

Nurse Faculty Loan Program Exit Information

The Nurse Faculty Loan Program (NFLP) is a low-interest Federal loan repayment program offered by the U.S. Department of Health & Human Services: Health Resources and Services Administration (HRSA). Schools of Nursing (SON) may apply for the grant. Awards are distributed to qualified students in the form of low-interest loans. After the student graduates and begins working as full-time faculty, up to 85% of the NFLP loan may be completely forgiven.

Graduation and Beyond

Borrowers should complete an "Exit Loan Counseling" session on the [Heartland ECSI website](#) during their final semester at the Johns Hopkins University School of Nursing. All students that have borrowed under the Nurse Faculty Loan Program must complete an exit interview. This applies to all graduating seniors, students that drop below full-time, and students that withdraw during a semester. The exit interview process provides valuable information that helps understand repayment of the NFLP loan.

All information gathered in the exit process is strictly confidential and is not shared with the university community.

During the exit interview, you will be guided through a brief description of the provisions in the Nurse Faculty Loan Program as they apply to you. Please refer to the promissory note(s) given to you by the School of Nursing for a more detailed description.

The last step in the exit interview process is a truth-in-lending statement. This disclosure will tell you how much you have borrowed, how much your loan will cost in interest and when your first payment is due. Both of these forms must be completed, signed, and returned to our office. You are urged to keep copies for your own files.

Heartland ECSI has many resources that assist not only with the disbursement and collection of our loans, but will assist our borrowers with many features such as:

- Electronic Promissory Notes
- Electronic Entrance and Exit Interviews
- Account Inquiry on web
- Direct monthly payments from your checking account
- Additional payment options
- Advanced payments
- Access to Downloadable Forms such as deferment and forbearance
- Links to Federal government regulations web site
- On-line address changes

- ECSI will also handle the 2nd and 3rd mandatory disclosures outlining the financial terms of the loan that were mandated by the Higher Education Opportunity Act

Heartland ECSI
1-888-549-3274
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Interest Charges

Interest accrues on the NFLP loan at a rate of 3% per annum, beginning 3 months after the borrower ceases to be an enrolled in their Graduate Nursing program.

If the Borrower fails to complete the advanced nurse education program OR fails to serve as a nurse faculty member for a consecutive 4 year period, interest will be charged at the prevailing market rate.

The prevailing market rate is determined by the U.S. Treasury Department and is published quarterly in the Federal Register. The Rates are fixed. Refer to the HHS, Office of Finance Web site for more information.

Deferment

Deferment options under the NFLP are limited:

- NFLP 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, Peace 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 capability.
- NFLP borrowers who graduate and are employed, and decide to return to a graduate nursing education program to pursue a doctoral degree to further their preparation as nurse faculty may request deferment of payment for up to 3 years.

Forbearance

A lending school may, based on its discretion, place a borrower's NFLP loan in forbearance when extraordinary circumstances such as poor health or hardships temporarily affect the borrower's ability to make scheduled loan payments. Interest on the loan continues to accrue but is not payable during this period.

Repayment and Cancellation Provisions

The NFLP loan is repayable over 10 years. Repayment begins nine months after graduation from the advanced nursing program (or when a borrower ceases to be

enrolled in the program, or terminates employment as full-time faculty at a school of nursing).

The NFLP is a direct loan program with cancellation provisions. Up to 85% of the loan may be cancelled if the student fulfills specific requirements.

The borrower may cancel:

- 20% of the principal and interest of the unpaid loan balance upon completion of each of the first, second, and third year of full-time employment as a nurse faculty member.
- 25% of the principal and interest of the unpaid loan balance upon completion of the fourth year of full-time employment as a nurse faculty member.

The borrower is responsible for requesting cancellation. NFLP borrowers are limited to a 12-month timeframe to establish employment as a 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 NFLP loan cancellation provision.

Borrowers who fail to become a full-time faculty member at an approved school of nursing by the end of the 9 month grace period will be required to pay back the loan at the prevailing market rate at that time.

Default by the Borrower

This occurs when the recipient:

- fails to complete the advanced nurse education program;
- fails to meet the university's "satisfactory academic progress" guidelines;
- fails to become or maintain employment as a full-time faculty member at a school of nursing. "full-time" has the meaning used by the employing school of nursing for its faculty;
- fails to make payments as required by the NFLP borrower's Promissory Note and repayment agreements