



## Ohio Administrative Code

### Rule 3333-1-22 Nurse education assistance loan program.

Effective: December 18, 2010

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#### (A) Intent and authority

(1) It is the intent of the chancellor of the board of regents in promulgating this rule to establish and administer a nurse education assistance loan program which will provide financial assistance to eligible students while providing an incentive for these students to engage in the practice of nursing in the state of Ohio upon completion of their academic programs.

(2) This rule is adopted under the authority conferred upon the chancellor by section 3333.28 of the Revised Code.

#### (B) Definitions

For purposes of this rule:

(1) A "loan" shall mean the total principal amount of all nurse education assistance loan program funds awarded to a student plus interest assessed by the chancellor.

(2) An "approved nurse education program" shall mean a prelicensure nurse education program offered by an institution which is approved by the Ohio board of nursing under section 4723.06 of the Revised Code or a postlicensure nurse education program approved by the chancellor under section 3333.04 of the Revised Code or offered by an institution holding a certificate of authorization issued by the chancellor under Chapter 1713. of the Revised Code.

(3) An "institution" shall mean a hospital school of nursing, or a private college, university or vocational school which offers an approved nurse education program.

(4) An "Ohio resident" shall mean any person who meets the requirements of rule 3333-1-10 of the Administrative Code. Verification of Ohio residency for these purposes shall be provided by the



institution in which the student is enrolled. Institutions shall provide students with a fair and adequate opportunity to present proof of their Ohio residency.

(5) "Half-time enrollment" shall mean an academic course load which is at least one-half of the normal full-time course load as determined by the institution in which the student is enrolled.

(6) "Educational expenses" shall mean charges assessed by the student's institution for instructional and general fees ("tuition"), laboratory fees, books and supplies, room and board, transportation, and other miscellaneous expenses.

(7) "Expected family contribution" shall mean the measure of a student's or a family's ability to contribute to the cost of education from the student's or the family's financial resources. An expected family contribution for these purposes shall be calculated by means of a federally approved need analysis formula designated by the chancellor.

(8) The "direct clinical practice of nursing" shall mean full-time employment in an occupation which requires licensure by the Ohio board of nursing and in which the employee is required to apply the knowledge and skills gained in her or his nurse education program.

(9) A "deferment" is an agreement between the borrower and the chancellor which authorizes the borrower to temporarily stop performance of the service obligation or repayment of the loan during specified periods of time. No interest shall accrue during any deferment period.

(10) "Total service obligation" shall mean a period of time--four consecutive years for those students completing a postlicensure program of study and five consecutive years for those students completing a prelicensure program of study--following completion of the approved nurse education program during which time the borrower is employed in the clinical practice of nursing in the state of Ohio.

(11) The "designated agency" shall mean a public agency or private firm which provides services to the board of regents, under a contractual agreement, for the processing of loans which are in repayment, delinquent or in default.



(C) Eligibility requirements

To be eligible to receive a nurse education assistance loan a student must:

(1) Be an Ohio resident.

(2) Be a citizen, a national, or a permanent resident of the United States; or be in the United States for other than a temporary purpose and intend to become a permanent resident; or be a permanent resident of the Trust Territory of the Pacific Islands or the Northern Mariana Islands.

(3) Be enrolled in or be accepted for enrollment in an approved nurse education program for at least half-time study. The chancellor may require documentary evidence of compliance with this requirement.

(4) Provide an expected family contribution value which has been determined in accordance with paragraph (B)(7) of this rule.

(5) Show evidence of an intention to engage in the direct clinical practice of nursing in the state of Ohio upon completion of her or his academic program.

(6) Not owe a refund to, or be in default on, any state educational loan program or any federal educational loan or grant program covered under Title IV of the Higher Education Act, as amended.

(D) Application procedures

(1) Application forms shall be developed and distributed by the chancellor. Completed application forms shall be submitted to the chancellor's staff for processing.

(2) The chancellor shall establish and disseminate a timetable for application and loan processing.

(3) The applicant is responsible for completion of an application/promissory note. A statement of rights and responsibilities must also be signed prior to the disbursement of loan funds. By signing the application/promissory note, the borrower promises to repay the loan in accordance with conditions



set forth in the document.

