

EFFECTIVE  
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NEBRASKA DEPARTMENT OF  
HEALTH AND HUMAN SERVICES

183 NAC 5

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.

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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).