



# Nursing Education Loan Repayment Program

## Fiscal Year 2011 Application and Program Guidance

December 2010

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Health Resources and Services Administration  
Bureau of Clinician Recruitment and Service  
Division of Nursing and Public Health  
5600 Fishers Lane, Room 12B-42  
Rockville, Maryland 20857

**For Questions**, please call 1-800-221-9393 (TTY: 1-877-897-9910), or email [CallCenter@hrsa.gov](mailto:CallCenter@hrsa.gov), Monday through Friday (except Federal holidays) 9:00am to 5:30 pm EST.

Frequently Asked Questions are available online at <http://answers.hrsa.gov/>

*Authority: Section 846(a) of the Public Health Service Act (42 United States Code 297(n)(a)), as amended by Sec. 5310(a) of Public Law 111-148. Future changes in the governing statute, implementing regulations and Program Guidances may also be applicable to your participation in the Nursing Education Loan Repayment Program.*

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## **Privacy Act Notification Statement**

### **General**

This information is provided pursuant to the Privacy Act of 1974 (Public Law 93-579), as amended, for individuals supplying information for inclusion in a system of records.

### **Statutory Authority**

Section 846(a) of the Public Health Service Act (42 United States Code 297(n)(a)), as amended by Sec. 5310(a) of Public Law 111-148.

### **Purposes and Uses**

The purpose of NELRP is to assist in the recruitment and retention of professional Registered Nurses (RNs) dedicated to providing health care in facilities with a critical shortage of nurses and nurse faculty, by decreasing the economic barriers associated with pursuing careers at such critical shortage facilities or in academic nursing. The information applicants provide will be used to evaluate their eligibility for participating in NELRP. In addition, information from other sources will be considered (e.g., credit bureau reports).

A participant's contract, application, required supplemental forms, supporting documentation, correspondences and related data are maintained in a system of records to be used within the U.S. Department of Health and Human Services to monitor NELRP-related activities. The information may also be disclosed outside the Department, as permitted by the Privacy Act and Freedom of Information Act, to the Congress, the National Archives, the Government Accountability Office, and pursuant to court order and various routine uses (see <http://www.hrsa.gov/privacyact/sorn/09150037.htm>).

### **Effects of Nondisclosure**

Disclosure of the information sought is voluntary; however, if not submitted, except for the replies to questions related to Race/Ethnicity (Part II of the online application for the NELRP), an application will be considered incomplete and therefore will not be considered for an award under this announcement.

### **Paperwork Reduction Act Public Burden Statement**

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current OMB control number. The current OMB control number for information collected through this application process is 0915-0140. Public reporting burden for this collection is estimated to average 6 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to HRSA Reports Clearance Office, 5600 Fishers Lane, Room 10-33, Rockville, Maryland 20857.

OMB No. 0915-0140 Expiration 01/31/2011

## Program Overview

### INTRODUCTION

#### **What is the Nursing Education Loan Repayment Program (NELRP)?**

The United States continues to experience a nursing shortage that is expected to increase given the aging demographic of the U.S. population and a growing need for health care. Further compounding this problem, U.S. nursing colleges and universities cannot expand enrollment levels due to a shortage of nurse faculty. NELRP was established in part to address this issue.

NELRP is administered by the Bureau of Clinician Recruitment and Service (BCRS) in the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS). The purpose of NELRP is to assist in the recruitment and retention of professional registered nurses (RNs) dedicated to providing health care in facilities with a critical shortage of nurses and nurse faculty, by decreasing the financial barriers associated with pursuing careers at such critical shortage facilities or in academic nursing. The program offers RNs and nurse faculty substantial financial assistance to repay a portion of their qualifying educational loans in exchange for full-time service at either a health care facility with a critical shortage of nurses, or at an accredited school of nursing in the case of nurse faculty.

#### **What are the benefits of the NELRP?**

- (1) **Service.** Participants will join the thousands of RNs and nurse faculty across the nation to meet the health care needs of underserved communities, while ensuring a strong and sustainable nursing workforce for the future.
- (2) **Loan Repayment.** The NELRP will provide funds to participants to repay a portion of their outstanding qualifying nursing education loans. Participants receive the following benefits:
  - a. **60 Percent of Total Qualifying Nursing Educational Loan Balance.** For an initial two-year commitment, the NELRP will pay a total of 60 percent (30 percent each year) of a participant's qualifying nursing education loan balance incurred while pursuing an education in nursing, as of the effective date of the two-year contract.
  - b. **An Additional 25 Percent of Total Qualifying Nursing Educational Loan Balance.** For a third, optional, year of service, subject to the availability of funds, NELRP will pay participants 25 percent of their original total qualifying nursing education loan balance for qualifying nursing education, as of the effective date of their initial two-year contract.

**TAX NOTICE:** NELRP payments are subject to Federal taxes. NELRP will withhold Federal income tax and Federal Insurance Contributions Act (FICA) tax (Social Security and Medicare) from a participant's NELRP award and pay those taxes directly to the IRS on the participant's behalf. All NELRP payment and Federal taxes withheld will be reported to the participant and the IRS on a Form W-2 after the end of the tax year. These loan repayments may also be subject to State and local incomes taxes. All loan repayments paid to the participant after Federal tax withholding must be used by the participant to repay qualifying nursing education loans. A participant's payments to his/her lenders or holders are subject to periodic verification by the NFI RP

Under the Treasury Offset Program, the Treasury Department is authorized to offset NELRP payments for the application of delinquent Federal and State debts, including delinquent child support payments.

## ELIGIBILITY REQUIREMENTS, FUNDING PREFERENCE, & APPLICATION PROCESS

### **What are the eligibility requirements?**

To be eligible for loan repayment, all applicants must:

- (1) Be a U.S. citizen (either U.S. born or naturalized), U.S. National, or Lawful Permanent Resident;
- (2) Have received a diploma, an associate, a bachelor's, a master's, a doctoral degree, a post master's certificate, or a certification of nursing from an accredited school of nursing in a State (see Definitions);
- (3) Be employed full-time, defined as at least 32 hours per week, at a non-profit Critical Shortage Facility;  
-OR-  
Be employed as a full-time nurse faculty member at a public or private non-profit accredited school of nursing (see Definitions);
- (4) Have outstanding qualifying nursing education loans leading to a degree or diploma in nursing;
- (5) Have completed the nursing education program for which the loan balance applies; and
- (6) Have a current, full, permanent, unencumbered, unrestricted license to practice as an RN in the State in which they intend to practice or is authorized to practice in that State pursuant to the Nurse Licensure Compact.

