

# **INFORMATION ABOUT THE NURSING STUDENT LOAN PROGRAM:**

## **WHAT IS THE NURSING STUDENT LOAN PROGRAM?**

Act 85 of 2003 established the Nursing Student Loan Program to provide financial assistance to Arkansas students either enrolled, or accepted for enrollment, for full-time study in an approved Arkansas nurse education program, or in a nationally accredited school outside the state.

## **HOW DOES IT WORK?**

Recipients may be qualified for loan cancellation at a rate of the full amount of one year's loan, plus accrued interest for each year that the recipient practices in Arkansas. The loans may be changed into scholarship grants by working full-time as an RN or an LPN in qualified employment in the state of Arkansas. The maximum loan forgiveness is 100%.

## **WHAT ROLE DOES THE ARKANSAS STATE BOARD OF NURSING PERFORM IN THIS PROGRAM?**

The Board must determine the eligibility of the applicants, determine which applicants may participate in the program, disburse and collect funds associated with the program, determine compliance of the participants, and otherwise regulate loans and repayments.

## **ARE YOU ELIGIBLE?**

To be eligible, you must be an Arkansas resident who is enrolled in, or has been accepted for admission to be a full-time student in a recognized education course leading to an associate degree, a diploma, a bachelor of science degree in nursing, or leading to the achievement of educational requirements for licensure as a LPN.

The applicant must have good moral character, have good academic standing, be in need of financial assistance to complete his or her nursing studies, and must be willing to commit to practice as an RN or LPN in the State of Arkansas upon graduation and licensure. Also note, you may be subject to drug testing if chosen to participate in this program.

To qualify for the nursing student loan program, the applicant shall not have a conflicting service commitment that would prevent the state from benefiting from the applicant's services after graduation and licensure.

Board members, and staff of the Arkansas State Board of Nursing, and their immediate family members are not eligible to participate in this program.

**HOW MUCH FUNDING IS AVAILABLE FOR ME?**

Nursing student loans will be funded to each participant at a maximum of \$1,000.00 per academic year. The total number of loans that can be made to any one (1) student under this nursing student loan program shall not exceed six thousand dollars (\$6,000.00). The submission of an application does not assure financial assistance. The number of loans/scholarship grants awarded shall be limited to the designated funds available to the Arkansas State Board of Nursing for this project.

**WHAT IS AN ACADEMIC YEAR?**

An academic year for the purposes of the Nursing Student Loan Program consists of the time period beginning with the first day of the fall semester, and ending with the last day of the spring semester.

**WHAT IS CONSIDERED A FULL TIME STUDENT?**

To be considered a full-time student you must be enrolled in at least thirteen (13) credit hours per semester, or the equivalent of thirteen (13) credit hours per semester of clinical and/or theory enrollment. (Please note: one (1) credit hour is equal to forty-eight (48) clinical clock hours, and is counted toward your enrollment hours in consideration of full-time status.) In addition to this requirement, a minimum of six (6) credit hours per semester must be in nursing if your full-time status is determined by credit hours per semester.

**WHAT ARE CONSIDERED EDUCATIONAL COSTS?**

The Arkansas State Board of Nursing may make a loan to an applicant to pay the applicant's tuition, maintenance, and other education expenses while the student is enrolled in a program of nursing education. Reasonable educational costs shall be defined as tuition, books, fees, supplies, equipment and materials mandatory by the program of the school in which the financial aid recipient is enrolled to obtain nursing instruction leading to licensure as an RN or LPN. Reasonable living expenses should include the cost of room, board, transportation and miscellaneous costs based on the program pursued.

**WHOSE INFORMATION DO I USE TO COMPLETE THE FINANCIAL SECTION OF THE APPLICATION FORM?**

Complete this section with the financial information of the student. If his/her parents support the student, answer yes to the question "Do you receive financial support from your parents?" and list "parents" and the amount of expected support under the next question "Other Expected Sources of Funds."

### **WHEN AM I NO LONGER AN ELIGIBLE STUDENT?**

When a recipient of financial assistance terminates his or her nursing education before the successful completion of the course of study necessary for graduation and licensure, repayment of the principal and interest shall begin within ninety (90) days after the date the recipient ceases to be an eligible student, according to the nursing student loan contract. The recipient shall notify the Board within thirty (30) days of the date the recipient is no longer an eligible student. Payment shall be completed no more than twenty-four (24) months from the date the recipient ceases to be an eligible student.

Recipients found to be in default of their contracts will be required to pay all loans and the interest thereon. The loan amount will become due and payable immediately, or as provided in the contract. The repayment period begins on the date the recipient is noncompliant. It shall be considered unprofessional conduct for failure to repay the nursing student loan as required.

