

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
NOTICE OF PUBLIC HEARING

October 4, 2019  
1:00 p.m. Central Time  
Gold's Building, Room 534  
1033 O Street, Lincoln, Nebraska

The purpose of this hearing is to receive comments on proposed changes to the following regulations:

Title 183 NAC 5 – *Nursing Student Loan Program*. This chapter defines and guides a process for issuance and repayment of nursing student loans. The proposed changes remove duplicative statutory language from the regulations and update formatting.

Title 183 NAC 6 – *Nursing Faculty Student Loan Program*. This chapter defines and guides a process for issuance and repayment of nursing faculty student loans. The proposed changes remove duplicative statutory language from the regulations and update formatting.

Authority for these regulations is found in Neb. Rev. Stat. § 81-3117(7).

Interested persons may attend the hearing and provide verbal or written comments or mail, fax or email written comments, no later than the day of the hearing to: DHHS Legal Services, PO Box 95026, Lincoln, NE 68509-5026, (402) 742-2382 or [dhhs.regulations@nebraska.gov](mailto:dhhs.regulations@nebraska.gov), respectively.

A copy of the proposed changes is available online at <http://www.sos.ne.gov>, or by contacting DHHS at the mailing address or email above, or by phone at (402) 471-8417. The fiscal impact statement for these proposed changes may be obtained at the office of the Secretary of State, Regulations Division, 1201 N Street, Suite 120, Lincoln, NE 68508, or by calling (402) 471-2385.

Auxiliary aids or reasonable accommodations needed to participate in a hearing can be requested by calling (402) 471-8417. Individuals with hearing impairments may call DHHS at (402) 471-9570 (voice and TDD) or the Nebraska Relay System at 711 or (800) 833-7352 TDD at least 2 weeks prior to the hearing.

## FISCAL IMPACT STATEMENT

Agency: <b>Department of Health and Human Services</b>	
Title:183	Prepared by: Ann Oertwich, RN
Chapter:6	Date prepared: 07/01/2019
Subject: Regulations governing the nursing faculty student loan program	Telephone: 402-471-0317

Type of Fiscal Impact:

	State Agency	Political Sub.	Regulated Public
No Fiscal Impact	( <input checked="" type="checkbox"/> )	( <input checked="" type="checkbox"/> )	( <input checked="" type="checkbox"/> )
Increased Costs	( <input type="checkbox"/> )	( <input type="checkbox"/> )	( <input type="checkbox"/> )
Decreased Costs	( <input type="checkbox"/> )	( <input type="checkbox"/> )	( <input type="checkbox"/> )
Increased Revenue	( <input type="checkbox"/> )	( <input type="checkbox"/> )	( <input type="checkbox"/> )
Decreased Revenue	( <input type="checkbox"/> )	( <input type="checkbox"/> )	( <input type="checkbox"/> )
Indeterminable	( <input type="checkbox"/> )	( <input type="checkbox"/> )	( <input type="checkbox"/> )

Provide an Estimated Cost & Description of Impact: None – note the program is cash funded, but no new cash transfers have been made to enable the program to operate since 2008.

State Agency:

Political Subdivision:

Regulated Public:

If indeterminable, explain why:

## FISCAL IMPACT STATEMENT

Agency: <b>Department of Health and Human Services</b>	
Title:183	Prepared by: Ann Oertwich, RN
Chapter:5	Date prepared: 07/01/2019
Subject: Regulations governing the nursing student loan program	Telephone: 402-471-0317

Type of Fiscal Impact:

	State Agency	Political Sub.	Regulated Public
No Fiscal Impact	( <input checked="" type="checkbox"/> )	( <input checked="" type="checkbox"/> )	( <input checked="" type="checkbox"/> )
Increased Costs	( <input type="checkbox"/> )	( <input type="checkbox"/> )	( <input type="checkbox"/> )
Decreased Costs	( <input type="checkbox"/> )	( <input type="checkbox"/> )	( <input type="checkbox"/> )
Increased Revenue	( <input type="checkbox"/> )	( <input type="checkbox"/> )	( <input type="checkbox"/> )
Decreased Revenue	( <input type="checkbox"/> )	( <input type="checkbox"/> )	( <input type="checkbox"/> )
Indeterminable	( <input type="checkbox"/> )	( <input type="checkbox"/> )	( <input type="checkbox"/> )

Provide an Estimated Cost & Description of Impact: None – the program is cash funded; however, no new cash transfers have been made to enable the program to operate since 2008.

