

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.

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.

HOW MUCH FUNDING IS AVAILABLE FOR ME?

Nursing student loans will be funded to each participant at a maximum of \$2,000.00 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. 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.

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?

You may print an application from the web page at 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.

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 1st to be considered for 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 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.

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) 686-2701
Fax: (501) 686-2714
Website: www.arsbn.org
Email: derickson@arsbn.org

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.
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