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NEBRASKA DEPARTMENT OF
HEALTH AND HUMAN SERVICES

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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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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.