

Nurse Educator Loan Forgiveness Program Eligibility Guidelines

The Nurse Educator Loan Forgiveness Program offers qualifying applicants the opportunity to have a portion of the outstanding principal balance and accrued interest of their eligible student loans forgiven by PHEAA, powered by AES, for teaching nursing students at an approved Pennsylvania postsecondary nursing school or other approved institution.

To qualify for participation in the “Nurse Educator Loan Forgiveness Program”:

1. You must have at least one outstanding AES owned federal Stafford or consolidation loan in good standing.
2. You must submit an application no later than June 30, 2008 and complete your qualifying program of study on or after December 1, 2003.
3. You must begin a full-time or part-time position by June 30, 2008 in your first nurse educator position during the Nurse Educator Loan Forgiveness Program, at an approved Pennsylvania postsecondary nursing education or other approved institution.
4. You must complete at least one full academic year of continuous employment as a nurse educator, at the same employer, to receive any benefit through this program.
5. You must have your employer verify, in writing, that you have met the initial and ongoing conditions as a nurse educator.
6. You must meet a residency requirement.
7. The benefit from this program will depend on the amount borrowed and years of qualifying employment, after graduation. Therefore, loan forgiveness benefits will vary among qualified applicants.

Definition:

1. Federal Stafford or consolidation loan in good standing and owned by AES.

- AES can only forgive Stafford or consolidation loans that it owns. If you are not certain that your loans qualify, submit your application and AES will make the determination and let you know.
- You must be employed, or otherwise engaged, beginning on or after January 1, 2008, by an approved Pennsylvania postsecondary educational institution as a newly hired nurse educator.
- If AES does not own your Stafford or Consolidation loan(s), you will need to contact the Agency at 1-800-233-0557 ext. 5473 for further information.
- If AES informs you that your loans are not in good standing, the letter will provide you with information on how you can bring your account into good standing.

2. Qualifying Program of Study.

A Pennsylvania program of study that leads to a masters degree in nursing or doctorate degree in nursing or nursing education, approved by the National League for Nursing Accrediting Commission (NLNAC) or Commission on Collegiate Nursing Education (CCNE). Those graduating before December 1, 2003, may apply for a waiver in order to be eligible for this program. Applying for such waiver does not guarantee eligibility for the program.

3. Full-time or Part-time.

“Full time” means you, the nurse educator, carries a full-load as defined by the hiring educational institution, which must include classroom instruction and/or clinical supervision of nursing students. “Part time” means the nurse educator carries a partial load as defined by the hiring educational institution, which must include classroom instruction and/or clinical supervision of nursing students.

Part-time qualifying employment must be at least fifty percent (50%) of the load of full-time qualifying employment.

- **First-time Nurse Educator in 2008.**

You must be employed, or otherwise engaged, between January 1, 2008 and June 30 2008, by an approved Pennsylvania postsecondary educational institution as a newly hired nurse educator teaching nursing students on a full time or part-time basis and not have transferred to that educational institution from another nursing school or other educational institution to obtain benefits under the Nurse Educator Loan Forgiveness Program.

- **Approved Pennsylvania postsecondary nursing education institution.**

Pennsylvania State Board of Nursing approved school of nursing or a Middle States accredited college or university nursing education program located in the Commonwealth of Pennsylvania.

4. Continuous employment in this position.

“Continuous” means that you took no leave from the nurse educator teaching position other than standard leave benefits offered by the educational institution to its nurse educators during the first or any subsequent academic year of qualifying employment.

5. Verifications.

You authorize AES to rely on certifications provided to it by any educational institution that has engaged you as a nurse educator, as to (a) your initial qualifying employment, (b) your completion of continuous qualifying employment as a nurse educator at the educational institution following the end of each academic year, (c) termination of your qualifying employment by the educational institution, and (d) any other matter related to a change in your qualifying employment. You must consent to AES receipt, retention and use of the information contained in such certifications and audits and agree that AES may accept as true the information in any such certification.

6. PA Residency Requirement.

For program purposes, you will meet the residency requirement if you were a Pennsylvania resident during the 30 day period immediately preceding AES receipt of the application(s) for your AES owned federal Stafford loan(s) (or your supporting parent was a Pennsylvania resident during such time period if you were under 18 years of age at the time of the application(s)) or you have completed or will complete your nursing education at an approved Pennsylvania institution.

7. Benefit.

The receipt of benefits through the Nurse Educator Loan Forgiveness Program depends on the availability of funds.

Two considerations affect the size of the benefit you receive:

- a) **Amount borrowed**
- b) **Years of continuous qualifying employment**

Amount Borrowed

AES will base your annual benefit on the aggregate, outstanding principal balance of your qualifying Stafford or consolidation loan(s) as of the date you complete the first qualifying year as a nurse educator, to a maximum of \$50,000.00.

Years of Employment

- If employed full-time, AES/PHEAA will reduce your outstanding principal balance and accrued and unpaid interest of your Stafford or consolidation loan balance by:
 - a) 33 1/3% following the end of the first year of qualified employment (maximum \$16,667.00)
 - b) 33 1/3% following the end of the second year qualified employment (maximum \$16,667.00)
 - c) 33 1/3% following the end of the third year qualified employment (maximum \$16,667.00)

- If employed part-time, AES/PHEAA will reduce your outstanding principal balance and accrued and unpaid interest of your Stafford or consolidation loan balance by:
 - a) 20% following the end of the first year qualified employment (maximum \$10,000.00)
 - b) 20% following the end of the second year qualified employment (maximum \$10,000.00)
 - c) 20% following the end of the third year qualified employment (maximum \$10,000.00)
 - d) 20% following the end of the fourth year qualified employment (maximum \$10,000.00)
 - e) 20% following the end of the fifth year qualified employment (maximum \$10,000.00)

A Note on the Tax Status of Loan Forgiveness Benefits

AES is obligated to issue a form 1099-C to the I.R.S. and the student borrower reporting all forgiveness of indebtedness. AES cannot, however, advise any borrower whether debt forgiveness reported on the form 1099-C must be included in taxable income for state or federal tax purposes. Consequently, each student borrower should consult his or her tax advisor in order to determine the tax consequences of AES forgiveness.