State Agency:

Political Subdivision:

Regulated Public:

If indeterminable, explain why:

TITLE 183      FINANCIAL ASSISTANCE

CHAPTER 5      NURSING STUDENT LOAN PROGRAM

001. SCOPE AND AUTHORITY. These regulations govern the Nursing Student Loan Program. This chapter is authorized by and implements the Nursing Student Loan Act, Nebraska Revised Statute (Neb. Rev. Stat.) §§ 71-17,101 to 71-17,107.

002. DEFINITIONS. The following definitions apply to this chapter.

002.01 DISCONTINUATION OF THE PRACTICE OF NURSING. A loan recipient who has not been engaged in full-time practice for more than 90 consecutive days.

002.02 ENROLLMENT. The enrollment of nursing students in an approved school of nursing as reported to the Nebraska Board of Nursing in its most recent annual report.

002.03 FULL-TIME PRACTICE. The amount of time a loan recipient must be engaged in the practice of nursing. A minimum of 36 hours per week equals full-time practice.

002.04 ONE YEAR OF PRACTICE. The accumulation of 1,872 hours of nursing practice in Nebraska.

002.05 RESIDENCY IN THE STATE OF NEBRASKA. The definition found in Neb. Rev. Stat. § 85-502.

003. FORMULA FOR PROPORTIONING LOANS TO PROGRAMS. The Department will award at least 1 loan to every approved nursing program, provided there is at least 1 student enrolled in the program and the program charges the student a fee to attend the program. The remainder of the loans available in a given year is proportioned to the approved nursing programs by dividing the enrollment for each approved program by the total enrollment for all approved nursing programs. Each resulting percentage is applied to the total number of loans available to produce the number of loans awarded to each approved nursing program.

004. LOAN QUALIFICATION CRITERIA. To be considered for receipt of a loan under the Act, a student must meet the requirements of Neb. Rev. Stat. § 71-17,104(1). Each approved nursing program must develop a rating tool for selecting students to be recommended by the program to receive loans. Upon request, the program must submit the rating tool to the Department. The rating tool must include the student qualifications in Neb. Rev. Stat. § 71-17,104(1). Each approved nursing program is an agent of the Department for the distribution of the loans to qualified students.

005. ISSUANCE OF LOANS. Each approved nursing program must submit to the Department within 30 days of the date of notification of loan monies:

- (A) A list of students recommended to receive a \$1,000 loan from the Department for the current academic year; and
- (B) Loan agreements, as provided by the Department, signed by each student on the list. Terms of the agreement must include:
  - (i) Agreement to engage in the practice of nursing in the State of Nebraska for the equivalent of 1 year of full-time practice for each year a loan is received;
  - (ii) Provisions specifying the conditions under which the loan must be repaid and the timeframe for repayment;
  - (iii) Provisions for reporting practice status to the Department; and
  - (iv) Attestation that the student has not previously received a loan under the Act or if a loan was received, the total amount previously received.

006. USE OF LOAN FUNDS. Loan funds must be used in the current academic year. The inappropriate use of loan funds places the loan in repayment status as set forth in 183 Nebraska Administrative Code (NAC) 5-008.01.

007. PROVISIONS FOR LOAN FORGIVENESS. The specific provisions for allowing loan forgiveness include:

- (A) A \$1,000 loan issued under the Act is forgiven upon verification that the recipient has engaged in nursing practice in Nebraska for a total of 1,872 hours (one year). There is no loan forgiveness for partial years of practice. For recipients of 2 \$1,000 loans, the second \$1,000 is forgiven upon verification of an additional 1,872 hours of nursing practice in Nebraska.
- (B) Verification of total hours of practice by the employer or other qualified persons serves as the basis for determining that a recipient has met the requirement for loan forgiveness.
- (C) Confirmation of loan forgiveness is mailed to the recipient at his or her current address of record.

