

U.S. Department of Health and Human
Services Health Resources and Services
Administration (HRSA)
Bureau of Health Professions
Division of Nursing

**2023-2024 NURSE FACULTY LOAN PROGRAM
(NFLP)**

Frequently Asked Questions on the NFLP Loan Program for the University of Massachusetts Dartmouth
(UMassD)

College of Nursing and Health Sciences

What is the NFLP loan?

Since 2003 the Federal HRSA NFLP has provided funding to schools of nursing. The purpose of the NFLP is to increase the number of qualified nursing faculty. This program offers partial loan forgiveness for borrowers who graduate and serve as nursing faculty.

Does UMassD offer the NFLP loan program?

Yes, the UMassD College of Nursing and Health Sciences has offered the NFLP loan since 2010. The loan is not transferable to another school.

Who can apply?

This loan is intended for nursing graduate students preparing for a *full-time nursing faculty position* after graduation. Faculty employment may be in any type of accredited nursing program.

Is the NFLP loan need-based?

The NFLP is **NOT** a need-based program.

FAFSA (Federal Student Aid) data and other financial records are **not** required to determine eligibility for the NFLP.

These are the eligibility requirements. [Details are provided in "UMassD NFLP Information Sheet"]

- ***Citizenship Status*** - The applicant must be a citizen or national of the U.S. or a lawful permanent resident of the U.S. and territories.

A student who is in the U.S. on a student or visitor's visa is **NOT** eligible for the NFLP loan.

- ***Enrollment Status*** - Students must be enrolled full-time or part-time in an eligible master's or doctoral program that offers an education component to prepare qualified nurse faculty. Students must maintain enrollment for a **minimum** of two consecutive terms/semesters (either fulltime or part-time) during an academic year while receiving the NFLP loan support.
- ***Academic Standing*** - The student must be in good academic standing, as defined by the school, and capable, in the opinion of the school, of maintaining good academic standing in the course of study. If the NFLP borrower ceases to be a student in good academic standing, the school must stop disbursement of the NFLP loan. BSN - PhD students are eligible when they begin graduate coursework only.
- ***Educational Coursework Requirements*** - The NFLP loan recipient must complete the education components required to prepare qualified nurse faculty **prior to completing the program of study**.
- ***Default on Other Federal loans*** - According to Federal law, a student is ineligible to receive a NFLP loan if a judgment lien has been entered against him/her based on the default on a Federal debt, 28 U.S.C. 3201(e).

May I renew my loan each year I'm enrolled in classes?

Subject to the availability of funds and the recipient maintaining good academic standing, the NFLP loan will be made annually for the period required to complete the course of study, not to exceed 5 years. Students who remain enrolled beyond 5 years may not receive additional NFLP support. Application for the loan must be made every year.

Is the application process complicated?

No, it is not complicated or time consuming.

The student must attend a counseling session with the project director or designee. At this session the student's eligibility is reviewed. The terms and conditions of the loan are also reviewed.

A brief application (about 1 page) is completed and any needed eligibility documentation is also obtained. The student will then work with the designated UMassD financial officer to process the loan application.

Do you have to be a full-time student to apply for the loan?

No, part-time and full-time students in a master's (educator role focus) and the full-time students in the PhD level program at UMassD (preparing to be nurse faculty) may apply as long as they meet the eligibility requirements.

Are PhD students eligible for the loan?

Yes, part-time and full-time PhD students are eligible. UMass Dartmouth only enrolls full-time PhD students. Please note all eligibility requirements.

Are master's level students eligible for the loan?

Yes, part-time and full-time master's level students are eligible. Please note all eligibility requirements.

How much money may I borrow each year?

Based on costs of the school's program, students may receive up to \$35,500 per academic year for a **maximum of 5 years** to support the cost of tuition, fees, books, laboratory expenses, and other reasonable education expenses. The loan may not be used to support stipends.

The NFLP loan may not exceed what the school determines is necessary for the student to pay for any academic year.

Payments may be advanced directly to the student or credited to the student's tuition account. See the information sheets for estimated costs per credit for MS and PhD students.

Does the loan include a stipend for personal expenses? No, the loan cannot be used for personal or living expenses.

Can the loan be used for research-related expenses or consultation expenses? No, the loan cannot be used for research-related expenses or consultation expenses.

What are the repayment obligations?

