraska;
2. Be enrolled in an accredited masters or doctoral nursing program in Nebraska;
3. Agree in writing to engage in nursing instruction in an approved nursing program for two years for each year a loan is received.

6-004.02 Each accredited masters or doctoral nursing program must develop criteria for selecting students to be recommended by the program to receive loans. Upon request, the program must submit the criteria to the Department. The criteria must include the student qualifications in 183 NAC 6-004.01.

6-004.03 Each accredited masters or doctoral nursing program must select students using the program criteria and recommend those students to the Department.

6-005 PROCEDURE FOR ISSUANCE OF LOANS

6-005.01 The Department will notify all accredited masters and doctoral nursing programs in Nebraska of the number of loans to be awarded to each program and the date by which the program's recommendations for loan awards must be submitted to the Department. This notification will be sent to the programs no later than 60 days prior to the deadline for recommendations to be submitted to the Department.

6-005.02 Each accredited masters and doctoral nursing program must submit to the Department within 30 days of the date of notification:

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1. A list of students recommended to receive a \$5,000 loan from the Department for the current academic year. The number of students to be included on the list will be included in the notification from the Department;
2. Verification of the academic one-year period for which the loan is to be awarded; and
3. Loan agreements, as provided by the Department, signed by each student on the list. Terms of the agreement must include:
 - a. Agreement to engage in full-time nursing instruction in an approved nursing program for two years for each year a loan is received;
 - b. Provisions specifying the conditions under which the loan must be repaid and the time frame for repayment;
 - c. Provisions for reporting employment in nursing instruction to the Department; and
 - d. Attestation that the student has not previously received a loan under the Act or if a loan was received, the total amount previously received.

6-005.03 Institutions which offer an accredited masters or doctoral nursing program may act as agents of the Department for the distribution of the loans to qualified students.

6-006 USE OF LOAN FUNDS

6-006.01 Loan funds received under the Act must be used only for educational expenses for an accredited masters or doctoral nursing program.

6-006.02 Loan funds must be used for the academic year specified by the academic program.

6-006.03 Each recipient may receive \$5,000 per academic year, not to exceed a total of \$15,000 per recipient.

6-006.04 The use of loan funds is subject to review by the Department.

6-006.05 The inappropriate use of loan funds places the loan in repayment status as set forth in 183 NAC 6-008.01.

6-007 PROVISIONS FOR LOAN FORGIVENESS

6-007.01 Two Years of Instruction: A \$5,000 loan issued under the Act is forgiven upon verification that the recipient has engaged in full-time nursing instruction in an approved nursing program in Nebraska for two academic years. There is no loan forgiveness for partial years of instruction. For recipients of a second \$5,000 loan, the second \$5,000 is forgiven upon verification of an additional two academic years of full-time nursing instruction. For recipients of a third \$5,000 loan, the third \$5,000 is forgiven upon verification of two more academic years of full-time nursing for a total of six academic years of full-time nursing instruction.

6.007.02 Verification of Instruction: Verification of full-time instruction by the employer(s) or other qualified person(s) serves as the basis for determining that a recipient has met the requirement for loan forgiveness.

6-007.03 Confirmation of Loan Forgiveness: Confirmation of loan forgiveness will be mailed to the recipient at his/her current address of record.

6-007.04 Taxable Income: When a loan has been forgiven pursuant to 183 NAC 6-007, the amount forgiven may be taxable income to the loan recipient, and the Department will provide notification of the amount forgiven to the loan recipient, the Nebraska Department of Revenue, and the Internal Revenue Service if required by the Internal Revenue Code as defined in Neb. Rev. Stat. § 49-801.01.

6-008 CONDITIONS REQUIRING REPAYMENT OF LOAN

6-008.01 Inappropriate Use of Loan Funds: If the nursing program or Department determines that a recipient has inappropriately used loan funds (see 183 NAC 6-006), the recipient must:

1. Repay 100% of the outstanding loan principal with simple interest at a rate one point below the prime interest rate. Interest accrues beginning on the date the inappropriate use of funds first occurred;
2. Commence repayment within six months after the date the inappropriate use first occurred; and
3. Complete repayment within the number of years for which loan(s) were awarded.

