

FORGIVABLE EDUCATION LOANS FOR SERVICE (FELS)

LOAN FORGIVENESS

The Forgivable Education Loans for Service program was established by the North Carolina General Assembly in 2011 to provide financial assistance in the form of a forgivable loan to qualified students who are committed to work in fields identified as critical employment shortage professions in North Carolina. Current critical employment shortage professions eligible for loan forgiveness through the FELS program are identified on the [Approved Education Programs](#) link.

A recipient who graduates or completes his/her [Approved Education Program](#) and secures a qualifying position may apply to repay the loan obligation through loan forgiveness. The NCSEAA shall forgive one academic year of funding for each year of full-time qualified employment and one academic year of funding for two years of part-time employment. A recipient must complete loan forgiveness within ten (10) years of graduation, excluding periods of approved deferments. All worksites must be approved by the NCSEAA.

A recipient who does not graduate from the program on the degree level for which he/she received financial assistance will be required to repay the loan in cash, which includes a 8.0% interest rate beginning from the date of disbursement. Cash payments are due one-hundred eighty (180) days from withdrawal from the FELS program. For additional instructions on cash repayment click on the [Cash Repayment](#) link.

How to apply for loan forgiveness.

In order to qualify for loan forgiveness, you must graduate from or complete the [Approved Education Program](#) funded through the FELS program, obtain licensure from the applicable licensing board, and secure qualifying employment. To apply for loan forgiveness you must follow the steps out-lined below. You are responsible for submitting the appropriate forms to the NCSEAA on time.

1. Notify the NCSEAA of your intent to repay through loan forgiveness within 90 days of graduation or completion of your approved education program. You should notify the NCSEAA even though you may not have secured a qualifying position. You may complete this process during the exit interview process on the Student Portal or through Repayment Services at (919) 549-8614, ext. 4654 or (800) 700-1775, ext. 4654.
2. Obtain licensure from the applicable licensing board.
3. Secure a qualified position. You should contact Repayment Services prior to accepting a position to determine whether the position qualifies for loan forgiveness.

4. Complete a [Loan Forgiveness Application](#) form and return it to the NCSEAA for approval.

What is the loan forgiveness repayment rate of the FELS program?

One academic year of loans will be forgiven for each year of full-time qualifying employment. One academic year of loans will be forgiven for two years of part-time qualifying employment.

What is a qualified position? Am I required to work in a designated shortage area in North Carolina?

You may qualify for loan forgiveness by working full-time or part-time in North Carolina in the [Approved Education Program](#) for which you received funding. You should contact Repayment Services prior to accepting a position to determine whether the position qualifies for loan forgiveness. All positions must be approved by the NCSEAA.

How long do I have to repay my FELS loan obligation through loan forgiveness?

You must complete your loan forgiveness obligation within ten years of graduation from or completion of the FELS program.

What if I change my worksite?

If there is a worksite change before you complete your FELS loan forgiveness obligation, you must seek approval from the NCSEAA prior to the change to ensure the new position qualifies for loan forgiveness.

What if I have a break in employment?

If you have a break in employment prior to completing your loan FELS obligation, you should notify the NCSEAA immediately of the status change. If you no longer work in a position that qualifies for loan forgiveness, you must repay the loan in cash. If you cannot remit a scheduled payment when due, you may apply for a deferment to delay repayment for a period approved by the NCSEAA. Interest will continue to accrue during the deferment period.

How do I apply for deferment?

To apply for deferment, you must submit a [Postponement Request Form](#) to the NCSEAA for approval. See [FELS Program Rules](#) for eligible deferments.

What happens if I cannot fulfill my loan forgiveness obligation?

You made a commitment to repay this loan when you signed the promissory note accepting education funding from the NCSEAA. If you cannot repay the loan through loan forgiveness, then you must repay it in cash within ten (10) years of graduation or

withdrawal from the FELS program. For additional instructions on cash repayment, click on the [Cash Repayment](#) link.

Whom should I contact if I have additional questions concerning my FELS loan?

Additional information is available in the [FELS Rules and Regulations](#) or you may contact Repayment Services staff at [Contact Us](#) between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday.

[FELS REPAYMENT HOME](#)