Please refer to the Nurse Licensure Compact state listing at <http://www.ncshn.org/158.htm>

Applicants will be deemed ineligible if they:

- (1) Have any judgment liens arising from Federal debt;
- (2) Have an existing service obligation (e.g., the National Health Service Corps Loan Repayment Program, the State Loan Repayment Program, or the Bureau of Health Professions Nurse Faculty Loan Program) that will not be satisfied by the application deadline;

**Exception:** Individuals in a Reserve component of the Armed Forces, including the National Guard, are eligible to participate in the NELRP. Reservists should understand the following:

- Military training or service performed by reservists will not satisfy the NELRP service commitment. If a participant's military training and/or service, in combination with the participant's other absences from the facility or school of nursing, will exceed 7 weeks per service year, the participant should request a suspension of his/her service obligation. The NELRP payments will be stopped while the reservist is on an approved suspension and will resume when the reservist returns to full-time service. The service obligation end date will be extended to compensate for the break in service.
- If the approved facility or school of nursing where the reservist is serving at the time of his/her deployment is unable to reemploy that reservist, the reservist will be expected to complete his/her NELRP service obligation at another eligible, approved facility or school of nursing. The reservist must contact the Division of Program Operations and request a transfer, and receive approval, in accordance with the transfer policy (see page 13).

- (3) Have defaulted on any Federal payment obligations (e.g., Health Education Assistance Loans, Nursing Student Loans, FHA Loans, Federal income tax liabilities, etc.) or non-Federal payment obligations (e.g., court-ordered child support payments);
- (4) Have defaulted on a prior service obligation to the Federal government or a State or local government, even if you subsequently satisfied that obligation through service, monetary payment or other means;
- (5) Had any Federal or non-Federal debt written off as uncollectible or had any Federal service or payment obligation waived;
- (6) Are currently excluded, debarred, suspended, or disqualified by a Federal agency from participating in a covered transaction;
- (7) Work for nurse staffing agencies or travel nurse agencies;
- (8) Work on an “as needed” basis (this includes PRNs, Pool Nurses, or other RNs who are not scheduled in a full-time capacity, as defined by NELRP);
- (9) Have a temporary or inactive RN license;
- (10) Are a licensed practical or vocational nurse;
- (11) Are self-employed;
- (12) Have failed to apply all funds from any HRSA scholarship and/or loan repayment program previously received towards your qualifying educational loans; OR
- (13) Work at a for-profit facility or school of nursing.

### **What types of educational loans qualify for NELRP?**

NELRP participants will receive funds to repay a portion of the outstanding principal of, and interest on, qualifying educational loans (see Definitions) obtained by the participant, at the time of the participant’s undergraduate and/or graduate qualifying nursing education.

**(1) Qualifying Educational Loans** include:

- a. Tuition, fees, and other reasonable educational expenses (see Definitions) for qualifying nursing education; and
- b. Reasonable living expenses (see Definitions) incurred for qualifying nursing education.

Examples of qualifying educational loans include: Nursing Student Loans, Stafford Loans, and Supplemental Loans for Students.

**(2) Consolidated Loans** may also be eligible within the following guidelines:

- a. The consolidated/refinanced loan must be from a Government (Federal, State, or local) or commercial lender and must include only qualifying education loans of the applicant.
- b. If an otherwise eligible educational loan of the applicant is consolidated/refinanced with ineligible (non-qualifying) debt of the applicant, no portion of the consolidated/refinanced loan will be eligible for loan repayment.

**(3) Non-Qualifying Loans** include but are not limited to:

- a. Loans for which the applicant incurred a service obligation as a nurse or nurse faculty, which will not be fulfilled by the NELRP application deadline.
- b. Loans obtained for training in vocational or practical nursing.
- c. Loans obtained from family members, or from private institutions or other entities that are not subject to Federal or State examination and supervision as lenders.
- d. Loans made prior to or after the applicant’s qualifying nursing education.
- e. Loans obtained for non-nursing education or for courses taken toward a non-nursing degree that may later qualify as a prerequisite for a nursing program.
- f. Loans that have been paid in full.
- g. Parent PLUS Loans (made to parents).

- h. Credit Cards or Personal Lines of Credit.
- i. Federal Perkins Loans (unless the applicant can provide documentation as indicated in the Instructions for Supplemental Forms and Supporting Documentation that such loans are not subject to cancellation).

### Does my site qualify for the NELRP?

A NELRP participant is required to work at either a Critical Shortage Facility, or an accredited school of nursing in the case of nurse faculty participants.

Critical Shortage Facilities include:

- (1) **Disproportional Share Hospital (DSH).** A non-profit hospital that has a disproportionately large share of low-income patients and receives an augmented payment from the States under Medicaid or a payment adjustment from Medicare. Hospital-based outpatient services are included under this definition. For more information, please visit: [http://www.cms.hhs.gov/AcuteInpatientPPS/05\\_dsh.asp#TopOfPage](http://www.cms.hhs.gov/AcuteInpatientPPS/05_dsh.asp#TopOfPage).
- (2) **Nursing Home.** A public or private non-profit institution (or a distinct part of an institution), certified under section 1919(a) of the Social Security Act, that is primarily engaged in providing, on a regular basis, health related care and service to individuals to because of their mental or physical condition require care and service (above the level of room and board) that can be made available to them only through institutional facilities, and is not primarily for the care and treatment of mental diseases. For more information, please visit: <http://www.medicare.gov/Nursing/Overview.asp>.
- (3) **State or Local Public Health or Human Services Department.** The State, county, parish, or district entity in a State that is responsible for providing population-focused health services which include health promotion, disease prevention, and intervention services provided in clinics or other health care facilities that are operated by the Department.
- (4) **Federally-Designated Health Center.** A non-profit entity that is receiving a grant, or funding from a grant, under section 330 of the Public Health Service Act, as amended, to provide primary health services and other related services to a population that is medically underserved. Federally-designated health centers include Community Health Centers, Migrant Health Centers, Health Care for the Homeless Health Centers, and Public Housing Primary Care Health Centers. For more information, please visit: <http://findahealthcenter.hrsa.gov>.
- (5) **Federally-Designated Health Center Look-Alike.** A non-profit entity that is certified by the Secretary as meeting the requirements for receiving a grant under section 330 of the Public Health Service Act, but is not a grantee. For more information, please visit: <http://bphc.hrsa.gov/policy/pin0321.htm>.
- (6) **Native Hawaiian Health Center.** An entity: (a) which is organized under the laws of the State of Hawaii; (b) which provides or arranges for health care services through practitioners licensed by the State of Hawaii, where licensure requirements are applicable; (c) which is a public or non-profit private entity; and (d) in which Native Hawaiian health practitioners significantly participate in the planning, management, monitoring, and evaluation of health services. For more information, please see the Native Hawaiian Health Care Act of 1988 (Public Law 100-579), as amended by Public Law 102-396, and <http://healthfinder.gov/orgs/HR3600.htm>.
- (7) **Indian Health Service Health Center.** A non-profit health care facility (whether operated directly by the Indian Health Service or by a tribe or tribal organization, contractor or grantee under the Indian Self-Determination Act, as described in 42 Code of Federal Regulations (CFR) Part 136, Subparts C and H, or by an urban Indian organization receiving funds under Title V of

the Indian Health Care Improvement Act) that is physically separated from a hospital, and which provides clinical treatment services on an outpatient basis to person of Indian or Alaskan Native descent as described in 42 CFR Section 136.12. For more information, please visit: <http://www.ihs.gov>.