008. CONDITIONS REQUIRING REPAYMENT OF LOAN. The specific provisions for repayment of loans include inappropriate use of loan funds, discontinued enrollment, and discontinued full-time employment in nursing.

008.01 INAPPROPRIATE USE OF LOAN FUNDS. If the nursing program or Department determines that a recipient has inappropriately used loan funds based on Neb. Rev. Stat. § 71-17,105 and 183 NAC 5-006, the recipient must:

- (A) Repay 100% of the outstanding loan principal with simple interest at a rate 1 point below the prime interest rate. Interest accrues beginning on the date the inappropriate use of funds first occurred;
- (B) Commence repayment within 6 months after the date the inappropriate use first occurred; and
- (C) Complete repayment within the number of years for which loans were awarded.

008.02 DISCONTINUED ENROLLMENT. Loan recipients must remain enrolled in the nursing program or repay the loan according to the terms in Neb. Rev. Stat. § 71-17,105(3).

008.02(A) VERIFICATION OF ENROLLMENT. To verify continued enrollment, the Department sends to each approved 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:

- (i) Remains currently enrolled;
- (ii) Has completed the program and the date of completion; or,
- (iii) Has discontinued enrollment and the date of discontinuance.

008.03 DISCONTINUED FULL-TIME NURSING PRACTICE. The loan recipient must engage in full-time nursing practice for 1 year or the equivalent for each year a loan was received, or repay the loan according to 183 NAC 5-008.03C.

008.03(A) VERIFICATION OF INITIAL PRACTICE. Upon initial engagement in nursing practice, the loan recipient must submit to the Department written verification signed by the employer or other qualified persons indicating the place of practice and that the recipient is engaged in full-time nursing practice in Nebraska. The recipient may have more than 1 employer or practice arrangement, but must engage in nursing practice a total of at least 36 hours per week. Verification of practice must be repeated each time the recipient changes or adds an employer or practice arrangement.

008.03(B) VERIFICATION OF CONTINUED PRACTICE. The Department sends to each loan recipient a quarterly request for verification of practice status. The verification must be signed by the recipient's employer or other qualified persons and must indicate:

- (i) That the recipient continues to be engaged in full-time nursing practice in Nebraska; and
- (ii) The total number of hours of practice in the previous quarter; or
- (iii) That the recipient has left practice and the last date of practice.

008.03(C) REPAYMENT TERMS. If the recipient discontinues full-time nursing practice in Nebraska, the recipient must:

- (i) Repay 125% of the outstanding loan principal with simple interest at a rate 1 point below the prime interest rate. Interest accrues beginning upon completion of the nursing program;
- (ii) Commence repayment within 6 months after the discontinuation of nursing practice; and
- (iii) Complete repayment within the number of years for which loan(s) were awarded.
- (iv) Once the recipient enters the repayment period, the loan is no longer eligible for forgiveness.

008.03(D) 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. Time accrued during approved leave does not count toward the total number of practice hours required for loan forgiveness.

008.03(E) DEFERRMENT FOR ADVANCED STUDY. If a recipient discontinues full-time nursing practice and enrolls in an approved nursing program to pursue an additional degree in nursing, the practice requirement is deferred until the recipient completes the additional degree or discontinues enrollment. Enrollment is verified quarterly as provided in 183 NAC 5-008.02(A). The number of practice hours completed prior to enrollment is retained on file by the Department for the purposes of loan forgiveness at the time the recipient returns to full-time nursing practice.

009. DEFAULT ON LOAN REPAYMENT – GROUNDS FOR DISCIPLINE OF LOAN RECIPIENT’S NURSING LICENSE. 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 under Neb. Rev. Stat. § 38-179(15).

