

Nurse Faculty Loan Program (NFLP)

What is the Nurse Faculty Loan Program (NFLP)?

The Nurse Faculty Loan Program is a federal loan program for graduate students enrolled full-time in an eligible advanced degree program in nursing. This would include both the MSN and DNP programs.

Loan recipients must complete the education program, and following graduation, may be eligible to cancel up to 85% of the NFLP loan. To be eligible for the maximum 85% cancellation the borrower must serve as a full-time faculty member for a consecutive four-year period at a school of nursing following graduation from the program. Borrowers are limited to a 12 month timeframe to establish employment as a full time nurse faculty member, following graduation from the program.

Certification of employment must be submitted to the school to determine eligibility for cancellation, within 12 months from graduation. Additional information regarding these provisions will be provided to the student in the Promissory note, if the student is approved for the program. The interest rate is 3% per year with a grace period of 9 months.

Funding for this program is limited. Applications will be considered based on the date that the NFLP application is completed. Students must apply annually for these funds.

How do I qualify?

- Must be enrolled in the MSN or DNP program established to prepare qualified nurse faculty.
- Must be a citizen or national of the United States, or a lawful permanent resident of the United States, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa or the Trust Territory of the Pacific. A student who is in the United States on a student or visitor's visa is NOT eligible for an NFLP loan.
- Have no judgment liens entered against him/her based on the default on a Federal debt, 28 U.S.C. 3201(e).
- Must be full-time (9 credit hours) per term/semester, for a minimum of two terms.
- Must be in good academic and financial standing

How do I apply?

- Review the promissory note and loan disclosure forms on myChatham. Once these have been reviewed, please contact the Financial Aid Office at 412-365-2781 or via e-mail at financialaid@chatham.edu. In order to receive the loan, students must complete the Promissory Note, Entrance Counseling and Statement of Rights and Responsibilities, Loan Application, and Student Borrower Checklist.

How will I be notified?

Your application will be reviewed by the Financial Aid Office, and an award letter will be sent to each student via e-mail.

How much money can I borrow?

You can receive up to the cost of tuition, fees, books, lab expenses, and other reasonable education expenses.

How will this loan be credited to my account?

The loan will be disbursed in two equal payments each semester upon eligibility certification and acceptance of your award. Acceptance of the loan is done on-line via the electronic award letter system. After your NFLP award has been verified, it will be credited to your student account. Any credit balance remaining on your student account after all University charges have been paid, will be reimbursed to you within 14 days from the date the credit balance occurred.

If you are receiving additional financial aid and are approved for this loan, other financial aid or this loan may have to be reduced.

If you have questions, about this program, please contact the Financial Aid Office at 412-365-2781 or via e-mail at financialaid@chatham.edu.

Nurse Faculty Loan Entrance Counseling – Statement of Rights and Responsibilities

| | |
|-----------------|-------------------------------------|
| Name: | Account Number: |
| Address: | Social Security Number: |
| City/State/Zip: | Institution that granted this loan: |

1. I understand that I must, without exception, report any of the following changes to lending School if:
 - a. I withdraw as full-time nurse faculty from the school of nursing
 - b. I transfer my employment as full-time nurse faculty to another school of nursing
 - c. I should be called to ACTIVE military service
 - d. I change my address
 - e. I change my name (for example, because of marriage)

2. I understand that when I graduate or withdraw from the lending School, I must be available for the School to conduct an exit interview.

3. I understand that the NFLP service obligation requires me to be employed as full-time nurse faculty in a school of nursing. In return, I will receive cancellation of my unpaid loan balance (including interest) and postponement of installment payments of my NFLP loan.

4. I understand that my first installment payment will be due 9 months after I, 1) graduate and do not establish full-time employment as nurse faculty; or 2) cease to be enrolled as a student.

5. I understand that if I terminate my employment as full-time nurse faculty at a school of nursing, repayment of the NFLP loan must begin after the 9-month grace period.

6. I understand that:
 - a. an annual percentage rate of 3 percent will be charged on the unpaid loan balance that will begin to accrue 3 months after I graduate from the advanced education nursing program
 - b. during the period of time that I am employed as full-time nurse faculty at a school of nursing, the unpaid loan balance will bear interest at 3 percent per annum
 - c. following graduation from the program and after the 9-month grace period, if I fail to establish full-time employment as nurse faculty the unpaid loan balance will bear interest at the prevailing market rate
 - d. if I cease to be employed full-time or terminate employment as nurse faculty at a school of nursing, the unpaid loan balance will bear interest at the prevailing market rate
 - e. the cancellation provision is NOT available if I do not establish employment within 12 months following graduation from the program

7. I understand that cancellation of any remaining payment of the NFLP loan may be granted for death or permanent and total disability. I also understand that I must inform the lending school of my disability and provide documentation.

8. I understand that if I am called to ACTIVE military service (i.e., Army, Navy, Marine Corps, Air Force, Coast Guard, the National Oceanic and Atmospheric Administration Corps, or the U.S. Public Health Service Commissioned Corps), I am eligible for deferral for up to three years.