- (8) **Rural Health Clinic.** A public or private non-profit entity that the Centers for Medicare and Medicaid Services has certified as a rural health clinic under section 1861(aa)(2) of the Social Security Act. A rural health clinic provides outpatient services to a non-urban area with an insufficient number of health care practitioners. For more information, please visit: <http://www.cms.hhs.gov/center/rural.asp>.
- (9) **Critical Access Hospital (CAH).** A non-profit facility that is (a) located in a State that has established with the Centers for Medicare and Medicaid Services (CMS) a Medicare rural hospital flexibility program; (b) designated by the State as a CAH; (c) certified by the CMS as a CAH; and (d) in compliance with all applicable CAH conditions of participation. For more information, please visit: [http://www.cms.hhs.gov/Certificationandcompliance/04\\_CAHs.asp](http://www.cms.hhs.gov/Certificationandcompliance/04_CAHs.asp).
- (10) **Skilled Nursing Facility (SNF).** A public or private non-profit institution (or a distinct part of an institution), certified under section 1819(a) of the Social Security Act, that is primarily engaged in providing skilled nursing care and related services to residents requiring medical, rehabilitation, or nursing care and is not primarily for the care and treatment of mental diseases. For more information, please visit: <http://www.cms.hhs.gov/center/snf.asp>.
- (11) **Non-Federal, Non-Disproportionate Share Hospital.** Any public or private non-profit institution in a State that is primarily engaged in providing care, by or under the supervision of physicians, to inpatients for: (a) diagnostic and therapeutic services for medical diagnosis, treatment, and care of injured, disabled, or sick persons, of (b) rehabilitation of injured, disabled, or sick persons. Hospital-based outpatient services are included under this definition.
- (12) **Ambulatory Surgical Center.** A non-profit entity in a State that provides surgical services to individuals on an outpatient basis and is not owned or operated by a hospital.
- (13) **Home Health Agency.** A public agency or private non-profit organization, certified under section 1861(o) of the Social Security Act that is primarily engaged in providing skilled nursing care and other therapeutic services. For more information, please visit: <http://www.cms.hhs.gov/center/hha.asp>.
- (14) **Hospice Program.** A public agency or private non-profit organization, certified under section 1861(dd)(2) of the Social Security Act, that provides 24-hour care and treatment services (as needed) to terminally ill individuals and their families. This care is provided in individuals' homes, on an outpatient basis, and on a short-term inpatient basis, directly or under arrangements made by the agency or organization.
- (15) **Federal Hospital.** Any Federal institution in a State that is primarily engaged in providing, by or under the supervision of physicians, to inpatients: (a) diagnostic and therapeutic services for medical diagnosis, treatment, and care of injured, disabled, or sick persons; or (b) rehabilitation of injured, disabled, or sick persons. Hospital-based outpatient services are included under this definition.

Note: If an applicant or Critical Shortage Facility is not sure whether a facility fits into one of the categories above, please contact your business office or Human Resources department.

Ineligible facilities include, but are not limited to:

- (1) free-standing clinics that do not qualify as a facility above;
- (2) renal dialysis centers;



- (3) private practice offices;
- (4) assisted living facilities;
- (5) prisons and correctional facilities; and
- (6) private for-profit facilities.

NOTE: After fiscal year (FY) 2007, the Secretary may not, pursuant to any contract, approve a nurse at any private entity unless that entity is non-profit.

**How does the NELRP determine which nurses will receive loan repayment?**

Historically, the number of qualified applicants has exceeded available NELRP funding. Consequently, the program uses funding preferences to determine the sequential order in which qualified applicants are considered for an award. As provided in section 846(e) of the Public Health Service Act, as amended, the following funding preferences will be applied:

- (1) **Greatest Financial Need.** Applicants with the greatest financial need, defined as those qualified applicants whose total qualifying educational loans are 40 percent or greater than their base annual salary, will be given priority.
- (2) **Critical Shortage Facilities.** Funding preference will also be given to nurses working in the types of facilities that have the most severe nursing shortage.

Applicants will be grouped into one of the preference levels described below based on the qualifying educational debt to base annual salary ratio and place of employment. Awards will be made to applicants starting with the first preference category described below by decreasing qualifying nursing education debt to base annual salary ratio until funds are expended.

An applicant's qualifying debt to base annual salary ratio is the dollar amount of the applicant's total outstanding qualifying educational loans (qualifying nursing education debt) divided by his or her base annual salary.

FUNDING PREFERENCE LEVEL	DEBT to SALARY RATIO	TYPE OF FACILITY
First Preference	40 percent or above	Accredited School of Nursing; Disproportionate Share Hospital (DSH); Nursing Home; State or local Public Health or Human Service Department; Federally-Designated Health Center; Native Hawaiian Health Center; Federally-Designated Health Center Look-Alike; Indian Health Service Health Center; Rural Health Clinic; or Critical Access Hospital (CAH).
Second Preference	40 percent or above	Skilled Nursing Facility (SNF) or non-Federal, non-DSH.
Third Preference	40 percent or above	Ambulatory Surgical Center; Home Health Agency; Hospice; or Federal Hospital
Fourth Preference	Below 40 percent	Accredited School of Nursing; DSH; Nursing Home; State or local Public Health or Human Service Department; Federally-Designated Health Center; Native Hawaiian Health Center; Federally-Designated Health Center Look-Alike; Indian Health Service Health Center; Rural Health Clinic; or CAH.
Fifth Preference	Below 40 percent	SNF or non-Federal, non-DSH.
Sixth Preference	Below 40 percent	Ambulatory Surgical Center; Home Health Agency; Hospice; or Federal Hospital

**Example #1:** Amanda attended the University of Maryland where she received a bachelor's degree of nursing in May 2009. She currently has qualifying nursing education debt totaling \$26,683.57. Amanda began working as an RN at the Maryland Department of Health in June 2009 with a base annual salary of \$51,001.

Based on Amanda's information, she is working at a Critical Shortage Facility type Public Health Department and her debt to salary ratio is 52 percent; her application will receive a ranking in the First Funding Preference with a debt to salary ratio of 52 percent.