### **WHAT HAPPENS IF I DEFAULT ON THE SERVICE AGREEMENT?**

Participants who default on their service repayment agreement will be subject to monetary repayment of the contracted amount and interest.

If termination of qualified employment of a service repayment participant results from circumstances beyond the control of the participant, deferral status may be approved for a period up to ninety (90) days to permit the participant to obtain qualified employment in Arkansas.

In the event of death of the participant, both the principal and interest on the loan will be due and payable immediately.

### **WHAT INTEREST RATE WILL I BE CHARGED IF I DO NOT ABIDE BY THE SERVICE AGREEMENT?**

The principal of the loan(s) shall be due in addition to interest at the maximum rate allowed by Arkansas law, or 5% above the federal discount rate, whichever is less. Payment is due and payable in full once the Board determines you are not in compliance with the contractual agreements of the program. The interest shall accrue from the date each payment of funds was received by the recipient.

### **WHAT QUALIFIES FOR A DEFERRAL?**

Deferral of loan repayment may be approved provided the participant demonstrates he or she is currently enrolled, in good academic standing, in a qualified nursing program, and the initial eligibility requirements are still applicable.

The Arkansas State Board of Nursing may grant deferral if the participant is involuntarily serving on active duty in the United States armed forces. If the deferral is due to military service, interest is not accrued during the deferral period.

If the repayment of the nursing student loan has already begun through a service agreement, and beyond the control of the participant, termination of qualified employment occurs, the loan may be deferred for a period up to ninety (90) days to permit the participant to obtain qualified employment in Arkansas.

The Board may review the deferral as often as needed, but will annually review to insure compliance.

### **WHERE DO I GET AN APPLICATION?**

Applications will not be available until **May 1, 2004**. You may print an application from the web page at [www.arsbn.org](http://www.arsbn.org) or obtain the forms at the office of the Arkansas State Board of Nursing, 1123 South University, Suite 800, Little Rock, AR 72204 after that date.

### **DID YOU SIGN YOUR APPLICATION?**

To be considered for the program you must sign the application before mailing or delivering to the Arkansas State Board of Nursing.

### **WHAT IS THE DEADLINE FOR APPLYING FOR THIS PROGRAM?**

Application contracts must be completed, signed by the applicant and received by the Arkansas State Board of Nursing by July 1<sup>st</sup> to be considered for the program.

### **WHERE DO I SEND MY APPLICATION?**

Return your application and the required attachments either by mail or in person to the following address:

Arkansas State Board of Nursing  
Nursing Student Loan Program  
1123 S University, Suite 800  
Little Rock, AR 72204

Please note: faxed applications will not be accepted. Also, applications must be complete when submitted, or the application will not be considered. If you need to make a copy of a form to be submitted, please do so before bringing or sending it to the Arkansas State Board of Nursing office.

## WHAT ARE THE REQUIRED ATTACHMENTS?

*For eligibility the following material **MUST** accompany your application:*

- 1) Proof of Arkansas Residence (i.e. Copy of driver's license, copy of voter's registration card, copy of state identification card, or copy of state income tax return)
- 2) Letter of acceptance to an approved Arkansas nursing program, or if already enrolled in a nursing program, submit a current transcript.
- 3) Schedule of your program of study outlining courses that remain to be taken to complete your degree. List enrollment by semester and credit hour. An example of the suggested format is on the following page that you can print, complete, and attach to your application. (See the next page)
- 4) A copy of the first two pages of your federal income tax return for the prior year. (If you filed your return "married filing separately" you must also attach a copy of your spouse's return.) (If you are not required to file a return, or if you receive any support from your parents, you must also send a copy of your parent's return.)
- 5) A transcript from your highest level of education.

SCHEDULE OF PROGRAM STUDY / COURSES REMAINING

	Credit Hours	Name of Course
Fall 2004 Semester	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
Total Fall 2004 Credit Hours	=====	

Spring 2005 Semester	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
Total Spring 2005 Credit Hours	=====	

Fall 2005 Semester	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
Total Fall 2005 Credit Hours	=====	

Spring 2006 Semester	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
Total Spring 2006 Credit Hours	=====	

Fall 2006 Semester	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
Total Fall 2006 Credit Hours	=====	

**WHEN AND HOW WILL I KNOW IF I AM ACCEPTED INTO THE PROGRAM?**

The board will make decisions regarding who will participate in the program by September 2004. Only the recipients will be notified by mail. If you complete the question on the application requesting your email address, and are not chosen to be a participant in the program, you will be notified by email. Otherwise, notifications will not be sent to those not accepted into the program.

**CAN I RENEW MY LOAN? / HOW OFTEN MUST I APPLY FOR THIS PROGRAM?**

You must reapply annually to be considered for a nursing student loan. If money is not available to fund all eligible applicants, completed applications submitted to the Arkansas State Board of Nursing shall be prioritized for funding based on each applicant's academics, financial need, and willingness to serve in Arkansas.

