



## The Nurse Faculty Loan Program Memorandum of Understanding

Eligible Graduate students will be awarded the NFLP loan upon receipt of the FAFSA, approval by the selection committee, and confirmation of admission/enrollment to/in the program. You will receive a Student Finance Plan to include your NFLP award amount for the Academic Year.

After receiving the financial aid award notification each academic year, you will be required to complete your Promissory Note along with other essential documents on South University's NFLP Servicer's site Unisa. Unisa will email you instructions on creating an account on their system and on how to complete this process. No funds will be disbursed until all required forms are completed on Unisa's site

### **REQUIREMENTS TO MAINTAIN ELIGIBILITY**

- Complete all forms required
- Maintain Satisfactory Academic Progress
- Maintain a 3.0 GPA
- Be enrolled at least half time in an approved Nurse Educator Program

### **LOAN DISBURSEMENT**

- **Allowable Costs** – NFLP funds are awarded to cover the cost of tuition, fees, and books. If you are receiving additional funds/awards designed to assist with these expenses, it can result in a decrease in the NFLP award.
- **Limitations**
  - NFLP loan awards will be made annually (subject to the availability of funds), submission/completion, and approval of all required forms. In addition, you must be in good academic standing during your enrollment.
  - You cannot exceed 5 years of NFLP support this includes any prior schools where you received NFLP support.
  - If funding is limited, past NFLP recipients will have priority over new applicants.
  - Funding is limited to one advanced degree

### **FORGIVENESS, PROCESS, TIMELINE AND AMOUNTS**

To begin qualifying for loan forgiveness, you must obtain full-time or \*part-time employment as a nurse faculty member at an accredited school of nursing. And submit the NFLP Employment Certification Form to Unisa, 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 faculty appointment at an accredited school of nursing in combination with another part-time faculty position or part-time clinical preceptor/educator position working with nursing students and affiliated with an accredited school of nursing that together equates to full-time employment. (Adjunct faculty positions are acceptable.)

- 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, however, you must have obtained and submitted to Unisa, an acceptance or appointment letter within 12 months of graduation.
- If employment verification is not received by Unisa, within 12 months following graduation, you 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 the college that repayment is not expected from a borrower who is employed full-time in a Nurse faculty position, and you will be requesting partial forgiveness (cancellation) of the loan at the end of each complete year of employment.

- For the first year, this form should be submitted to Unisa with the **NFLP Employment Certification Form** within 12 months of graduation
- For subsequent years, the form should be submitted to Unisa with the **NFLP Request for Partial Cancellation** 30 days prior to expiration. The expiration date is calculated from your hire date listed on your Employment Certification

Submit the **NFLP Request for Partial Cancellation** form at the end of each complete year of employment (30 days prior to expiration) to Unisa. The expiration date is 12 months after your original hire date, and annually thereafter. For each complete year of eligible full-time employment, a portion of the NFLP loan will be forgiven (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 or part-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 cancellation, the borrower must maintain eligible full-time or part-time employment for a consecutive 4-year period.

You are responsible for submitting your required forms annually to Unisa. Failure to submit the required documentation on time will convert the interest rate on your loan to the prevailing market rate and loss of eligibility for loan forgiveness.

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.

## **INTEREST**

- Interest begins to accrue 3 months after you graduate or cease to be enrolled in an eligible program of study.
- After graduating from your eligible nursing degree program, your interest rate will be 3% per year.
  - Loans for borrowers employed as full-time nurse faculty at an accredited school of nursing 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.

- If you don't graduate, or obtain a full time Nurse Faculty position, or fail to submit your required forms to Unisa, your interest rate will convert to the prevailing market rate.

Prevailing Market Rate - Interest will accrue at the prevailing market rate if you:

- Fails to complete the course of study,
- Fails to establish eligible full-time or part-time employment following graduation from the program, or
- Cease full-time part-time employment as nurse faculty at a school of nursing 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.

## **REPAYMENT**

**Grace Period:** The grace period for an NFLP loan is 9 months and begins immediately after you graduate or otherwise ceases to pursue a 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 Unisa and agreed to by the borrower.

- If your NFLP loan has been canceled for the maximum portion of the principal amount of the loan and interest, the remaining amount 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 cancelation 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:** You may, at your 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.

- **Multiple Loans:** If you have more than one NFLP loan outstanding at South University, the sum of the amounts loaned may be combined for repayment purposes (i.e. multiple loans disbursed to a recipient during the academic year or years of support). NFLP loan disbursements from more than one NFLP school cannot be combined for repayment purposes.
- **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**

- You are eligible for deferment for up to 3 years under the following circumstances:

- 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)
  - If you voluntarily join a uniformed service you are NOT eligible for deferment, nor if you are employed by one of the uniformed services in a civilian capacity.
  - If you graduated and are employed as nurse faculty, and subsequently return to a graduate nursing education program to further your preparation as nurse faculty, or
  - If you graduated and are pursuing advanced professional training in Nursing (e.g. postdoctoral program/ fellowship)

Deferments are not automatic. A borrower must submit a Certification for Deferment Status for each period of deferment, to Unisa, 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.

#### **DEATH OR DISABILITY**

**Death:** The college 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:** You 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, you must submit a formal request to Unisa, and provide specific documentation pertaining to your 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.

#### **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 or part-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



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**Student Acknowledgement**

Student Name \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Student ID # \_\_\_\_\_