**Example #2:** Tom attended the Frederick Community College then the University of Maryland where he received a bachelor's degree of nursing in May 2009. He currently has qualifying nursing education debt totaling \$17,465.04. Tom began working as an RN at the Veterans Administration Hospital in June 2009 with a base annual salary of \$46,238.40

Based on Tom's information, he is working at a Critical Shortage Facility type Federal Hospital and his debt to salary ratio is 38 percent; his application would receive a ranking in the Sixth Funding Preference with a debt to salary ratio of 38 percent.

### **What should I know before I apply?**

During past funding cycles funds were awarded to qualified applicants who demonstrated the greatest financial need and worked at Disproportionate Share Hospitals, Nursing Homes, Federally-Designated Health Centers, Migrant Health Centers, Public Health Departments, Rural Health Clinics, Indian Health Service Health Centers, Critical Access Hospitals, and Accredited Schools of Nursing.

In FY 2010, NELRP received 6,978 eligible applications and made 954 initial awards, in addition to 185 Nurse Faculty and 135 continuation awards. Total obligated funds were \$56,961,802.49.

The deadline for submitting an application is: **January 13, 2011. The review process may take up to four months to complete.**

Due to the high volume of applications, confirmation receipt of documents and status of an application will not be provided.

### **What should I expect if I am selected to receive an award?**

If an applicant is selected for a NELRP award, the individual's contract is signed by the Secretary of the Department of Health and Human Services or his/her designee. Note that a contract is not effective until signed by the Secretary or his/her designee. An award letter, copy of the individual's signed contract and a payment summary of the award amount will be sent to each awarded individual.

Award payments are made monthly over 24 months through an electronic funds transfer to the participant's checking or savings account identified on the banking information submitted by the participant. The first direct deposit is made approximately 30 days after the effective date of the contract.

### **Important Notes:**

- (1) Participants are required to use the NELRP payments to pay the lenders or holders of their qualifying educational loans, as indicated on a Payment Authorization Worksheet that will be

provided to participants with their award notice. Periodically, NELRP will contact a participant's lenders or holders to verify that payments have been made.

- (2) Participants must immediately notify the Bureau of Clinician Recruitment and Service, in writing, of any changes in mailing address, email address, name, or financial institution (bank) information to ensure an uninterrupted flow of loan repayment funds. In the case of a name change, please provide legal documentation, such as a copy of a marriage certificate. Participants should send their request to:

NELRP Change of Information  
Division of Program Operations  
5600 Fishers Lane, Room 8-15  
Rockville, MD 20857

- (3) If for any reason a participant does not receive a scheduled payment, the participant should call the NELRP as soon as possible at 1-800-221-9393 or email [callcenter@hrsa.gov](mailto:callcenter@hrsa.gov). Please be advised that if the NELRP has any questions concerning a participant's eligibility for continuing payments, the NELRP will delay payments pending clarification of the participant's eligibility status.

#### SERVICE REQUIREMENTS

##### **What are the service requirements?**

Nurses applying to the NELRP must be employed full-time, defined as at least 32 hours per week for a minimum of 45 weeks per year, at a non-profit Critical Shortage Facility for two consecutive years.

Nurse Faculty applying to the NELRP must be employed as a full-time nurse faculty member at a public or private non-profit accredited school of nursing (see Definitions) for two consecutive years.

For all NELRP participants, the following rules apply:

- (1) Participants must retain a current full, permanent, unencumbered, unrestricted license as an RN during the two-year service obligation to continue to be eligible for the NELRP award;
- (2) No service credit will be given for employment before the effective date of the NELRP contract. The effective date of a contract award is the date the contract is countersigned by the Secretary or his/her designee; and
- (3) If an applicant fails to commence full-time service on the effective date of the contract at the facility/institution identified in the application, he/she may be placed in default.

**Continuation Contracts.** NELRP participants may be eligible for a third year of loan repayment in exchange for an additional year of service at a Critical Shortage Facility or as a faculty member at an accredited school of nursing, subject to the availability of funds. The following conditions must be met:

- (1) A participant must notify NELRP in writing, at least 6 months (180 days) prior to the end of the second service year, that the participant wishes to continue the NELRP contract for a third year;
- (2) A participant must continue to serve at an eligible, approved Critical Shortage Facility or at an accredited school of nursing;

If the participant's site is no longer a non-profit Critical Shortage Facility or the nursing programs at the participant's current school are no longer accredited, a continuation contract will not be awarded. If such a participant wants to continue in NELRP, they must request and receive written prior approval to transfer to another eligible facility or school of nursing prior to submitting his/her continuation contract. Note that moving expenses will not be paid.

- (3) A participant must have a current full, permanent, unencumbered, unrestricted license as an RN and retain it during the one-year service obligation;
- (4) The NELRP payments received after Federal tax withholding under the NELRP two-year contract must have been applied to reduce the original qualifying nursing education loan balances, as indicated on the summary of award sheet that participants will receive with their award letter. A participant's loan balances will be verified and a payment history from their lender(s)/holder(s) will be required. Failure to apply all NELRP payments to reduce the original qualifying nursing education loans balance will result in the denial of a request for a continuation contract;
- (5) A participant must not have an existing service obligation other than NELRP; and
- (6) A participant must continue to meet all other program eligibility criteria, must be in full compliance with their existing NELRP service obligation, and must be planning to work for the duration of the continuation contract at the same approved facility or school of nursing.

Participants will receive an amount equal to 25 percent of their original qualifying nursing education loan balance. The amendment contract will not be effective until the participant has completed the initial two-year contract. The continuation contract service period must begin immediately following the completion of the initial service commitment.

Note that participants are not guaranteed a continuation contract. Continuation contracts are subject to the availability of funds.

### **Will I earn a salary during my service obligation?**

NELRP participants will receive salary and benefits from the employing Critical Shortage Facility or accredited school of nursing. Employment compensation packages may be negotiated between the nurse and the employer. The facility, professional group, or accredited school of nursing cannot guarantee a NELRP contract. Therefore, the NELRP loan repayments should not be a part of any salary negotiations between the nurse and the employer.

### **Can I be absent from my site and receive service credit?**

For nurses, no more than 7 weeks per service year can be spent away from the Critical Shortage Facility for vacation, holidays, continuing education, illness, maternity/paternity/adoption, or any other reason. Absences totaling greater than 7 weeks in a 52-week service year require an extension of the contract end date.

For nurse faculty, no more than 7 weeks per service year can be spent away from their regular full-time faculty appointment for vacation, holidays, continuing education, illness, maternity/paternity/adoption, or any other reason. Absences totaling greater than 7 weeks in a 52-week service year require an extension of the contract end date.

### *Employment Verification.*

The NELRP will send each participant a verification form that must be submitted for each six months of service. The form must be completed and signed by an appropriate official at the approved Critical Shortage Facility or school of nursing. By signing this form, the site will be certifying the participant's compliance or noncompliance with the full-time service requirement applicable during that six-month period. The form will also record the participant's time spent away from the facility or school of nursing during that period. Participants who fail to complete and submit their six-month verification forms on time jeopardize receiving service credit and future continuation contracts and may be recommended for default. The form will be provided to you electronically and should be faxed back to 1-800-718-2539. Any participant who does not receive a 6-month verification form should immediately contact the DPO at 1-877-313-1823 or (301) 446-1630.

