

The **Nurse Faculty Loan Program ("NFLP")** is a low-interest *Federal loan repayment program* offered by the U.S. Department of Health & Human Services: Health Resources and Services Administration (<https://www.hrsa.gov>). Schools of Nursing who offer MSN and **doctoral degrees** with specific Nurse Educator tracks. Awards are distributed to qualified students in the form of low-interest loans. After the student graduates and begins working as full-time faculty, **up to 85% of the "NFLP" loan may be completely forgiven.**

Impact of the Higher Education Opportunity Act (HEOA) of 2008

The Higher Education Opportunity Act of 2008 mandated a number of changes to provide a significant amount of additional information to students who choose to utilize non Title IV educational loans (such as the Stafford, Grad PLUS and Perkins). The regulations change the disclosure requirements for the ***Truth In Lending Act ("TILA")*** for education loans made expressly for post-secondary education expenses.

These regulations went into effect on February 14, 2010.

Student Eligibility Guidelines

- In order to borrow funds through the **Faculty Nurse Loan Program (FNLP)** the student must be a U.S. citizen and enrolled for a minimum of 3 credits in the summer semester and 5 credits in both fall and spring semesters in a **graduate degree program** offered through the School of Nursing ("SON") at UTHealth School of Nursing. ***Students enrolled in a post master's certificate program are not eligible to participate in the NFLP Program.***
- Recipients must maintain enrollment for a minimum of two consecutive terms/semesters during an academic year while receiving NFLP support.
- Recipients must also maintain a minimum cumulative GPA of 3.0 in all attempted courses.
- Recipients must not have any judgment liens entered against him/her based on the default of a Federal debt, 28 U.S.C. 3201 (e). NFLP loans are made on a first-come-first served basis for an academic year until funds are expended. **Funds are limited and availability of funds varies from year-to-year. This is not a need-based loan program.**

- Recipients at UTHealth School of Nursing must complete the Free Application for Federal Student Aid (FAFSA) to verify default status.
- Recipients are limited to 5 years of support under the Program
- The NFLP Loan may not exceed \$35,500 per year. Due to the limited funding, students may borrow these funds to cover the cost of tuition, fees, books, and supplies.

Application Process

SON and Office of Student Financial Services are working together to administer the NFLP at UTHealth.

Students who are borrowing the NFLP funds for the first time must complete the NFLP Loan Application, NFLP Promissory Note, Rights and Responsibilities Statement, and the NFLP Entrance Interview. These forms must be completed each year that the students borrow this loan. These forms are available at the Office of Student Financial Services.

Effective February 14, 2010, in order to comply with new federal mandates under the Truth in Lending Act, applicants must also complete the Department of Education's [Private Education Loan Applicant Self Certification Form](#) .

Students should bring this completed form with them to their entrance counseling session with the Office of Student Financial Services.

THE SCHOOL OF NURSING

SON will identify potential recipients and monitor their academic plan required of all NFLP applicants. SON will immediately notify the Office of Student Financial Services and any student who is no longer meeting the academic requirements for participation in the program.

THE OFFICE OF STUDENT FINANCIAL SERVICES

The Office of Student Financial Services completes the entrance counseling with potential NFLP recipients. The Office of Student Financial Services staff will review the following documents with potential borrowers:

- NFLP Loan Application
- NFLP Promissory Note

- Rights and Responsibilities Statement
- Notice of Rights to Cancel
- Initial Application and Solicitation Disclosure Form Required under the Higher Education Opportunity Act's "Truth in Lending" Regulations that became effective on February 14, 2010. **This disclosure assumes successfully complete all program requirements to qualify for the 3% interest rate charge.**

The Office of Student Financial Services Loan Collection area will oversee the Promissory Note and all repayment activities for the Nurse Faculty Loan Program. We have contracted with University Accounting Services to bill and collect our NFLP Loans. UAS has many resources that will assist not only in the billing and collection of our loans, but will assist our borrowers with many other great features. Some of those features include:

- Account Inquiry on web
- Different payment options
- Access to Downloadable Forms such as deferment and forbearance
- Links to Federal government regulations web site
- On line address changes

The Nurse Faculty Loan Program funds will first be applied to tuition and fee charges at UTHealth. If a credit balance exists after all charges have been paid, a borrower refund will be sent either direct deposit or paper check.

Interest Charges

Interest accrues on the NFLP loan at a rate of 3% annum, beginning 3 months after the borrower ceases to be enrolled in their Graduate Nursing program.

? ***If the Borrower fails to complete the advanced nurse education program **OR** fails to serve as a nurse faculty member for a consecutive 4 year period, **interest will be charged at the prevailing market rate.*****

The **prevailing market rate** is determined by the U.S. Treasury Department and is published quarterly in the Federal Register. The Rates are fixed. Refer the the HHS, Office of Finance Web site at <http://www.hhs.gov/about/agencies/asfr/finance/financial-policy-library/interest-rates/index.html> for more information.

Deferment:

Deferment options under the NFLP are limited:

- NFLP borrowers who **are 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, Peace Corps, or the U.S. Public Health Service Commissioned Corps) are eligible for deferment for up to 3 years. 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 capability.
- NFLP borrowers that graduate and are employed, and decide to return to a graduate nursing education program to pursue a doctoral degree to further their preparation as nurse faculty may request deferment of payment for up to 3 years.

Forbearance:

A lending school may, based on 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 payments. Interest on the loan continues to accrue but is not payable during this period.

Repayment /Cancellation Provisions:

The NFLP loan is repayable over 10 years. Repayment begins nine months after graduation from the advanced nursing program (or when a borrower ceases to be enrolled in the program, or terminates employment as full-time faculty at a school of nursing).

The NFLP is a direct loan program with cancellation provisions. ***Up to 85% of the loan may be cancelled if the student fulfills specific requirements.***

The borrower may cancel:

- 20% of the principal and interest of the unpaid loan balance upon completion of each of the first, second, and third year of full-time employment as a nurse faculty member.
- 25% of the principal and interest of the unpaid loan balance upon completion of the fourth year of full-time employment as a nurse faculty member.

The borrower is responsible for requesting cancellation. NFLP borrowers are limited to a 12-month timeframe to establish employment as a full-time nurse faculty at a school of nursing following graduation from the program. If employment verification is not submitted within the 12-month period, the borrower will NOT be eligible for the NFLP loan cancellation provision.

Borrowers who fail to become a full-time faculty member at an approved school of nursing by the end of the 9 month grace period will be required to pay back the loan at the prevailing market rate at that time.

Default by the Borrower:

This occurs when the recipient:

- fail to complete the advanced nurse education program;
- fail to meet the university's "satisfactory academic progress" guidelines;
- fails to become or maintain employment as a full-time faculty member at a school of nursing. "Full-time" has the meaning used by the employing school of nursing for its faculty;
- fails to make payments as required by the NFLP borrower's Promissory Note and repayment agreements.

Graduation and Beyond

Borrowers should complete an "Exit Loan Counseling" session with Office of Student Financial Services Loan Collection area.