NURSE EDUCATION SCHOLARSHIP LOAN PROGRAM (NESLP)

LOAN FORGIVENESS

The Nurse Education Scholarship Loan Program was established by the North Carolina General Assembly to provide financial assistance in the form of a forgivable loan to qualified North Carolina residents who are committed to working full-time as nurses in North Carolina.

A recipient who graduates or completes his/her nursing program and secures a qualifying position may apply to repay the loan obligation through loan forgiveness. A recipient funded for a nursing degree during and after the 2006/2007 academic year will earn one year of loan forgiveness for each academic year of funding.

A recipient funded for a Licensed Practical Nurse (LPN) degree prior to and during the 2005/2006 academic year will earn a $250.00 credit for each month of employment.

A recipient funded for a Registered Nurse (RN) degree (ADN or BSN) prior to and during the 2005/2006 academic year will earn a $417.00 credit for each month of 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 10% interest rate beginning ninety (90) days after withdrawal from the program. Cash payments are due on the next billing cycle after the expiration of the ninety day grace period. For additional instructions on cash repayment click on the Cash Repayment link.

How to apply for loan forgiveness.

To qualify for loan forgiveness, you must first graduate from the program for which you received financial assistance, obtain licensure from the North Carolina Board of Nursing, and secure full-time employment in a qualified position. 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. Submit verification of graduation to the NCSEAA.

2. Notify the NCSEAA of your intent to repay through loan forgiveness within 90 days of graduation.
3. Obtain licensure from the North Carolina Board of Nursing.

4. Secure a qualified position.

5. Complete a Loan Forgiveness Application form and submit it to the NCSEAA for approval.

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

The purpose of the NESLP loan program is to increase the number of Licensed Practical Nurses (LPN) and Registered Nurses (RN) available to the health care delivery system in North Carolina. You may work in any county in North Carolina. All work sites must be approved by the NCSEAA.

What forms do I submit to the NCSEAA?

Once you are licensed by the North Carolina Board of Nursing and secure employment in a qualifying position, you must submit a Loan Forgiveness Application form to the NCSEAA for approval.

How long must I work to fulfill my loan obligation?

- Borrowers funded for a Licensed Practical Nurse (LPN) degree prior to and during 2005/2006 will earn a $250.00 credit for each month of completed service.

- Borrowers funded for a Registered Nurse (RN) degree prior to and during 2005/2006 will earn a $417.00 credit for each month of employment.

- Borrowers funded for Licensed Practical Nurse and Registered Nurse degrees during and after 2006/2007 must work one year for each academic year of funding.

What if I change my worksite?

If there is a worksite change before you complete your loan forgiveness obligation, you must seek approval from the NCSEAA prior to the change to ensure the new site qualifies for loan forgiveness. Should you have a break in employment prior to completing your obligation, you should notify the NCSEAA immediately of the status change.

What if I have a break in employment?
If you have a break in employment prior to the completion of your obligation to the State of North Carolina, you may be eligible to postpone or defer payments. To apply for deferment, you must submit a Postponement Request Form to the NCSEAA for approval. Eligible deferments include: personal illness, Family Medical Leave, full-time student enrollment, and unemployment.

**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 NESLP program. For additional instructions on cash repayment, click on the Cash Repayment link.

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

Additional information is available in the NESLP/HSM 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.