### CHANGING JOBS

#### **What steps do I need to take if I have to leave the Critical Shortage Facility prior to completing my service?**

The NELRP expects that a participant will fulfill his or her obligation at the approved Critical Shortage Facility or school of nursing; however, the NELRP does understand that circumstances may arise that require a participant to leave the initial facility or school of nursing and complete service at another approved site. If a participant feels he or she can no longer continue working at the facility or school of nursing, the participant should contact the BCRS immediately. If the participant leaves without prior written approval of the NELRP, he/she may be placed in default.

#### **How do I request a transfer to another facility or school of nursing?**

If a participant needs a transfer to another site, the participant must notify the Division of Program Operations (DPO), in writing, before leaving the facility or school of nursing. The written request should include: (a) the reason for the transfer; (b) a letter/certification from the transfer facility or school of nursing verifying the facility type and indicating if the facility is a private non-profit, private for-profit, or public/government-owned. The request should be mailed to the following address:

Contact Information:  
Transfer Requests - NELRP  
Division of Program Operations  
5600 Fishers Lane, Room 8-15, Rockville, Maryland 20857  
1-800-221-9393

Participants will receive an official written decision from the DPO regarding the approval or denial of a transfer request. Failure to receive prior written approval from the DPO will result in immediate suspension of payments until the DPO: (a) receives all required forms and supporting documentation verifying the transfer site's status and the participant's full-time employment, and (b) approves the participant's transfer request.

The following are additional requirements applicable to transfer requests:

- (1) Participants must transfer to one of the types of facilities included in the First Funding Preference;
- (2) If there is no break in service between the initial site and the approved transfer site, the NELRP payments will not be interrupted. However, if the participant fails to resume service within 30 days of the stop-work date at the initial facility or school of nursing, the DPO will stop all loan

repayments. Once the participant begins full-time service at another approved facility or school of nursing, the service end date will be extended accordingly and loan repayments will resume;

- (3) If a participant ceases full-time employment at the initial site and does not resume service at an eligible approved facility or school of nursing within 60 days, the participant will be recommended for default.

## BREACHING THE CONTRACT

### **What if I breach my NELRP contract?**

The NELRP encourages participants to immediately contact the DPO if a situation arises in which a participant is potentially unable to fulfill his/her service obligation. The DPO will work with participants to assist them to the extent possible to avoid a breach and fulfill the service obligation. A participant who breaches the NELRP contract by failing, for any reason, to begin or complete the required NELRP service obligation will be placed in default. The following applies to those who breach their NELRP contract:

- (1) **Breach of Initial Contract.** A participant who fails to complete his/her initial two-year contract is liable to repay all the NELRP payments received (including amounts withheld for Federal taxes), plus interest at the maximum legal prevailing rate from the date of the participant's breach. Breach of contract will permanently disqualify the individual from receiving future awards under the NELRP and some other Federal programs.
- (2) **Breach of Continuation Contract.** A participant who enters into a continuation contract but fails to complete his/her obligation is liable to repay all the NELRP payments received for the third year of service (including amounts withheld for Federal taxes), plus interest at the maximum legal prevailing rate from the date of the participant's breach. Breach of contract will permanently disqualify the individual from receiving future awards under the NELRP and some other Federal programs.

Any indebtedness owed to the Federal government, under the paragraphs above, is due within three years of the participant's service breach date. The debt amount will be subject to interest at the maximum legal prevailing rate from the date of the breach until paid in full. Other charges and penalties for delinquent or past due payments may be assessed.

## SUSPENSION & WAIVERS

### **What should I do if I cannot continue my service or payment obligation?**

The Secretary of Health and Human Services may, under certain circumstances, suspend (put "on hold") or waive (excuse) the NELRP service or payment obligation. Suspension and waiver requests are reviewed and processed by the Office of Legal and Compliance (OLC). A request for a suspension or waiver must be submitted in writing to:

Suspension and Waiver Requests - NELRP  
Division of Program Operations  
5600 Fishers Lane, Room 8-15, Rockville, Maryland 20857  
1-800-221-9393 (TTY: 1-877-897-9910)  
Fax: (301) 451-5384

- (1) Suspension. This mechanism provides temporary relief to an NELRP participant if he/she has short-term (not permanent) circumstances that currently make compliance with the obligation impossible or would involve an extreme hardship such that enforcement of the obligation would be unconscionable. Except as noted below, the OLC will respond to the participant's request. Periods of approved suspension will extend a participant's NELRP service obligation end date.

All periods of time away from the approved facility or school of nursing should be documented by the employer on the six-month service verification form. If the total time away from the site, including the period of suspension, exceeds 7 weeks, the service obligation end date will be extended accordingly.

The major categories of service suspensions are set forth below.

- a. Leave of Absence for Medical or Personal Reasons – A suspension may be granted for up to one year, if the participant provides independent medical documentation of a physical or mental health disability, or personal circumstances, including a terminal illness of an immediate family member, which results in the participant's temporary inability to perform the NELRP obligation. Upon receipt of the written suspension request, the OLC will mail the participant instructions for submitting supporting documentation.
  - b. Maternity/Paternity/Adoption Leave – Participants must notify the DPO of pending maternity/paternity/adoption leave and provide appropriate documentation. Maternity/paternity/adoption leave of 12 weeks or less will be automatically approved, if properly documented on the six-month verification form. If the participant's maternity/paternity/adoption leave will exceed 12 weeks during that service year, a suspension may be granted by the OLC based on documented medical need.
  - c. Call to Active Duty in the Armed Forces – Participants who are also military reservists and are called to active duty will be granted a suspension, for up to one year, beginning on the activation date described in the reservist's call to active duty order. In addition to the written request for a suspension, a copy of the order to active duty must be submitted to DPO. The suspension will be extended if the applicable Armed Forces entity continues the period of active duty. The period of active military duty will not be credited toward the NELRP service obligation.
- (2) Waiver. A waiver permanently relieves the participant of all or part of the NELRP obligation. A waiver will be granted only if the participant demonstrates that compliance with his/her obligation is permanently (a) impossible or (b) would involve an extreme hardship such that enforcement of the obligation would be unconscionable. A request must be submitted in writing to the DPO and must specify the reason(s) the waiver is being sought. The participant will be contacted directly by the OLC regarding the medical and financial documentation necessary to process the waiver request. Please note that waivers are not routinely granted, and require a showing of compelling circumstances.

### **When would my service obligation be cancelled?**

A participant's obligation would be cancelled only in the unfortunate event of death. No liability will be transferred to your heirs.

