

CHAPTER 13

Registered Nurse and Nurse Educator Loan Forgiveness Program

Program Overview:

The Registered Nurse and Nurse Educator Loan Forgiveness Program is a state-funded program that will provide student loan repayment assistance to Iowa nurses and nurse educators repaying Federal Stafford and Consolidation Loans. This program is designed to increase the number of Nurse Educators and Registered Nurses in the state of Iowa. The Registered Nurse and Nurse Educator Loan Forgiveness Program is administered by the Iowa College Student Aid Commission.

Date Established: July, 2007

Funding:

REGISTERED NURSE AND NURSE EDUCATOR LOAN FORGIVENESS PROGRAM FUNDING HISTORY		
ACADEMIC YEAR	STATE APPROPRIATION	TOTAL FUNDING
***2007-08	\$100,000	\$100,000
*2008-09	\$98,500	\$98,500
**2009-10	\$90,293	\$90,293
2010-11	\$86,736	\$86,736
2011-12	\$80,852	\$80,852
2012-13	\$80,852	\$80,852

* Reduced by 1.5% due to mid-year across the board cut.

** Reduced by 10% due to across the board cut on 10/9/09. Backfill appropriation added \$9,029 on 10/28/09.

***Earmark included in the ITG appropriation.

A. Eligibility Requirements:

To be eligible for loan forgiveness, applicants must:

- Be employed as a Registered Nurse or Nurse Educator in Iowa,
- Be employed for one entire year,
- Complete an annual application by the deadline established by the Commission to be considered for an annual award,
- Not be in default on a federal student loan,
- Begin their first Registered Nurse or Nurse Educator jobs on or after July 1, 2007.

B. Application Process:

Registered Nurses and Nurse Educators must complete the Iowa Financial Aid Application between January 1 and March 31. If funding remains after funding all eligible applications received on or before the priority deadline, additional applications will be considered for awards.

C. Selection of Recipients:

If funding is not available to assist all on-time applicants, awards will be made using the following priorities in the order listed:

- Nurse Educators then Registered Nurses
- Application renewal status – renewal applications receive priority
- Employment status – full-time, part-time
- Iowa Residency status
- Date of application

D. Award Amounts and Limits:

The maximum annual award shall be the lesser of:

- The average resident tuition rate established for students attending universities governed by the Iowa board of regents for the first year following the registered nurse's graduation from a nursing education program (or a nurse educator's graduation from an advanced formal academic nursing education program) approved by the Iowa board of nursing pursuant to Iowa Code section 152.5, or
- Twenty percent of the registered nurse or nurse educator's total federally guaranteed Stafford/Consolidation loan balance, including principal and interest, under the Federal Family Education Loan Program (FFELP) or the Federal Direct Loan Program (FDLP). Eligible loans include subsidized and unsubsidized Stafford loans and consolidated loans. Only the outstanding portion of a Federal Consolidation Loan that was used to repay an eligible subsidized or unsubsidized Federal Stafford Loan, an eligible Direct Subsidized Loan, or an eligible Direct Unsubsidized Loan qualifies for loan forgiveness.

E. Renewal Eligibility:

- Recipients may receive loan forgiveness for a maximum of five consecutive years. Recipients who fail to complete five consecutive years as a nurse educator or registered nurse will not be considered for subsequent years of forgiveness.

- Recipients must annually complete an application by the deadline established by the Commission.

F. Disbursement of Loan Forgiveness Funds:

- Loan payments will be disbursed upon completion of the year for which forgiveness was approved and upon certification from the employer that the nurse educator or registered nurse was employed during the entire year and completed the year in good standing.
- Loan proceeds will be distributed to the recipient's student loan holder and applied directly to eligible loans.