

## **Title 10: Education Institutions and Agencies**

### **Part 654: Nursing and Respiratory Therapy Incentive Forgivable Loan Program for LPN, ADN/ASN, BSN, RN to BSN, MSN, RN to MSN, PhD/DNP, and RT Rules and Regulations**

#### **Part 654 Chapter 1: Nursing and Respiratory Therapy Incentive Forgivable Loan Program for LPN, ADN/ASN, BSN, RN to BSN, MSN, RN to MSN, PhD/DNP, and RT Rules and Regulations**

*Rule 1.1 Nursing and Respiratory Therapy Incentive Forgivable Loan Program for LPN, ADN/ASN, BSN, RN to BSN, MSN, RN to MSN, PhD/DNP, and RT Rules and Regulations.* These Rules and Regulations are subject to change by the Mississippi Postsecondary Education Financial Assistance Board (hereinafter referred to as the "Board"). The number of awards and recipients are dependent upon availability of funds and selection shall be based on a first-come, first-served basis of all eligible applicants; however, priority consideration shall be given to persons previously receiving awards under the program.

#### **I. GENERAL ELIGIBILITY**

- A. The undergraduate applicant must be fully admitted as a regular student and enrolled part-time or full-time at the undergraduate level seeking a certificate in practical nursing, associate of science or applied science in nursing, respiratory therapy or respiratory care technology, or bachelor's degree in an approved nursing program at one (1) accredited four-year institution of higher learning in the State of Mississippi. Bachelor's degree-seeking students must be classified as a Junior or Senior. The graduate applicant must be fully admitted as a regular student and enrolled either part-time or full-time at the graduate level in an approved nursing program at one (1) accredited four-year institution of higher learning in the State of Mississippi. at one (1) accredited institution of higher learning in the State of Mississippi. Enrollment and classification status will be determined by the attending institution.
- B. The applicant must have expressed in writing a present intention to provide nursing or respiratory care service in the State of Mississippi and must diligently pursue the course of study and requirements for the appropriate nursing or respiratory care license.
- C. The applicant must be accepted into an appropriate program of study and maintain satisfactory academic progress (SAP) in the approved program of study in accordance with the attending institution's policy.
- D. The applicant must not presently or previously have defaulted on an educational loan.
- E. Graduate and RN to BSN and RN to MSN bridge program applicants must possess a current Mississippi registered nursing license.

## II. APPLICATION REQUIREMENTS FOR FORGIVABLE LOAN APPLICANT

### A. First time applicants must:

1. Complete an application online at [www.msfinancialaid.org](http://www.msfinancialaid.org) by the deadline date of March 31.
2. Submit a copy of the applicant's letter of acceptance into the appropriate program of study. The letter of acceptance should indicate that the applicant has been fully admitted or admitted as a regular student and should include the admittance date and entering classification. Provisional or conditional admission is not accepted. The letter of acceptance should be submitted as soon as possible but must be received by the document deadline of June 30.
3. Graduate and RN to BSN and RN to MSN bridge program applicants must submit a copy of their valid Mississippi nursing license by the document deadline of June 30.
4. Signify understanding of the Rules and Regulations, enter into a Contract and Note with the Board pursuant to the applicable Rules and Regulations and all applicable State laws, and complete, sign and return the Self Certification of a Private Loan form prior to the disbursement of funds. *Note: The Contract and Note will be issued once the applicant has been awarded. Funds will not be disbursed until the Contract and Note has been signed.*
5. Be enrolled part-time or full-time in an approved program of study and be making SAP in accordance with the attending institution's policy. Evidence of academic eligibility will be automatically provided to the Board by the attending institution, unless specifically requested from the applicant.

### B. Renewal applicants must:

1. Complete an application online at [www.msfinancialaid.org](http://www.msfinancialaid.org) by the deadline date of March 31.
2. Be enrolled part-time or full-time enrollment in an approved program of study and be making SAP in accordance with the attending institution's policy. Evidence of academic eligibility will be automatically provided to the Board by the attending institution, unless specifically requested from the applicant.
3. Complete, sign and return the Self Certification of a Private Loan form.