## Apply Now

### TIPS & IMPORTANT DATES

#### **What should I do before I apply?**

Please read the Program Guidance in its entirety before proceeding with an application. It explains the contractual obligations of the Secretary of Health and Human Services or their designee and NELRP participants. Be sure you understand the obligation to serve full-time for 2 years at a Critical Shortage Facility or at a school of nursing and the financial consequences of failing to perform that obligation. Applicants are strongly encouraged to print and retain a copy of the Guidance for future reference.

#### **When is the application deadline?**

A complete electronic application must be submitted by 5:00pm EST on January 13, 2011. All required supplemental forms and appropriate supporting documentation must be faxed or postmarked by January 13, 2011.

#### **What materials will I need when I apply?**

To apply to NELRP, you must submit a complete application package consisting of:

(1) **Online Application**

- a. The information collected in the online application will provide an initial ranking of your application.

(2) **Supplemental Forms**

- a. Loan Information and Verification Form(s);
- b. Employment Verification and Critical Shortage Facility Form (for nurses);
- c. Employment Verification Form for Nurse Faculty Appointment
- d. Certification of Accreditation Status for School of Nursing Education Programs (if applicable);
- e. Authorization for Release of Employment Information;
- f. Authorization to Release Information;
- g. Certification regarding Debarment, Suspension, Disqualification, and Related Matters;
- h. Transcripts; and
- i. Signed NELRP Application Checklist and Self-Certification Form.

DOCUMENT	NURSE	NURSE FACULTY
Loan Information and Verification Form	X	X
Employment Verification & Critical Shortage Facility Form	X	
Employment Verification Form for Nurse Faculty Appointment		X
Certification of Accreditation Status for School of Nursing Education Programs		X
Authorization for Release of Employment Information	X	X
Authorization to Release Information	X	X
Certification regarding Debarment, Suspension, Disqualification, and Related Matters	X	X
Transcripts	X	X
Signed NELRP Application Checklist and Self-Certification Form	X	X

(3) **Supporting Documentation**



- a. If you were born outside of the United States, documentation of your status as a U.S. citizen, U.S. National, or Lawful Permanent Resident;
- b. Statement from Professional Group, for advanced practice nurses employed by a professional group; and
- c. Documentation that Perkins loans are not eligible for cancellation (if applicable).

Application packages deemed incomplete (e.g., missing, illegible, or incomplete application materials) as of January 13, 2011 will not be considered for funding. NELRP will not accept requests for updates to your online application after its submission (other than name and home and email address updates). NELRP will not accept the submission/resubmission of incomplete, rejected, or otherwise delayed application materials after the deadline. In addition, NELRP staff will not fill in any missing information or contact applicants regarding missing information.

It is required that the information in your online application match your Supplemental Forms and Supporting Documentation. If this information does not match, your application will be deemed ineligible. Inaccurate loan and/or employment information contained in the online application will result in your application receiving an inaccurate ranking, and it will not be considered for funding.

## INSTRUCTIONS

### **General Instructions**

Send your Required Supplemental Forms and Supporting Documentation to:

NELRP  
c/o HRSA Document Center  
12530 Parklawn Drive, Suite 350  
Rockville, MD 20852  
Fax: (301) 998-7377

If any of the forms/documents described below are not included with the application, are not signed, or are otherwise incomplete, or if the forms are not clearly printed on separate sheets of white 8 ½" x 11" paper, the application will be deemed incomplete and the applicant will not be considered for a NELRP award.

Do not send documents (such as loan consolidations forms or proof of citizenship) that cannot be replaced. Documents must be retained in an official file and will not be returned. Applicants are encouraged to keep a copy of the application package for their records.

Due to the volume of applications, supporting documentation received by mail will not be confirmed. You are encouraged to mail your documents in a manner that will provide you with a receipt of delivery confirmation. Retain all fax confirmations for your records.

Direct questions or inquiries to the HRSA Call Center (see Resources for Applicants)

### **Instructions for Online Application**

Instructions for completing the application are provided as necessary when an applicant is completing it online. It is strongly recommended that before you attempt to complete the online application you:

- (1) Review the Program Guidance completely;
- (2) Download and complete the required Supplemental Forms and Supporting Documentation (if applicable);
- (3) Develop a list of all institutions (college and universities) where loans were incurred towards your nursing degree, for those loans being submitted for loan repayment. Applicants will be asked to provide the type of degree received, the school name and address, the attendance start and end dates, and the graduation date if applicable; and
- (4) Develop a Curriculum Vitae (CV). Applicants will be asked to provide a CV, which documents all education, training, and degrees, and accounts for all time period/employment since the applicant's completion of a qualifying health profession education.
- (5) After completing each page of the online application, and upon the final submission, applicants will receive a receipt indicating a successful submission. Please print this off and retain it for your records.

### **Instructions for Supplemental Forms**

- (1) **Loan Information and Verification Form(s).** Please review the types of loans eligible for repayment under the NELRP in the Program Overview section of the Guidance under Eligibility Requirements.
  - a. Applicants must complete a Loan Information and Verification Form (Loan Form) for each lender (or holder) for the nursing education loan(s) they wish to be considered for repayment. All 15 questions on this form must be answered or the loan will not be considered for repayment. If an applicant has multiple loans with the same lender/holder, a Loan Form for each loan must be submitted. This form authorizes your lender(s)/holder(s) to release information about your loan(s) to the NELRP. If additional forms are needed, please download and print them or photocopy the form.
  - b. Be sure to include the most current lender/holder of the loan and the lender/holder's complete address and telephone number. Provide the lender/holder's automated access telephone and loan account number that will permit the NELRP to obtain loan information for verification purposes. The most current balance of each loan – principal and interest – must be determined as accurately as possible and reported on the Loan Form.
  - c. Applicants must include all loans for undergraduate and/or graduate nursing education they wish to be considered with the application. Only those loans submitted with the application will be considered for repayment.
  - d. Applicants must provide copies of all required documents for loans being submitted for repayment that show for each loan the original amount, dates of disbursement, and type as indicated in the Checklist "Loan Documentation Required" table.
  - e. If undergraduate or graduate nursing education loans have been consolidated or refinanced, the documentation noted below is required to establish that the loans coincide with the nursing education periods stated on the application.
    - i. Applicants who have consolidated/refinanced their loans must provide either: (1) a copy of their promissory note(s) for the original loan(s) or (2) a copy of the consolidated/refinanced promissory note from the current lender(s) that shows, for each loan being consolidated, the amount, date of original disbursement, and type of loan. See Checklist "Loan Documentation Required" table.
  - f. Applicants who have Perkins loans that are not eligible for cancellation must also provide documentation (1) from the school that the loans are not subject to cancellation under 34

CFR Part 674, or (2) from the current lender indicating that the Perkins loans were consolidated and paid off.