Following graduation from the nursing program, loan recipients may cancel up to 85% of the loan principal and interest in exchange for service as a *full-time nursing/acuity at a school of nursing for four consecutive years.*

The procedure for loan cancellation over the 4-year period is as follows:

20% of the principal and interest may be canceled upon completion of each of the first, second and third years of employment, totaling 60%; followed by 25% upon completion of the fourth year of full-time employment as a nursing faculty.

Repayment of remaining 15% is postponed during the cancellation period.

The NFLP loan will bear interest on the unpaid balance of the loan at:

a) the rate of 3 percent per annum beginning no more than 12 months after the borrower graduates from the program, 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 an accredited school of nursing, within 12 months. 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 percent for the remaining 6 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.

The borrower should understand that a service requirement/obligation under more than one Federal program must remain separate and distinct and should not be combined. NFLP loan recipients who have more than one service requirement/obligation must meet the service requirements for any other program(s) in addition to NFLP.

Consider the following example:

You enrolled in a UMassD graduate program at in-state rates and your education cost \$30,000. You are then employed for 4 consecutive years as a full-time faculty member and you have 85% of your loan, which is equal to \$25,500, cancelled. The remaining \$4,500 would be repaid by the student over 6 years at 3% per annum interest.

How long after graduation before I must be employed full-time as a nursing faculty member?

NFLP borrower is limited to a 12-month timeframe to establish employment as full-time nurse faculty at an accredited 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.

May I work two part-time faculty jobs and have this count as full-time?

Yes, two-part-time jobs can be combined to meet the full-time faculty position requirement.

What happens to my loan obligations if I have a joint faculty position that combines academics and clinical employment? Your primary employer will verify your full-time status. For example, if clinical employment is a part of your full-time faculty role/position, then the UMassD College of Nursing and Health Sciences would verify your employment status.

What is the interest rate on the loan?

The NFLP loan bears interest on the unpaid balance at the rate of 3% per annum beginning 3 months after the borrower graduates or ceases to be enrolled as a student in the master's or PhD program at UMassD. Borrowers employed as full-time nurse faculty at an accredited school of nursing for a consecutive 4-year period will bear interest at the rate of 3% for the remaining 10 years of the repayment period.

If the lending school determines that the borrower will either fail to complete the course of study or fail to establish full-time employment within 12 months as faculty following graduation from the program, the loan will bear interest on the unpaid balance at the **prevailing market rate and must be repaid immediately**.

What are my loan obligations if I do not complete the degree program that prepares nurse educators, I am unable to find a full-time faculty position within 12 months following graduation, or decide not to accept a full-time nursing faculty position?

If the lending school determines that the borrower will either fail to complete the course of study or fail to establish full-time employment as faculty following graduation from the program, the loan will bear interest on the unpaid balance at the prevailing market rate.

How is the prevailing interest rate determined?

The prevailing market rate is determined by the Treasury Department and is published quarterly in the Federal Register. The rate is fixed. Refer to the HHS, Office of Finance web site at <http://www.hhs.gov/of/library/policy/debt/debtcoll/html> for information on consumer interest rates.

Is there a grace period before repayment begins?

The grace period for NFLP loan repayment is 9 months and begins immediately upon graduation from the College of Nursing and Health Sciences. Neither interest nor principal is required to be paid during the 9-month grace period. During the grace period, the borrower may repay the loan but is not required to do so.

What is the repayment period?

The 10-year repayment period for an NFLP loan begins following a 9-month grace period after the borrower completes the program requirements of the College.

Following graduation from the program, NFLP borrowers who fail to establish employment as fulltime nurse faculty at a school of nursing must begin repayment of the NFLP loan following the 9month grace period at the prevailing market rate.

Is there a prepayment penalty on the loan?

The borrower may, at his or her option and without penalty, prepay all or any part of the principal and accrued interest at any time. If an accelerated payment is made, that prepayment must first be applied to any accrued interest and then to the principal balance.

What happens to the loan obligation if I pass away?

The Secretary of HHS or a designee will cancel the unpaid balance of the NFLP loan and accrued interest of a loan upon submission to the College of Nursing and Health Sciences a death certificate or other official proof of death of the borrower.

What happens to the loan obligation if I were to become permanently or totally disabled? A borrower *may be* entitled to cancellation of any remaining payment of the NFLP loan in the event of permanent and total disability. The borrower will work with the lending school and the Secretary of HHS or a designee who will make this determination based on medical certification submitted by the borrower supporting the borrower's disability and will cancel the NFLP loan upon approval.