6-008.02 Discontinued Enrollment: Loan recipients must remain enrolled in the accredited masters or doctoral nursing program or repay the loan according to the terms in 183 NAC 6-008.02B.

6-008.02A Verification of Enrollment: To verify continued enrollment, the Department will send to each accredited masters or doctoral nursing program a quarterly request for verification of student status for each loan recipient. The program must respond to the request by verifying that each student:

1. Remains currently enrolled;
2. Has completed the program and the date of completion; or,
3. Has discontinued enrollment and the date of discontinuance.

6-008.02B Repayment Terms: If a loan recipient discontinues the nursing program before completing the program, s/he must:

1. Repay 100% of the outstanding loan principal with simple interest at a rate one point below the prime interest rate. Interest accrues beginning on the date the loan recipient signed the loan agreement;

2. Commence repayment within six months following the date of discontinuation of enrollment; and
3. Complete repayment within the number of years for which loan(s) were awarded.

6-008.03 Discontinuation of Full-Time Nursing Instruction: If, after a loan recipient graduates from the program for which the loan was received and before all of his or her loans are forgiven under the Act, s/he fails to begin or discontinues full-time nursing instruction pursuant to the loan agreement, the loan recipient must repay the loan(s) according to 183 NAC 6-008.03C.

6-008.03A Verification of Nursing Instruction: Upon engagement in nursing instruction following graduation from the program for which the loan was awarded, the loan recipient must submit to the Department written verification signed by the employer or other qualified person(s) indicating the institution of instruction and that the recipient is engaged in full-time nursing instruction in Nebraska. The recipient may have more than one employer or instruction arrangement, but must engage in nursing instruction for the equivalent of full-time instruction. Verification of instruction must be repeated each time the recipient changes or adds an employer or instruction arrangement.

6-008.03B Verification of Continued Instruction: The Department will send to each loan recipient a semi-annual request for verification of instruction status. The verification must be signed by the recipient's employer(s) or other qualified person(s) and must indicate:

1. That the recipient continues to be engaged in full-time nursing instruction in Nebraska; and
2. That the recipient was engaged in full-time nursing instruction during the previous six month period; or
3. That the recipient has left instruction and the last date of instruction.

6-008.03C Repayment Terms: If the recipient discontinues full-time nursing instruction in Nebraska, the recipient must:

1. Repay 125% of the outstanding loan principal with simple interest at a rate one point below the prime interest rate. Interest accrues beginning on the date the loan recipient signed the loan agreement;
2. Commence repayment within six months after the date of completion of the program or the date the loan recipient ceases full-time nursing instruction, whichever is later; and
3. Complete repayment within the number of years for which loan(s) were awarded.

Once the recipient enters the repayment period, the loan is no longer eligible for forgiveness.

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6-008.03D Approved Leave: Leave approved by an employer, such as sick leave, maternity leave, vacation leave, leave for military service, jury duty, or family medical leave, regardless of whether the leave is paid or unpaid, does not place the loan in repayment status. If the employer verifies that the loan recipient was on approved leave during all or a portion of an academic semester, that semester will not count toward instruction time required for loan forgiveness.

6-008.03E Deferment for Advanced Study: If, following graduation from the program for which a loan was received, a recipient discontinues full-time nursing instruction and enrolls in advanced study to pursue an additional degree in nursing, the instruction requirement is deferred until the recipient completes the additional degree or discontinues enrollment. Enrollment in the advanced study program will be verified quarterly as provided in 183 NAC 6-008.02A. The period of instruction completed prior to enrollment for advanced study will be retained on file by the Department for the purposes of loan forgiveness at the time the recipient returns to full-time nursing instruction.

6-009 DEFAULT ON LOAN REPAYMENT – GROUNDS FOR DISCIPLINE OF LOAN RECIPIENT'S NURSING LICENSE

Pursuant to Neb. Rev. Stat. § 71-148(22), failure to meet the repayment provisions for a loan received under the Act constitutes unprofessional conduct and is grounds for discipline of the recipient's nursing license.

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