- (2) **Employment Verification & Critical Shortage Facility Form.** The applicant's employer must fill out this form completely and return it to the applicant for submission with other application materials. Nurse faculty applicants are not required to submit the Critical Shortage Facility form.
- a. Name and address of Health Care Facility or Accredited School of Nursing means the name and location where the applicant is working; not the name and address of the corporation or other entity that may own the facility or operate the school of nursing.
  - b. Employment Start Date is the month, day, and year the applicant will begin or began his or her employment as an RN at the facility or school of nursing named in the application. Employment prior to the effective date of the NELRP contract will not count toward the fulfillment of the service obligation.
  - c. The base annual salary of the applicant must be reported. For practicing clinical RNs, base salary does not include overtime or shift differential. Applicants working at a facility or school of nursing for less than one year must report their negotiated base salary for the year.
  - d. If applying as a practicing, clinical RN, the Critical Shortage Facility Type must be identified. The facility must select the ONE definition that describes the facility (see "Does my site qualify?" under Eligibility Requirements).
  - e. For Certified Registered Nurse Anesthetists (CRNAs), Certified Nurse Midwives (CNMs), and Nurse Practitioners (NPs) employed by a Professional Group that practices at a Critical Shortage Facility, the facility should complete the Employment Verification Form and the Critical Shortage Facility Form and the Professional Group should prepare the written statement described below.
- (3) **Employment Verification for Nurse Faculty Appointment.** The applicant's employer must fill out this form completely and return it to the applicant for submission with other application materials.
- a. Name and address of the Accredited School of Nursing means the name and location where the applicant is working; not the name and address of the corporation or other entity that may own the facility or operate the school of nursing.
  - b. Employment Start Date is the month, day, and year the applicant will begin or began his or her employment as faculty at the school of nursing named in the application. Employment prior to the effective date of the NELRP contract will not count toward the fulfillment of the service obligation.
  - c. The base annual salary of the applicant must be reported. Applicants working at a school of nursing for less than one year must report their negotiated base salary for the year.
- (4) **Certification of Accreditation Status for School of Nursing Education Programs (Nurse Faculty)**
- a. This form must be completed by your employing school of nursing, either by the school of nursing Dean's office or Program Chair. It certifies that the school's nursing education programs are accredited.
- (5) **Authorization for Release of Employment Information Form.** This form must be completed by the applicant to authorize the release of information regarding the applicant's employment status to the NELRP. If the applicant is awarded a NELRP contract, his/her employment status will be verified semi-annually.
- (6) **Authorization to Release Information Form.** This form authorizes HHS, and/or its contractors, to release information that identifies the applicant for purposes of obtaining the applicant's

credit report and educational loan information and checking whether the applicant appears on the Excluded Parties List System. It also authorizes any program to which the applicant owes a health professions service obligation to release information to HHS and/or its contractors.

- (7) **Certification regarding Debarment, Suspension, Disqualification, and Related Matters Form.** This form contains certifications related to “covered transactions” such as the receipt of funding under the NELRP. Applicants should read the entire form and sign the Certification that is applicable to their situation only.
- (8) **Transcripts.** Applicants must submit transcript(s) from each college or university attended for all nursing education coursework directly related to the attainment of the nursing degree(s), if the applicant is seeking repayment for loans incurred at that institution. If a degree was obtained from an institution, the transcript must state the type of degree and the date it was conferred.
- (9) **Completed Checklist and Self-Certification Form.** The Checklist assists applicants and the NELRP staff in verifying the completeness of the application. Return the Checklist along with all of the other required Supplemental Forms and Supporting Documentation.
  - a. Carefully read the certification statement at the bottom of the Checklist. The statement must be signed for the application to be considered complete and to certify the information you provided is accurate.

#### **Instructions for Supporting Documentation**

- (1) **Documentation of Citizenship.** Applicants born outside the United States must provide proof of U.S. citizenship or status as a U.S. National or Lawful Permanent Resident (e.g., a copy of a certificate of citizenship or naturalization, U.S. passport ID page, or Green Card).
- (2) **Statement from Professional Group.** CRNAs, CNMs, NPs employed by a Professional Group that practices at a Critical Shortage Facility must provide a written statement from the Professional Group (on original letterhead), signed by an appropriate official stating that the applicant will be working exclusively at one designated Critical Shortage Facility for at least 32 hours per week (for a minimum of 45 weeks per service year) for the duration of the applicant’s NELRP contract, if the applicant receives an award. Letters from Professional Groups must be dated after December 1, 2010, when the application cycle begins. Letters that are not dated or dated before the application cycle begins will not be accepted.

#### **CHANGE IN STATUS DURING APPLICATION PROCESS**

##### **What if I change jobs?**

Applicants may transfer to another qualified Critical Shortage Facility or accredited school of nursing up until the application deadline. Changes in workplace facility or school of nursing not documented before the application deadline will not be accepted or considered.

##### **Can I withdraw my application?**

The NELRP contract becomes effective on the date that it is countersigned by the Secretary or his/her designee. An applicant may withdraw his/her application at any time prior to the Secretary signing the contract and remain eligible to apply for NELRP in the future. Once the contract becomes effective, the applicant is obligated to provide two years of full-time service at the facility or school of nursing identified in the application. If such applicant fails to commence service on the effective date of the contract, the applicant will be in breach of the contract and will be permanently disqualified from receiving future awards under the NELRP and some other Federal programs.

As soon as the applicant becomes aware that he/she will not be able to commence full-time service at the facility or school of nursing identified in the application, the applicant should submit a request, in writing, to:

[CallCenter@hrsa.gov](mailto:CallCenter@hrsa.gov)

OR

NELRP Application Withdrawal  
Division of Nursing and Public Health  
5600 Fishers Lane, Room 8-37  
Rockville, Maryland 20857

**What if my loan information changes?**

Loan consolidations/refinancing before the application deadline are acceptable, provided that the applicant submits a Loan Form for the consolidated/refinanced loans by the application deadline and before the submission of the online application. If the Loan Form is not received by the application deadline and does not appear on the online application, the consolidated/refinanced loans will not be considered for loan repayment. If the applicant has consolidated otherwise qualifying educational loans with any other debt or with the loans of another individual, the entire consolidated loan is ineligible.

Loans that are consolidated/refinanced between the application deadline and prior to the date an award is made will not be considered for loan repayment.

All loan balances submitted for loan repayment consideration will be verified to determine whether they are eligible for repayment under the NELRP by contacting lenders/holders and checking the applicant's credit report.

## Additional Materials

### RESOURCES FOR APPLICANTS

Any individual with questions about the NELRP may contact the Call Center Monday through Friday (except Federal holidays), 9:00am to 5:30pm EST.