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TITLE 183 \_\_\_\_\_ FINANCIAL ASSISTANCE

CHAPTER 5 \_\_\_\_\_ NURSING STUDENT LOAN PROGRAM

~~5-001 SCOPE AND AUTHORITY: These regulations govern the Nursing Student Loan Program. The regulations are authorized by and implement the Nursing Student Loan Act, Neb. Rev. Stat. §§ 71-17,101 to 71-17,107.~~

~~5-002 DEFINITIONS~~

~~Act means the Nursing Student Loan Act.~~

~~Approved nursing program means a program offered by a public or private institution in this state:~~

- ~~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 the practice of nursing means the recipient has not been engaged in full-time practice for more than 90 consecutive days.~~

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

~~Full-time practice means being engaged in the practice of nursing for a minimum of 36 hours per week.~~

~~Nontraditional student means a student who has not attended classes as a regular full-time student for at least three years.~~

~~One year of practice means the accumulation of 1,872 hours of nursing practice in Nebraska.~~

~~Practice of nursing has the definition found in Neb. Rev. Stat. § 71-1,132.05.~~

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

~~Substantial financial need has the definition found in Neb. Rev. Stat. § 85-990.~~

### 5-003 FORMULA FOR PROPORTIONING LOANS TO PROGRAMS

~~5-003.01~~ The Department awards at least one loan to every approved nursing program, provided there is at least one student enrolled in the program and the program charges the student a fee to attend the program.

~~5-003.02~~ The remainder of the loans available in a given year is proportioned to the approved nursing programs by dividing the enrollment for each approved program by the total enrollment for all approved nursing programs. Each resulting percentage is applied to the total number of loans available to produce the number of loans awarded to each approved nursing program.

### 5-004 LOAN QUALIFICATION CRITERIA

~~5-004.01~~ To be considered for receipt of a loan under the Act, a student must:

- ~~1.~~ Be enrolled in an approved nursing program;
- ~~2.~~ Be a resident of Nebraska;
- ~~3.~~ Intend to practice nursing in Nebraska;
- ~~4.~~ Be motivated to practice in Nebraska; and
- ~~5.~~ Have substantial financial need.

~~5-004.02~~ Each approved nursing program must develop a rating tool for selecting students to be recommended by the program to receive loans. Upon request, the program must submit the rating tool to the Department. The rating tool must include the student qualifications in 183 NAC 5-004.01.

### 5-005 PROCEDURE FOR ISSUANCE OF LOANS

~~5-005.01~~ The Department must notify all approved nursing programs 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 must be sent no later than December 15, 2001 for loans to be awarded in FY 2001-02 and no later than July 15 commencing in 2002 for loans to be awarded in FY 2002-03 and subsequent years.

~~5-005.02~~ Each approved nursing program must submit to the Department within 30 days of the date of notification:

- ~~1.~~ A list of students recommended to receive a \$1,000 loan from the Department for the current academic year; and
- ~~2.~~ 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 the practice of nursing in the State of Nebraska for the equivalent of one year of full-time practice 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 practice status 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.~~

~~5-005.03 Each approved nursing program is an agent of the Department for the distribution of the loans to qualified students.~~

#### 5-006 USE OF LOAN FUNDS

~~5-006.01 Loan funds received under the Act must be used only for education expenses as set forth in Neb. Rev. Stat. § 85-985.~~

~~5-006.02 Loan funds must be used in the current academic year.~~

~~5-006.03 Each recipient may receive \$1,000 per academic year, not to exceed a total of \$2,000 per recipient.~~

~~5-006.04 The use of loan funds is subject to review by the Department.~~

~~5-006.05 The inappropriate use of loan funds places the loan in repayment status as set forth in 183 NAC 5-008.01.~~

#### 5-007 PROVISIONS FOR LOAN FORGIVENESS

~~5-007.01 One Year of Practice: A \$1,000 loan issued under the Act is forgiven upon verification that the recipient has engaged in nursing practice in Nebraska for a total of 1,872 hours. There is no loan forgiveness for partial years of practice. For recipients of two \$1,000 loans, the second \$1,000 is forgiven upon verification of an additional 1,872 hours of nursing practice in Nebraska.~~

~~5-007.02 Verification of Practice: Verification of total hours of practice 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.~~