9. I understand that the lending School may, based on its discretion, place my NFLP loan in forbearance when extraordinary circumstances such as poor health or hardships temporarily affect my ability to make scheduled loan repayments.

10. I understand that if I fail to repay my loan as agreed in the NFLP Promissory Note, the total loan may become due and payable immediately and legal action could be taken against me.

11. I understand that I must promptly answer any communication from the lending School regarding my NFLP loan.

12. I authorize the lending School to contact any school of nursing, which I may be employed to obtain information concerning my employment status, my period of employment or termination, my transfer to another school of nursing, or my current address.

13. I authorize the lending School to report any delinquency or default on this loan to credit bureaus.

| | | |
|--|---|---|
| ANNUAL PERCENTAGE RATE The percentage rate per annum on the NFLP loan is: 3% or the Prevailing Market Rate (Based upon the Borrower Status) | AMOUNT FINANCED The amount of NFLP loan(s) made to you: \$ | PREPAYMENT If you pay off early, you will not have to pay a penalty. See the Promissory Note for any additional information about nonpayment, default, and any required repayment in full before the schedule date. |
|--|---|---|

I understand that I have a right to request an itemization of the loan amount(s) awarded. I do ___ / do not ___ request an itemization.
 I have received a copy of this statement.

 (Signature of Student)

 (Student I.D. Number)

 (Date)

NURSE FACULTY LOAN PROGRAM (NFLP)

PROMISSORY NOTE

I, _____ (Borrower Name) (hereinafter "the Borrower"), promise to pay to _____ Chatham University _____ (hereinafter "the school") located at _____ Woodland Road Pittsburgh, PA 15232 _____, the sum of such loan amount(s) as may be advanced to me and endorsed in the Schedule of Advances below, with interest at the rate of three (3) percent per annum or the prevailing market rate, together with all attorney's fees, collection agent costs, and other related costs and charges for the collection of any amount not paid when in default according to the terms of this Promissory Note, (hereinafter "the Note").

| SCHEDULE OF ADVANCES | | | | |
|--|-------------------------------------|-----------------------------------|------|-----------------------|
| This Note represents the total of combined NFLP loans, as identified below. Use addendum if additional lines are needed. | | | | |
| Number | Amount of Loan Advanced to Borrower | Total of Loan(s) Advanced to Date | Date | Signature of Borrower |
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |

The Borrower and the school further understand and agree that:

The school must determine that an NFLP loan applicant is eligible before making the loan. To be eligible to receive an NFLP loan, a borrower must: (1) be a U.S. citizen or national of the U.S, or a lawful permanent resident of the U.S. and its territories, (2) be enrolled full-time or part-time in an eligible program at the time the NFLP loan is established and must complete the education component(s) to prepare qualified nurse faculty, (3) be in good academic standing in an advanced nurse education program at the school, and (4) have no judgment liens entered against him/her based on the default on a Federal debt, 28 U.S.C. 3201(e). The borrower should maintain full time enrollment status for a minimum of 2 terms/semesters during an academic year while receiving the NFLP loan.

Loan Support: The school will make NFLP loans to eligible students for the cost of tuition, fees, books, lab expenses, and other reasonable education expenses. An NFLP loan may not exceed \$30,000 per student for any academic year, not to exceed 5 years per student.

Cancellation Provision: The NFLP is a loan cancellation program with a service obligation for recipients of the loans. To be eligible for the maximum 85% cancellation, the Borrower must agree to serve as full-time nurse faculty at a school of nursing for a consecutive four-year period following graduation from the program. Following graduation, the Borrower must submit certification of employment within a reasonable timeframe to be determined by the school. NFLP borrowers are limited to a 12-month timeframe to establish employment as 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 loan cancellation provision.

1. **Cancellation:** To receive loan cancellation, the Borrower must be employed full-time as nurse faculty at a school of nursing for a complete year, as is defined by the employing school of nursing or 12 consecutive months. The school will cancel an amount up to 85% of the loan (plus interest) as follows:

A. Upon completion by the Borrower of each of the first, second and third year of full-time employment as a faculty member in a school of nursing, the school will cancel 20% of the principal of, and the interest on, the amount of the unpaid loan on the first day of employment.

B. Upon completion by the individual of the fourth year of full-time employment as a faculty member in a school of nursing, the school will cancel 25% of the principal of, and the interest on, the amount of the unpaid loan on the first day of employment.

To receive loan cancellation, the Borrower must submit the **Request for Partial Cancellation of Loan** form to the lending school at the end of each complete year of full-time employment as faculty at a school of nursing.

2. **Postponement:** The beginning of the Borrower's repayment period may be postponed only if the Borrower is employed full-time as nurse faculty at a school of nursing and will request loan cancellation at the end of each complete year of this employment. To receive postponement of the repayment period, the Borrower must submit a **Request for Postponement of Installment Payment** form to the lending school 30 days before the end of the 9-month grace period, and annually thereafter. Subsequent requests for postponement must be filed 30 days before the expiration date of the initial request for postponement for each year of employment. If the Borrower ceases to be employed full-time as nurse faculty prior to completion of a year, the postponement ends and the repayment period begins immediately.

