

NURSING LOAN FORGIVENESS

LOAN FORGIVENESS FOR NURSE EDUCATORS
AND REGISTERED NURSES

Why choose a career in nursing?

Have you considered a career in the health care industry? Nursing is a career where you can directly impact people's lives. If your ideal job involves helping others while working in a fast-paced environment the nursing profession may be right for you.

There are financial benefits to choosing a career in nursing. Did you know that a portion of your student loans may be forgiven or canceled if you become a registered nurse and work in Iowa, or if you become a nurse educator and are employed as a teacher at an eligible Iowa college or university? More and more Iowans are reaping the rewards of special programs that help reduce student loan debt while allowing them to pursue their career goals. The recipients are individuals who choose to pursue careers in nursing – either as a first-career choice or as a mid-career change.

How does loan forgiveness work?

The financial benefit that a borrower receives is forgiveness or cancellation of all or a portion of qualifying federal student loans.

To receive loan forgiveness or cancellation, you must agree to certain employment conditions, such as working in designated shortage or high-need areas. The conditions vary by program.

Generally, loan forgiveness applies to federal student loans. It is a post-graduation benefit for student loan borrowers employed in high-need service positions that qualify for loan cancellation.

*Every day you will touch a life
or a life will touch you.
~ author unknown*



IowaCollegeAid.gov
Your Financial Aid Connection

Our Mission

We advocate for, and provide a continuum of services to support, Iowa students and families as they explore and finance educational opportunities beyond high school.



IowaCollegeAid.gov
Your Financial Aid Connection

MORE INFORMATION

Information on a range of loan cancellation benefits offered through federal, state and private programs can be found on our website. These include service in the federal government, the military, and in professions such as nursing and teaching.

www.IowaCollegeAid.gov

200 10TH STREET FL 4TH
DES MOINES, IA 50309-3609

877-272-4456

Fax: 515-725-3401

Email: info@iowacollegeaid.gov

Website: www.IowaCollegeAid.gov

© Iowa College Student Aid Commission 2009
IC:NURSING printed July 2009

IOWA Registered Nurse and Nurse Educator Loan Forgiveness Program

About the Iowa Registered Nurse and Nurse Educator Loan Forgiveness Program

This program is a state-supported loan forgiveness program established for registered nurses employed in Iowa and for nurse educators teaching at eligible Iowa colleges and universities.

Who may be eligible for loan repayment?

Eligible applicants are:

- ➔ Nurse educators who hold master's, specialist, or doctorate degrees and are employed by eligible Iowa colleges or universities; or registered nurses who are employed as nurses in Iowa.
- ➔ First employed as nurse educators or registered nurses in Iowa no earlier than July 1, 2007.

What types of loans qualify?

Federal Stafford Loans (subsidized & unsubsidized) including qualifying portions of consolidation loans.

How much can I receive?

The maximum annual award is 20% of the nurse educator's or registered nurse's total Federal Stafford Loan balance, including principal and interest, not to exceed the average resident tuition rate established for students attending universities governed by the Iowa Board of Regents for the first year following the recipient's graduation. For 2009 graduates, the maximum award is \$6,704.

How many years are recipients eligible for forgiveness?

Recipients may receive loan forgiveness for no more than five consecutive years. Applicants who previously received funding under the Iowa Registered Nurse and Nurse Educator Loan Recruitment Program will be eligible for a combined total of five years of eligibility between the two programs.

What criteria is used to select recipients?

Nurse educator applicants will be given priority. If funding does not permit all applicants to receive repayment benefits, criteria for selection of recipients will be prioritized, first for nurse educators, then for registered nurses as follows:

1. Applicant renewal status
2. Full-time employment
3. Iowa residency status
(Priority ranking only; you do not need to be an Iowa resident to apply)
4. Part-time employment
5. Date of application

How are funds disbursed?

Loan payments will be disbursed to the recipient's loan holder and applied directly to eligible loans.

When are funds disbursed?

Loan payments will be disbursed to the student loan holder upon:

- ➔ Completion of the 12-month period for which forgiveness is approved.
- ➔ Certification by the recipient's employer that he or she was employed during the 12-month period and completed the year in good standing.

How to Apply:

Complete and submit an application at www.IHaveaPlanIowa.gov.

Applications will be accepted after the deadline date only if funds remain available.

FEDERAL Nursing Education Loan Repayment Program

About Federal Nursing Education Loan Repayment (NELRP)

The Nursing Education Loan Repayment Program (NELRP) is a federal program that provides registered nurse recipients with loan forgiveness of up to 60% of their qualifying loan balance in exchange for 2 years of service at a critical shortage facility. Participants may be eligible to work a third year and receive additional loan forgiveness of 25% of the qualifying loan balance. While the amount of federal aid available nationwide is limited, funding has increased from \$2 million to more than \$10 million in an effort to counter the country's short supply of registered nurses. Iowans are encouraged to apply.

Who may be eligible for loan repayment?

Eligible applicants:

- ➔ Have received baccalaureate or associate degrees in nursing, diplomas in nursing, or graduate degrees from accredited schools of nursing.
- ➔ Have outstanding balances on qualifying loans.
- ➔ Are U.S. citizens, U.S. nationals, or lawful permanent residents of the U.S.
- ➔ Have current permanent unrestricted licenses as registered nurses in states in which they intend to practice or are authorized to practice pursuant to the Nurse Licensure Compact.
- ➔ Are employed at a non-profit facility (effective October 1, 2007).

Recipients enter into a contract agreeing to provide full-time employment in an approved, eligible health care facility for two or three years.

How is financial need determined?

Applicants whose total qualifying nursing education loans are 40% or greater than their annual salaries are considered to have the greatest financial need.

What types of loans qualify?

Qualifying loans include government and commercial loans obtained during the time of the student's undergraduate and/or graduate nursing education to pay for tuition, fees, education expenses and reasonable living expenses incurred while completing a qualifying nursing education.

How is funding awarded?

Applicants with the greatest financial need who are employed at critical shortage facilities will be funded first. These facilities include: disproportionate share hospitals, nursing homes, federally designated community health centers, federally designated migrant health centers, state or local public health departments, rural health clinics, and Indian health service centers.

A broad range of other service areas and facilities may qualify. View these on the NELRP website: <http://bhpr.hrsa.gov/nursing/loanrepay.htm>. For more information, contact the NELRP Call Center at 877-464-4772.

How to apply:

Check the NELRP website at <http://bhpr.hrsa.gov/nursing/loanrepay.htm> to determine the exact deadline date and to apply online.

Iowa Student Loan Nursing Education Loan Forgiveness Program

Students who are currently enrolled in registered nursing programs or post-baccalaureate nursing educator programs at accredited Iowa colleges, universities, or other similar educational institutions may be eligible to receive loan forgiveness ranging between \$10,000 and \$20,000 over a four-year period. To be eligible, your qualifying student loans must be held by Iowa Student Loan at the time loan forgiveness is requested. Go to www.studentloan.org/nursing for more details.