~~5-007.03 Confirmation of Loan Forgiveness: Confirmation of loan forgiveness is mailed to the recipient at his/her current address of record.~~

#### 5-008 CONDITIONS REQUIRING REPAYMENT OF LOAN

~~5-008.01 Inappropriate Use of Loan Funds: If the nursing program or Department determines that a recipient has inappropriately used loan funds (see 183 NAC 5-006), 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.~~

~~5-008.02 Discontinued Enrollment: Loan recipients must remain enrolled in the nursing program or repay the loan according to the terms in 183 NAC 5-008.02B.~~

~~5-008.02A Verification of Enrollment: To verify continued enrollment, the Department sends to each approved 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.~~

~~5-008.02B 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 of discontinuation of enrollment;~~
- ~~2. Commence repayment within six months after the date of discontinuation of enrollment; and~~
- ~~3. Complete repayment within the number of years for which loan(s) were awarded.~~

~~5-008.03 Discontinued Full-time Nursing Practice: The loan recipient must engage in full-time nursing practice for one year or the equivalent for each year a loan was received, or repay the loan(s) according to 183 NAC 5-008.03C.~~

~~5-008.03A Verification of Initial Practice: Upon initial engagement in nursing practice, the loan recipient must submit to the Department written verification signed by the employer or other qualified person(s) indicating the place of practice and that the recipient is engaged in full-time nursing practice in Nebraska. The recipient may have more than one employer or practice arrangement, but must engage in nursing practice a total of at least 36 hours per week. Verification of practice must be repeated each time the recipient changes or adds an employer or practice arrangement.~~

~~5-008.03B Verification of Continued Practice: The Department sends to each loan recipient a quarterly request for verification of practice 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 practice in Nebraska; and~~
- ~~2. The total number of hours of practice in the previous quarter; or~~
- ~~3. That the recipient has left practice and the last date of practice.~~

~~5-008.03C Repayment Terms: If the recipient discontinues full-time nursing practice 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 upon completion of the nursing program;~~
- ~~2. Commence repayment within six months after the discontinuation of nursing practice; 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.~~

~~5-008.03D 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. Time accrued during approved leave does not count toward the total number of practice hours required for loan forgiveness.~~

~~5-008.03E Deferment for Advanced Study: If a recipient discontinues full-time nursing practice and enrolls in an approved nursing program to pursue an additional degree in nursing, the practice requirement is deferred until the recipient completes the additional degree or discontinues enrollment. Enrollment is verified quarterly as provided in 183 NAC 5-008.02A. The number of practice hours completed prior to enrollment is retained on file by the Department for the purposes of loan forgiveness at the time the recipient returns to full-time nursing practice.~~

#### ~~5-009 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.~~

TITLE 183 FINANCIAL ASSISTANCE

CHAPTER 6 NURSING FACULTY STUDENT LOAN PROGRAM

001. SCOPE AND AUTHORITY. These regulations govern the Nursing Faculty Student Loan Program. This chapter is authorized by and implements the Nursing Faculty Student Loan Act, Nebraska Revised Statute (Neb. Rev. Stat.) §§ 71-17,108 to 71-17,116.

002. DEFINITIONS. The following definitions apply to this chapter.

002.01 DISCONTINUATION OF FULL-TIME NURSING INSTRUCTION. A time frame of more than 90 consecutive days have passed since the recipient has been engaged in full-time nursing instruction.

002.02 EDUCATIONAL EXPENSES. Expenses such as tuition, fees, and books related to an educational program.

002.03 ENROLLMENT. The enrollment of nursing students in an approved school of nursing as reported to the Nebraska Board of Nursing in the most recent annual report.

002.04 FULL-TIME NURSING INSTRUCTION. The amount of time a loan recipient must be engaged in nursing instruction full-time as defined by the employing institution or institutions.

002.05 NURSING INSTRUCTION. Employment by a Nebraska nursing education program that includes responsibility for 1 or more of the following: administration, curriculum, instruction, guidance and research.

003. DISTRIBUTION OF LOANS TO QUALIFIED STUDENTS. The Department will annually award loans to qualified students as recommended by a nursing education 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.