3. **Grace Period:** The grace period begins immediately following completion of the program or voluntary termination as a student for a period of nine (9) consecutive months. During the grace period repayment of the loan is NOT required.
4. **Repayment Period:** The NFLP loan is repayable in equal or graduated periodic installments (with the right of the Borrower to accelerate repayment) over a 10-year period that begins 9 months after the Borrower completes the program, ceases to be enrolled as a student in the advanced nurse education program, or ceases to be employed as full-time nurse faculty.
5. **Interest:** The NFLP loan will bear interest on the unpaid balance of the loan at: (a) the rate of 3 percent per annum beginning 3 months after the Borrower graduates or ceases to be enrolled as a student in the nurse education program at the school, or (b) bear interest on the unpaid balance of the loan at the prevailing market rate if the Borrower fails to complete the advanced nurse education program or when the Borrower fails to establish employment as full-time nurse faculty at a school of nursing. Borrowers employed as full-time nurse faculty at a school of nursing for a consecutive four-year period will bear interest at the rate of 3% for the four year period and the remaining six years of the "repayment period". If the borrower ceases full-time employment as nurse faculty at a school of nursing, the NFLP loan will bear interest at the prevailing market rate.
6. **Prepayment:** The Borrower may, at his or her option and without penalty, prepay all or any part of the principal and accrued interest on the loan at any time.
7. **Acceleration:** If the Borrower fails to make a scheduled repayment or fails to comply with any other term of this Promissory Note, the entire unpaid balance of the loan, including interest due and accrued and any applicable penalty charges, will, at the option of the school, become immediately due and payable.
8. **Deferment:** 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, 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 capacity.
9. **Death and Disability:** In the event of the Borrower's total and permanent disability or death, the school will cancel any remaining payments on the Note.
10. **Forbearance:** The school may, in its discretion, place the Borrower's NFLP loan in forbearance whenever extraordinary circumstances such as poor health or hardship temporarily affect the Borrower's ability to make scheduled loan repayments. During periods of forbearance, interest continues to accrue on the unpaid principal balance of the loan.
11. **Default:** If the Borrower fails to make an installment payment when due or fails to comply with any other term of this Promissory Note, the loan will be considered in default.
12. **Exit Interview:** The Borrower agrees to attend an exit interview prior to completing or terminating student status at the school.
13. **Credit Bureaus:** The school may disclose any delinquency or default on the Borrower's loan to credit bureaus
14. **Collection Agents, Litigation, and Withholding of Services:** If the Borrower fails to make a scheduled repayment, or fails to comply with any other term of the Note, the school may:
 - a) refer the Borrower's loan to a collection agent; b) initiate legal proceedings against the Borrower; c) withhold school services from the Borrower, such as transcripts and letters of recommendation; d) refer the Borrower's loan to the Secretary for collection assistance, including offset of Federal salaries; and e) pursue judicial remedies.
15. **General:** The Borrower will promptly inform the school of any change in name or address
16. **Disclosure:** The school will provide to the Borrower a disclosure statement regarding the financial charges on the NFLP loan(s). Schools that do not require signature of disclosure statements are urged to consult with institutional legal counsel to determine what is appropriate to the school's particular situation.

The terms of this Note shall be construed according to Section 846A of the Public Health Service Act, authorizing the Nurse Faculty Loan Program.

I CERTIFY and ACKNOWLEDGE that the above information is true and correct, and I have read and understand the provisions of the Note and my rights and responsibilities regarding the NFLP loan made under the Note.

(Printed Name of Borrower)

(Signature of Borrower)

(Date)

WARNING: Any person who knowingly makes a false statement or misrepresentation to obtain funds from the Federal Government is subject to penalties that include fines and imprisonment under Federal statute.

For All Student Borrowers:

1. Do you know the full amount of the loan?
Yes _____ No _____
2. Have you been informed of your rights and responsibilities?
Yes _____ No _____
3. Do you understand the grace period and know when the first payment is due?
Yes _____ No _____
4. Have you been informed of the repayment options, postponement and cancellation provisions of the Nurse Faculty Loan program?
Yes _____ No _____
5. Do you understand the accelerated payment option?
Yes _____ No _____
6. Do you understand that the collection officer must be informed of any change in his or her address? Yes _____ No _____
7. Do you realize the importance of paying promptly or contacting the collection officer prior to the due date if payment cannot be made for any reason?
Yes _____ No _____

For Graduating Student Borrowers:

8. Do you understand the requirement to begin full-time employment as nurse faculty at a school of nursing to be eligible for postponement of loan?
Yes _____ No _____
9. Do you understand that you must be employed full-time as a nurse faculty member for a complete year to be eligible for loan cancellation?
Yes _____ No _____
10. Do you understand the REQUEST FOR POSTPONEMENT OF INSTALLMENT PAYMENT form?
Yes _____ No _____
11. Do you understand the REQUEST FOR PARTIAL CANCELLATION form?
Yes _____ No _____

Student's Signature: _____ Date: _____