- [CallCenter@hrsa.gov](mailto:CallCenter@hrsa.gov)
- 1-800-221-9393
- TTY – 1-877-897-9910

### DEFINITIONS

**Base Annual Salary** – The minimum annual compensation received or the standard gross salary which an employee receives for doing a specific job, before taxes are deducted (excludes overtime or pays increase due to shift differential).

**Basic Registered Nurse (RN) Education** – The nursing education that qualifies the individual to take the RN licensing examination (NCLEX-RN).

**Commercial Loans** – Loans made by banks, credit unions, savings and loan associations, insurance companies, schools, and other financial or credit institutions which are subject to examination and supervision in their capacity as lenders by an agency of the United States or of the State in which the lender has its principal place of business.

**Continuation Contract** – An optional 1-year extension of a 2-year NELRP contract.

**Contract** – A written contract pursuant to Section 846(a) of the Public Health Service Act, as amended, under which (1) the participant agrees to engage in a period of continuous full-time service as an RN at a Critical Shortage Facility or at an accredited school of nursing and (2) the Secretary agrees to repay, in consideration of such service, a percentage of the amount which is outstanding on the participant's qualifying educational loans on the effective date of the initial 2-year contract.

**Critical Shortage Facility** – A health care facility which the Secretary has determined has a critical shortage of nurses. See the Program Overview of this *Application and Program Guidance (APG)* for information on different types of Critical Shortage Facilities.

**Default of payment obligation** – Being more than 120 days past due on the payment of a financial obligation.

**Default of service obligation** – Failure for any reason to begin or complete a contractual service commitment.

**Existing Service Obligation** – An obligation to work as an RN which is owed to and provided for under an agreement with a Federal, State, or local government or any other entity, (e.g., an active duty military obligation or existing commitment to an institution for educational pay back service or a sign-on bonus).

**Federal Judgment Lien** – A lien that is placed against an individual's home or property when a court-ordered judgment is entered against the individual for an unpaid Federal debt (e.g., a Federal student

loan or Federally-insured home mortgage). An IRS tax lien that is not created pursuant to a court-ordered judgment is not a Federal judgment lien.

**Fiscal Year (FY)** – The Federal FY is October 1 through September 30.

**Full-Time Service** – The provision of nursing services for a minimum of 32 hours per week or, in the case of nurse faculty, employment as a full-time nurse faculty member, as defined by the participant’s employing school of nursing. For nurses, no more than 7 weeks per service year can be spent away from the Critical Shortage Facility for vacation, holidays, continuing education, illness, maternity/paternity/adoption, or any other reason. For nurse faculty, no more than 7 weeks per service year can be spent away from their regular full-time faculty appointment for vacation, holidays, continuing education, illness, maternity/paternity/adoption, or any other reason. Absences totaling greater than 7 weeks in a service year require an extension of the contract end date.

**Funding Preference** – The funding of a specific category or group of approved applicants ahead of other categories or groups of approved applicants. See Program Overview in this *Guidance*.

**Government Loans** – Loans made by Federal, State, county or city agencies authorized by law to make such loans.

**Greatest Financial Need** – The greatest financial need funding preference is met by applicants whose total qualifying educational loans are 40 percent or greater than their base annual salary.

**Holder** – The commercial or Government institution that currently holds the promissory note for the qualifying educational loan (e.g., Sallie Mae, PHEAA, etc.)

**Lender** – The commercial or Government institution that initially made the qualifying educational loan (e.g., Department of Education).

**Nurse Licensure Compact** – The mutual recognition model of nurse licensure that allows a nurse to have a license in one State and to practice in other States subject to each State's practice law and regulation. Under mutual recognition, an RN may practice in several States unless otherwise restricted.

**Nursing Education Loan Repayment Program (NELRP)** – The NELRP is authorized by Section 846(a) of the Public Health Service Act, as amended. Under the NELRP, the U.S. Department of Health and Human Services provides financial assistance to qualified applicants to repay a portion of their qualifying educational loans, in exchange for their full-time service as an RN at a Critical Shortage Facility or as nurse faculty.

**Post-Master’s Nursing Certificate Program** – A formal, post-graduate program that admits RNs with master’s degrees in nursing and, at completion, awards a certificate and academic credit.

**Qualified Applicant** – A person who meets all of the eligibility requirements set forth in this *Guidance*.

**Qualifying Educational Loans** – Government and commercial loans for actual costs paid for tuition and reasonable educational and living expenses incurred (1) while attending a school of nursing where the applicant obtained his/her qualifying nursing education, and (2) while taking only nursing prerequisite

courses at schools other than the school(s) of nursing where the applicant obtain his/her qualifying nursing education, provided that the applicant received academic credit for those courses from the school of nursing where the applicant obtained his/her qualifying nursing education. Participants will receive funds for repayment of qualifying educational loans that are still owed. If the applicant has consolidated otherwise qualifying educational loans with any other debt or consolidated his/her loans with loans of another individual, the consolidated loan is ineligible. See Program Overview of the *Guidance* for additional information on which loans qualify for the NELRP.

**Qualifying Nursing Education** – The completed undergraduate basic RN education and completed graduate nursing education (including post-master’s nursing certificate programs) resulting in a baccalaureate or associate degree in nursing (or an equivalent degree), a diploma in nursing or a graduate degree in nursing from an accredited school of nursing in a State.

**Reasonable Educational Expenses** – The costs for books, supplies, laboratory expenses, educational equipment and materials for qualifying nursing education which do not exceed the school’s estimated standard student budget for educational expenses for the participant’s degree program or nursing prerequisites courses and for the year(s) of that participant’s enrollment.

**Reasonable Living Expenses** – The costs of room and board, transportation and commuting costs, and other costs which do not exceed the school’s estimated standard student budget for living expenses at that school for the participant’s degree program or nursing prerequisite courses and for the year(s) of that participant’s enrollment.

**School of Nursing** – An accredited collegiate, associate degree or diploma school of nursing in a State where graduates are: 1) authorized to sit for the NCLEX-RN or 2) licensed RNs who will receive a graduate or equivalent degree or training to become an advanced education nurse. Collegiate and associate degree schools of nursing are a department, division, or other administrative unit in the educational institution which provides primarily or exclusively a program of education in professional nursing. A diploma school of nursing means a school affiliated with a hospital or university, or an independent school, which provides primarily or exclusively a program of education in professional nursing. See section 801 of the Public Health Service Act for a full and complete definition of these terms. The school of nursing must be accredited by a national nursing accrediting agency or state approval agency recognized by the Secretary of the U.S. Department of Education.

**State** – As used in this *Guidance*, State includes the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, Territory of American Samoa, Territory of Guam, Republic of Palau, Republic of the Marshall Islands, and Federated States of Micronesia.

**Unencumbered License** – A license that is not revoked, suspended, or made probationary or conditional by the State licensing or registering authority as the result of disciplinary action.