003.01 LOAN QUALIFICATION CRITERIA. 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 student qualifications. Each accredited masters or doctoral nursing program must select students using the program criteria and recommend those students to the Department.

004. ISSUANCE OF LOANS. 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. Each accredited masters and doctoral nursing program must submit to the Department within 30 days of the date of notification:

- (A) 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;
- (B) Verification of the academic 1-year period for which the loan is to be awarded; and
- (C) Loan agreements, as provided by the Department, signed by each student on the list. Terms of the agreement must include:
  - (i) Agreement to engage in full-time nursing instruction in an approved nursing program for 2 years for each year a loan is received;
  - (ii) Provisions specifying the conditions under which the loan must be repaid and the time frame for repayment;
  - (iii) Provisions for reporting employment in nursing instruction to the Department; and
  - (iv) Attestation that the student has not previously received a loan under this chapter or if a loan was received, the total amount previously received.

005. LOAN FORGIVENESS. Provisions for allowing loan forgiveness include 2 years of instruction.

005.01 2 YEARS OF INSTRUCTION. A \$5,000 loan issued under this chapter is forgiven upon verification that the recipient has engaged in full-time nursing instruction in an approved nursing program in Nebraska for 2 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 2 academic years of full-time nursing instruction. For recipients of a third \$5,000 loan, the third \$5,000 is forgiven upon verification of 2 more academic years of full-time nursing for a total of 6 academic years of full-time nursing instruction.

005.02 VERIFICATION OF INSTRUCTION. Verification of full-time instruction by the employer or other qualified person serves as the basis for determining that a recipient has met the requirement for loan forgiveness.

005.03 CONFIRMATION OF LOAN FORGIVENESS. Confirmation of loan forgiveness will be mailed to the recipient at his or her current address of record.

006. REPAYMENT OF LOAN. Provisions for repayment of loans are found in Neb. Rev. Stat. § 71-17,111 and this chapter.

006.01 INAPPROPRIATE USE OF LOAN FUNDS. If the nursing program or Department determines that a recipient has inappropriately used loan funds based on Neb. Rev. Stat. § 71-17,111, the recipient must:

- (A) Repay 100% of the outstanding loan principal with simple interest at a rate 1 point below the prime interest rate. Interest accrues beginning on the date the inappropriate use of funds first occurred;

- (B) Commence repayment within 6 months after the date the inappropriate use first occurred; and
- (C) Complete repayment within the number of years for which loan or loans were awarded.

006.02 VERIFICATION OF ENROLLMENT. To verify continued enrollment, an accredited masters or doctoral nursing program must respond to a request from the Department to verify student status for each loan recipient by verifying that each student:

- (A) Remains currently enrolled;
- (B) Has completed the program and the date of completion; or,
- (C) Has discontinued enrollment and the date of discontinuance.

006.03 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 persons indicating the institution of instruction and that the recipient is engaged in full-time nursing instruction in Nebraska. The recipient may have more than 1 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.

006.04 VERIFICATION OF CONTINUED INSTRUCTION. Each loan recipient must submit to the Department a semi-annual verification of instruction status. The verification must be signed by the recipient's employer or employers or other qualified persons and must indicate:

- (A) That the recipient continues to be engaged in full-time nursing instruction in Nebraska; and
- (B) That the recipient was engaged in full-time nursing instruction during the previous 6-month period; or
- (C) That the recipient has left instruction and the last date of instruction.

006.05 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.

006.06 DEFERMENT FOR ADVANCED STUDY. Following graduation from the program for which a loan was received, if 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. 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.

007. DEFAULT ON LOAN REPAYMENT – GROUNDS FOR DISCIPLINE OF LOAN RECIPIENT'S NURSING LICENSE. Based on Neb. Rev. Stat. § 71-179(15), failure to meet the



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NEBRASKA DEPARTMENT OF  
HEALTH AND HUMAN SERVICES

183 NAC 6

repayment provisions for a loan received under the Nursing Faculty Student Loan Act and this chapter constitutes unprofessional conduct and is grounds for discipline of the recipient's nursing license.

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:~~

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.

~~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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