### **III. AMOUNT and LENGTH OF FORGIVABLE LOAN**

- A. The maximum annual award amount for full-time recipients shall be the average tuition and required fees charged by all Mississippi public institutions for the specified program. The annual award will be pro-rated for part-time students.
- B. Certificate-seeking students enrolling on a full-time basis may receive a lifetime maximum of one (1) annual award or two (2) semesters. Certificate-seeking students enrolling on a part-time basis may receive pro-rated awards over two (2) academic years or four (4) semesters. Undergraduate and graduate students, except RN to MSN bridge students, enrolling on a full-time basis may receive a lifetime maximum of two (2) annual awards or four (4) semesters. Undergraduate and graduate students, except RN to MSN bridge students, enrolling on a part-time basis may receive pro-rated awards over four (4) academic years or eight (8) semesters. RN to MSN bridge students enrolling on a full-time basis may receive a lifetime maximum of three (3) annual awards, six (6) semesters, or nine (9) trimesters. RN to MSN students enrolling on a part-time basis may receive pro-rated awards over four (4) academic years, eight (8) semesters, or twelve (12) trimesters.
- C. Awards shall be disbursed directly to the school of attendance.

### **IV. RECIPIENT RESPONSIBILITIES**

- A. Recipients must maintain good standing at the educational institution in which he/she is enrolled.
- B. Recipients must make SAP toward the appropriate certificate or degree. Any recipient who fails to make SAP will be suspended from participation in the program for the following period of enrollment.
- C. Recipients must remain in school part-time or full-time, complete an approved program of study and obtain the appropriate license. A recipient who withdraws from school, fails to complete an approved program of study, or fails to obtain an appropriate license, shall immediately become liable to the Board for the sum of all outstanding awards, plus a penalty of 5% of the outstanding principal, and interest on the combined outstanding principal and penalty.
- D. While receiving funds, the recipient must keep the Board informed of the recipient's current, correct, and complete contact information. This information may be updated via the recipient's student account online at [www.msfinancialaid.org](http://www.msfinancialaid.org). Once in repayment, the recipient must keep the Board or its loan servicer informed of the recipient's current, correct, and complete contact information until the debt is completely satisfied.

- E. A recipient should address in writing to the Board or its loan servicer any special circumstances regarding enrollment status, withdrawal from school, or failure to complete the approved program of study.

## V. REPAYMENT

- A. A forgivable loan recipient enters repayment when the recipient completes the approved program of study, withdraws from school, or fails to complete the approved program of study. The recipient may satisfy his/her forgivable loan debt either by cancellation through appropriate health care service or by loan repayment.

- B. Cancellation through Health Care Service

- 1. A forgivable loan recipient must meet all the following criteria to qualify for debt cancellation through health care service:
  - a) Have the appropriate license, as determined by the Mississippi Board of Nursing or the Mississippi State Department of Health.
  - b) Work in professional health care in Mississippi by performing the appropriate service (practical nursing, teaching nursing, other professional nursing in the interest of public health, or respiratory care) on a full-time basis. "Full-time" is understood by the parties to mean that the health care provider shall maintain the normal full-time work schedule where the health care provider is employed. *NOTE: It is fully understood that it is the responsibility of the forgivable loan recipient to seek and secure employment. The Board assumes no obligation to perform that function.*
- 2. For recipients working full-time, the forgivable loan debt shall be cancelled based on one (1) year of service for one-fifth (1/5) of the total forgivable loan amount received. For all recipients, such service shall never be less than sixty (60) months of full-time public health work, regardless of the length of study provided under this forgivable loan.
- 3. At the time of separation from the approved program of study, unless granted a grace period or other type of deferment, the forgivable loan recipient must request in writing a one (1)-year deferment of the accrual of interest and repayment of principal and penalty for purposes of completing the service option. The service deferment request must be accompanied by evidence of appropriate employment as defined in Section V.B.1.
- 4. At the end of each one (1)-year service deferment period, the forgivable loan recipient must request in writing a cancellation of the equivalent of one-fifth (1/5) of the total amount loaned.

5. The service deferment and cancellation must be requested in writing and approved each year for five (5) years until the debt is fully satisfied.

