NURSE SCHOLARS PROGRAM (NSP) UNDERGRADUATE
MASTERS NURSE SCHOLARS PROGRAM (MNSP) GRADUATE

LOAN FORGIVENESS

The Nurse Scholars Program was established by the North Carolina General Assembly to provide financial assistance in the form of merit-based loans to North Carolina students who commit to work as registered nurses or nurse educators in North Carolina.

A recipient who graduates from the NSP/MNSP program and secures a qualified position may apply to repay the loan through loan forgiveness.

A recipient who received funding during 2007/2008 and afterwards will earn loan forgiveness of one academic year of funding for each year of full-time employment. A recipient who works at least half-time will earn one-half the loan forgiveness credit of a full-time position.

A recipient who received funding prior to and during the 2006/2007 funding year will earn $417.00 for each month of qualified full-time employment. A recipient who works at least half-time will earn $208.50 for each month of qualified employment.

Borrowers who work half-time should plan to work some full-time periods in order to complete their loan forgiveness obligation within the seven year loan forgiveness eligibility period.

A borrower who does qualify for loan forgiveness must repay the loan in cash, which includes a 10% interest rate beginning ninety days after withdrawal/graduation from the program. 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 on the degree level for which you received financial assistance, obtain licensure from the North Carolina Board of Nursing, and secure 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. 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
2. Obtain licensure from the North Carolina Board of Nursing.

3. Secure a qualified position.

4. Complete a Loan Forgiveness Application form and return it to the NCSEAA for approval.

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

Effective July 1, 2007, a borrower may qualify for loan forgiveness by working full-time or half-time as a nurse or nurse educator in North Carolina. If you opt to work half-time, you will earn one-half the service credit of a full-time service period. Borrowers who work half-time should plan to work some full-time periods in order to complete their loan forgiveness obligation within the seven year loan forgiveness eligibility period. All worksites 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?

You must complete your loan forgiveness obligation within seven years of graduation from the Nurse Scholars Program, excluding periods of approved deferment.

Borrowers who received funding during 2007/2008 and afterwards will earn one year of loan forgiveness for each year of full-time employment. Borrowers who work at least half-time will earn one-half the loan forgiveness credit of a full-time position and should plan to work some full-time periods in order to complete loan forgiveness within the seven year eligibility period. All positions must be approved by the NCSEAA.

Borrowers who received funding prior to and during the 2006/2007 funding year will earn $417.00 for each month of qualified full-time employment. Borrowers who work at least half-time will earn $208.50 for each month of qualified half-time employment. Borrowers who work half-time must work some full-time periods in order to complete their loan forgiveness obligation within the seven year eligibility period.

What if I change my worksite?

If there is a worksite change before you complete your NSP/MNSP loan 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 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. See NSP/MNSP Rules and Regulations, section .0403, 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 financial assistance 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 NSP/MNSP program. For additional instructions on cash repayment, click on the Cash Repayment link.

Whom should I contact if I have additional questions concerning my NSP/MNSP loan?

Additional information is available in the NSP/MNSP 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.