(4) If an applicant is under the age of eighteen or has not established a favorable credit record, the chancellor may ask that the applicant seek a comaker in the making of a loan. The inability to secure a comaker will not, however, preclude any applicant from consideration.

(5) Each applicant shall be required to report an expected family contribution on the application form. The calculation of a family contribution requires the completion of a federally approved need analysis application prior to completion of the nurse education assistance loan application. Documentation of the family contribution must be provided.

(E) Awarding loans

(1) Each year the chancellor shall determine the number of loans which are available to be awarded. Until January 1, 2012, available loans shall be apportioned by professional category in the following manner:

(a) Fifty per cent of available loan funds shall be awarded as loans registered nurses who are enrolled in postlicensure nurse education programs and have submitted a letter to the chancellor stating their intent to practice as a faculty member at a prelicensure or postlicensure program for nursing in the state upon completion of the academic program.

(b) Twenty-five per cent of available loan funds shall be awarded to students enrolled in prelicensure nurse education programs for registered nurses.

(c) Twenty-five per cent of available loan funds shall be awarded to students enrolled in nurse education programs as determined by the chancellor, with preference given to programs aimed at increasing enrollment in an area of need.

(2) After January 1, 2012, after consultation with the board of nursing, available loans shall be apportioned in accordance with division (A) of section 3333.28 of the Revised Code at the chancellor's discretion and based upon the chancellor's review of the state's needs for licensed nurses and nurse educators. Following a two-week public comment period, the chancellor will post the



apportionment of loans for the following academic year on the chancellor's web site in January of each calendar year. For purposes of this rule, consultation with the board of nursing may include, but is not limited to, submission of recommendations, a report, or findings by the board of nursing.

(3) If sufficient applications are not received to fully meet the established categorical apportionment of available loan funds, remaining loan funds shall be awarded without regard to category on the basis of relative financial need as evidenced by the expected family contribution.

(4) If sufficient funds are available, as determined by the chancellor, loan assistance will be awarded to all eligible applicants. If available funds are not sufficient to award loans to all eligible applicants, as determined by the chancellor, all eligible applications received prior to the established deadline will be ranked within each category on the basis of relative financial need as evidenced by the expected family contribution with preference given to the lowest expected family contribution in the awarding of loans. The chancellor may consider other factors in the ranking of applications.

(5) The maximum annual loan amount for each student shall be determined by the chancellor and shall not exceed three thousand dollars for those students completing a prelicensure program of study and shall not be less than five thousand dollars for those students completing a postlicensure program of study. In determining the annual amount of each loan, the chancellor shall consider the student's educational expenses, the expected family contribution and other financial aid awarded to the student. Loans may be awarded for a maximum of twelve quarters or eight semesters or the equivalent. The total aggregate loan amount shall not exceed twelve thousand dollars.

(F) Loan disbursal

(1) If the applicant has not been accepted into an approved nurse education program at the time of application for the loan, documentary evidence must be provided by the applicant of such acceptance before the loan is disbursed.

(2) After completion of the application/promissory note and statement of rights and responsibilities, and upon receipt of eligibility verification, the chancellor shall disburse the funds to the borrower's institution to cover educational expenses.



(3) Loan benefits shall not be disbursed during any term in which the borrower is not in good academic standing as defined by her or his institution. A borrower who is not in good academic standing shall be required to bring her or his academic record up to the required standard within two academic terms or the loan shall go into repayment.

(4) The loan shall be disbursed in equal portions over two or three terms of the academic year.

(G) Influence on other awards

The receipt of a nurse education assistance loan shall not affect a student's eligibility for assistance, or the amount of that assistance, granted under section 3333.122, 3333.26, 5910.03, 5910.032 or 5919.34 of the Revised Code.

(H) Loan renewal

(1) A loan may be renewed for a maximum of three years following the year in which the initial loan is made. To qualify for loan renewal, the borrower must continue to meet all eligibility requirements set forth in paragraph (D) of this rule and must maintain an academic record which places her or him in good academic standing as defined by the institution.

(2) Completion of an application/promissory note is required each year for loan renewal.