C. Loan Repayment

1. Unless granted a grace period, service deferment, or other deferment, a forgivable loan recipient shall become liable to the Board for the sum of all forgivable loan awards made to that person less the corresponding amount of debt previously cancelled through service, plus a penalty of 5% of the outstanding principal, and interest on the combined outstanding principal and penalty, immediately at the time of occurrence of one of the following events:
  - a) The recipient withdraws from school;
  - b) The recipient fails to complete the approved program of study;
  - c) The recipient fails to obtain the appropriate license; or
  - d) The recipient fails to complete the service option defined in Section V.B.
2. At the time of the occurrence of one of the events outlined in Section V.C.1. or upon termination of a grace period or other deferment, a 5% penalty will be applied to the sum of all forgivable loan awards made to the recipient less any amount previously cancelled through service.
3. The rate of interest charged a forgivable loan recipient on the unsatisfied balance shall be the current unsubsidized Federal Stafford Loan rate at the time the account first entered repayment.
4. Interest begins accruing at the time of occurrence of one of the events outlined in Section V.C.1. or upon termination of a grace period or other deferment, and repayment commences one (1) month after the occurrence of the event.
5. Forgivable loan recipients must repay the loan (principal, penalty, and interest thereon) in sixty (60) or less equal consecutive monthly installments. If the recipient becomes three (3) months past due in the repayment of his/her loan (principal, penalty, and interest thereon), all principal, penalty, and interest outstanding, together with costs of collection, shall become immediately due and payable and, demand shall be made by mailing the same to the obligor at the last address furnished by said obligor. Should payment of the sum due not be made in full within thirty (30) days, from the date demand was made, the Contract and Note

executed by the obligor shall be placed with a collection agency or an attorney for collection, at which point the obligor shall become liable for reasonable collection or attorneys' fees, which may be based on a percentage of the amount of the debt, and court costs, in addition to the other sums due and owing.

- D. The obligations made by the recipient of this forgivable loan shall not be voidable by reason of the age of the student at the time of receiving the forgivable loan.
- E. Special circumstances regarding a recipient's failure to complete the service option and/or fulfill the loan obligation should be addressed in writing to the Board or its loan servicer.

## **VI. GRACE PERIOD and OTHER DEFERMENTS**

### **A. Grace Period**

1. Upon completion of the approved program of study, the forgivable loan recipient will be granted a twelve (12)-month grace period, during which the recipient should obtain the appropriate license and secure appropriate employment as defined in Section V.B.1.
2. A forgivable loan recipient who does not complete the approved program of study will not be granted a twelve (12)-month grace period and will enter repayment immediately upon separation from the approved program of study. Such a recipient may be eligible for an in-school deferment as defined in Section VI.B.

### **B. In-School Deferment**

1. A forgivable loan recipient who does not complete the approved program of study but remains enrolled at least part-time in a program of study at the same certificate or degree level may request deferment of the accrual of interest and the repayment of principal and penalty for purposes of remaining in school.
2. The in-school deferment must be requested in writing to the Board or its loan servicer and must be accompanied by verification of at least part-time enrollment from the attending institution.
3. The in-school deferment will not be granted for enrollment in a program of study for a degree level beyond that for which the loan was awarded.
4. The in-school deferment must be requested by the recipient and approved every term (except Summer) throughout the duration of the deferment.

C. Temporary Disability Deferment

1. A forgivable loan recipient in repayment who is unable to secure or continue employment because of temporary total disability may request deferment of the accrual of interest and the repayment of principal and penalty. To qualify, a recipient must be unable to work and earn money due to the disability for at least sixty (60) days or be providing continuous care for a dependent or spouse during a period of at least (90) consecutive days.
2. The temporary disability deferment must be requested in writing to the Board or its loan servicer and must be accompanied by certification from a doctor of medicine or osteopathy who is legally authorized to practice medicine.
3. The temporary disability deferment must be requested by the recipient and approved every six (6) months throughout the duration of the deferment and condition for a total period of time not to exceed three (3) years.

D. Military Service Deferment

1. In terms of military service the following definitions shall apply:
  - a) **REQUIRED** military service is that service which is required of an individual in the service of the Armed Forces of the United States; it does not include a military service obligation incurred to repay a grant, stipend or scholarship granted the individual prior to, during, or after the award under the program.
  - b) **OBLIGATED** or **VOLUNTARY** military service is that service which is performed by the individual in repayment of a debt owed the United States government as a result of military scholarships, ROTC scholarships, etc. received by the individual. Service is **VOLUNTARY** if the individual is not obligated to incur a period of military service but chooses to incur the service obligation.
2. A forgivable loan recipient shall be eligible for deferment of the accrual of interest and the repayment of principal and penalty during the time of required military service.
3. The military deferment must be requested in writing to the Board or its loan servicer, stating beginning and ending dates of such required military service, and must be accompanied by a copy of the military orders.
4. The military deferment must be requested by the recipient and approved on a year-to-year basis (annually).