**MUST I VERIFY ENROLLMENT?**

Recipients of the nursing student loan program shall verify to the Arkansas State Board of Nursing, their enrollment, their program eligibility, their anticipated program completion date, and their academic standing after the completion of each semester and summer session.

**MUST I VERIFY EMPLOYMENT AFTER GRADUATION AND LICENSURE?**

In order to convert your nursing student loan into a scholarship grant, a work history must be submitted on the prescribed forms on an annual basis until the entire loan obligation is retired.

## **WHAT HAPPENS IF I DO NOT PASS MY RN OR LPN LICENSURE EXAMINATION?**

Participants who do not pass their RN or LPN licensure examination will be subject to monetary repayment of the contracted amount and interest. Repayment of the principal and interest shall begin within ninety (90) days after the date the recipient ceases to be an eligible student, or immediately upon notification of failure to pass the licensure examination whichever is later. If an individual who does not pass his/her RN exam takes and passes the LPN examination, repayment by service is still available. However, monetary repayments would apply to an individual who already has an LPN license, receives funding from this program, and does not pass his/her RN examination.

The recipient shall notify the Board's Nursing Student Loan Program within ten (10) days of the date the recipient is notified the recipient did not pass the RN or LPN licensure examination. Payment shall be completed no more than twenty-four (24) months from the date the recipient ceases to be an eligible student.

The principal of the loan(s) shall be due in addition to interest at the maximum rate allowed by Arkansas law, or 5% above the federal discount rate, whichever is less. The interest shall accrue from the date each payment of funds was received by the recipient.

## **WHO DO I CONTACT FOR MORE INFORMATION ABOUT THIS PROGRAM?**

Arkansas State Board of Nursing  
Nursing Student Loan Program  
1123 South University, Suite 800  
Little Rock, AR 72204  
Phone: (501) 686-2705  
Website: [www.arsbn.org](http://www.arsbn.org)  
Email: [derickson@arsbn.org](mailto:derickson@arsbn.org)

***NOTICE: Failure to submit the application AND the supporting documentation by the due date will result in the denial of your application. All application materials must be received by July 1, 2004.***

**DEFINITIONS:**

1. ***Existing Service Obligation*** – An agreement already established which requires the applicant to perform services that would prevent the State of Arkansas from benefiting from repayment of the nursing student loan through service repayment. This includes obligations you have to hospitals in Arkansas.
2. ***Loan Cancellation*** - Repayment of the nursing student loan by converting the debt into a scholarship grant upon the applicant's working full-time as an RN or LPN in qualifying employment in Arkansas.
3. ***Eligible Student*** – An applicant who meets the requirements to enroll in the program which include: being a resident of Arkansas, a full-time nursing student in good academic standing, in need of financial assistance, and will commit to practice as an RN or LPN in Arkansas upon graduation and licensure.
4. ***Recipient*** – An eligible student who is approved by, and receives from the Arkansas State Board of Nursing a nursing education loan.
5. ***Default*** – Any account that is 90 days delinquent is deemed in default and subject to collection measures.
6. ***Qualified Nursing Program*** – A postsecondary education institution that provides a program of nursing education leading to a degree or certification enabling the student to obtain licensure as a RN or LPN in the State of Arkansas.
7. ***Deferral*** – Allowing an interruption of payments of principal and interest on the agreement under conditions set by the Arkansas State Board of Nursing.
8. ***Accrue*** – To increase by regular growth. The interest shall accrue from the date each payment of funds was received by the recipient.

9. ***Qualified Employment*** – Full-time engagement for compensation in a position, which requires licensure as a RN or LPN by the Arkansas State Board of Nursing as a prerequisite in the job description.
10. ***Financial Need*** – The discrepancy between the applicant’s education expenses and the student’s ability to pay those costs.
11. ***Scholarship Grant*** – Financial aid awarded to the recipient that will not be required to be repaid.
12. ***Service Repayment Agreement*** – The agreement between the recipient and the Arkansas State Board of Nursing, which defines the duties and responsibilities of each party with regard to the nursing student loan program.
13. ***Degree*** – Acknowledgment given a student by a college, university, professional school or other educational enterprise to prove achievement through a program of study resulting in the attainment of specialized information.
14. ***Delinquent*** – Any payment not made by the due date.
15. ***Resident*** – An applicant who lives in the State of Arkansas. Residency is defined by the requirements to be considered eligible for in-state tuition payments for postsecondary education.
16. ***Board*** – The Arkansas State Board of Nursing
17. ***Qualifying facility*** – A regulated facility that requires the staffing of a LPN or RN position. (i.e. Hospitals, Nursing Homes, etc....) Please note: if you are working for an individual, you are not considered to be working for a qualifying facility.