(3) The chancellor shall, in consultation with the Ohio board of nursing, determine a reasonable percentage of funds to be held in reserve in order to provide loan renewals for continuing students.

(I) Loan forgiveness

(1) After graduation from an approved nurse education program, the borrower may be eligible for debt cancellation-- at a rate of twenty percent per year, for a maximum of five years for students in a prelicensure program of study and a rate of twenty-five per cent per year, for a maximum of four years for students in a postlicensure program of study--for each year in which the borrower is employed full-time in the direct clinical practice of nursing or as a faculty member for a prelicensure or postlicensure program for nursing in the state of Ohio.



(2) To qualify for loan forgiveness the borrower must secure full-time employment in the direct clinical practice of nursing in Ohio, or as a faculty member for a prelicensure or postlicensure program for nursing, within a period not to exceed six months following graduation from the approved nurse education program.

(3) While fulfilling the service obligation, the borrower shall be required to provide periodic evidence of full-time employment as required by the chancellor.

(4) A deferment of the service obligation may be granted for up to one year for any circumstances which constitute an undue hardship, as judged by the chancellor. These circumstances may include serious illness, pregnancy, disability, inability to secure employment or involuntary termination of employment.

(5) Borrowers who do not complete an approved nurse education program are not eligible for loan forgiveness and must repay the loan in full, plus interest.

#### (J) Repayment

(1) The chancellor shall have the authority to enter into a contractual agreement with a public or private agency for services needed to manage the repayment of nurse education assistance loans and the collection of delinquent or defaulted loans.

(2) The interest rate on the loan shall be set by the chancellor.

(3) Repayment of the principal amount of the loan and interest shall be deferred during the following periods:

(a) While the borrower is enrolled in an approved nurse education program, provided that the borrower continues to meet all eligibility requirements;

(b) While the borrower is seeking employment to fulfill the service obligation, during a period not to exceed six months;



(c) While the borrower is fulfilling the service obligation;

(d) During a period not to exceed one calendar year, after which time a borrower has failed the state nursing licensing examination for the first time. This deferment period shall end thirty days after the borrower passes the state nursing licensing examination on the second attempt. If the borrower fails to pass the state nursing licensing examination on the second attempt, the loan plus interest shall go into repayment immediately;

(e) During an authorized deferment.

(4) Repayment of the outstanding principal amount of the loan plus interest shall be made to the board of regents or the designated agency and shall begin on the occasion of one or more of the following events:

(a) The borrower drops out of school without an approved deferment;

(b) The borrower is not in good academic standing for more than two consecutive terms;

(c) The borrower drops out of the approved nurse education program;

(d) The borrower fails to complete the total service obligation.

(5) The terms of repayment, including the length of the repayment period and the date on which the first payment is due, shall be agreed upon by the borrower and the chancellor or the designated agency and shall be set forth in a disclosure statement. The disclosure statement shall also include the total amount of interest owed on the loan.

(6) The total repayment period shall not exceed ten years.

(7) The minimum monthly repayment amount shall be determined by the chancellor or the office of the Ohio attorney general or the designated agency, as applicable.





(K) Delinquency and default

(1) A borrower is delinquent when a loan payment is a minimum of thirty days late. The chancellor or the designated agency shall use diligent efforts to collect on a delinquent loan and may seek assistance from the office of the Ohio attorney general.

(2) A loan is considered to be in default when it is one hundred twenty days delinquent. A loan which is in default shall be declared due in full and the borrower shall be disqualified from any debt cancellation benefits. The chancellor or the designated agency shall use diligent efforts to collect on a loan which is in default and may seek assistance from the office of the Ohio attorney general.

(L) Cancellation

(1) The entire debt or service obligation shall be canceled if:

(a) The borrower dies, or

(b) The borrower becomes totally and permanently disabled and the borrower provides a statement from a licensed physician verifying this condition.

(M) Promoting the program

The chancellor shall promote public awareness of the nurse education assistance loan program by disseminating information to high school guidance offices, college financial aid offices and community service agencies. In addition, special efforts shall be made to promote the program and the nursing profession among groups who have been historically underrepresented in nursing careers.