5. If a recipient continues military service for any reason beyond the REQUIRED time, then that person shall be declared ineligible for military deferment and the remaining unsatisfied principal, penalty, and interest shall become due and payable to the Board according to the terms outlined in Section V.C.
6. If a recipient obligates himself/herself to VOLUNTARY military service prior to, during, or after the award, then that person shall be declared ineligible for military deferment and the remaining unsatisfied principal, penalty, and interest shall become due and payable to the Board according to the terms outlined in Section V.C.

## **VII. CANCELLATION OF DEBT**

### **A. Death**

1. If an individual recipient dies, then the recipient's obligation to repay the loan or render service is canceled.
2. The Board shall require a copy of the death certificate or other proof of death that is acceptable under applicable State Law. If a death certificate or other acceptable proof of death is not available, the recipient's obligation for service or repayment on the loan is canceled only upon a determination by the Board on the basis of other evidence that the Board finds conclusive.
3. The Board may not attempt to collect on the loan from the deceased recipient's estate.

### **B. Total and Permanent Disability**

1. If the Board determines that an individual recipient is totally and permanently disabled, the recipient's obligation to make any further payments of principal, penalty, and interest on the loan is canceled. A recipient is not considered totally and permanently disabled on the basis of a condition that existed before he/she applied for the forgivable loan, unless the recipient's condition has substantially deteriorated since he/she submitted the forgivable loan application, so as to render the recipient totally and permanently disabled.
2. After being notified by the recipient or the recipient's representative that the recipient claims to be totally and permanently disabled, the Board shall promptly request that the recipient or the recipient's representative obtain a certification from a physician, who is a doctor of medicine or osteopathy and legally authorized to practice, on a form provided or approved by the



Board and other necessary documents as requested, that the recipient is totally and permanently disabled. The Board shall continue collection until it receives the certification or receives a letter from a physician stating that the certification has been requested and that additional time is needed to determine if the recipient is totally and permanently disabled. After receiving the physician's certification or letter and other necessary documents as requested and the student is found to be totally and permanently disabled, the Board may not attempt to collect from the recipient.

3. If the Board determines that a loan owed by a recipient, who claims to be totally and permanently disabled, is not eligible for cancellation for that reason, or if the Board has not received the physician's certification and other requested documents, as described in Section VII.B.2., within 60 days of the receipt of the documents as described in Section VII.B.2., the Board shall resume collection and shall be deemed to have exercised forbearance of payment of principal, penalty, and interest from the date the Board received the documents described in Section VII.B.2. until such a determination of ineligibility is made by the Board.

C. Bankruptcy

Forgivable loans are not dischargeable in bankruptcy.

## VIII. WARRANTY

The acceptance of the forgivable loan shall serve to appoint the Secretary of State of the State of Mississippi by each recipient as his/her designated agent for service of process, upon whom may be served all lawful processes and summons in any action or proceeding against him/her in the event he/she removes himself/herself from this State and the processes of its courts, growing out of any breach of Contract and Note by the recipient for failure to fulfill his/her Contract and Note with the Board or, to repay the forgivable loan, including penalty and interest pursuant to the law and Contract and Note, and, said acceptance of the loan rights and privileges shall be a signification of the applicant's agreement that any such process or summons against him/her, which is so served upon the Secretary of State, shall be of the same legal force and validity as if served on him/her personally. The venue of all causes of action against such nonresidents shall be Hinds County, Mississippi.

## IX. AUTHORIZATION

The acceptance of the forgivable loan shall serve to authorize the Mississippi Office of Student Financial Aid, the Board, and their respective agents and contractors to contact the recipient regarding the recipient's loan request or loan(s), including repayment of loan(s), at the current or any future number the recipient provides for the recipient's

cellular phone or other wireless device using automated telephone dialing equipment or artificial or pre-recorded voice or text messages.

Source: *Miss. Code Ann.* § 37-106-60.