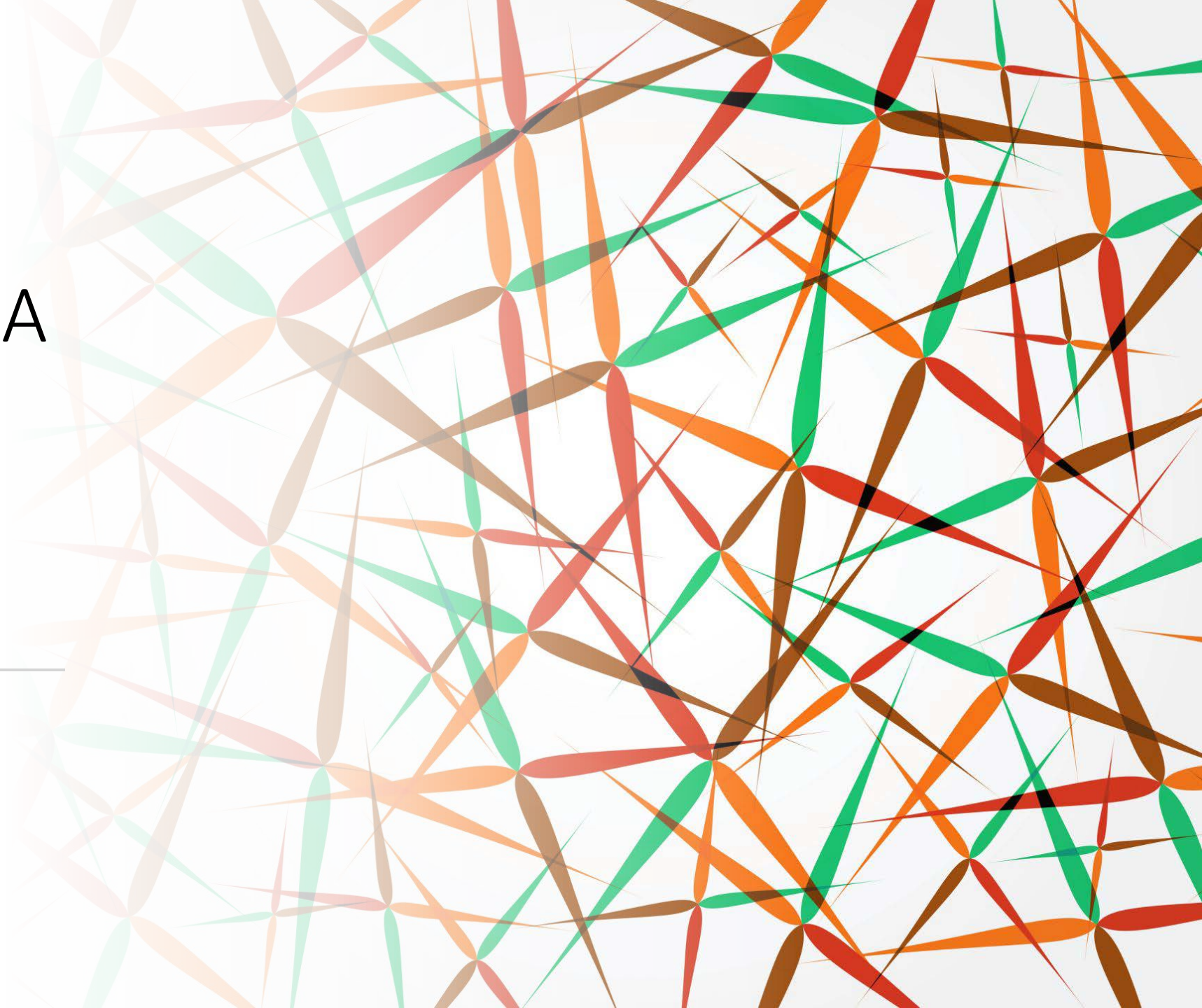




# Herzing University/ HRSA Nurse Faculty Loan Program Exit Counseling

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August 2023



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# The Basics

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The Nurse Faculty Loan Program is funded by the Department of Health and Human Services (HRSA) and Herzing University.

Borrowers must meet eligibility requirements for Herzing University to package the Nurse Faculty Loan Program.

Assists registered nurses who are working to complete their graduate education in order to become qualified nurse faculty.

This loan has a fixed interest rate of 3% or the prevailing market rate.

Borrowers may qualify to have the loan postponed, cancelled or discharged.

Borrowers will lose eligibility for the 3% interest rate, loan postponement, and cancellation if they withdraw from the university during the enrollment in which they received the loan.



# Grace Periods

## Loan Repayment Grace Period

Starts on the first day of the month after you leave school or drop below half-time

Lasts for 9 months

Repayment of the principal loan balance is not required during this time

Interest begins to accrue on the first day of the fourth month of the grace period.

## Employment Grace Period

Allowed up to 12 months to gain employment following graduation

Goes beyond the grace period for repayment (9 months)

Allows borrowers additional time to meet their service obligation and receive loan cancellation

# Grace Period – Tips!

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Inform Herzing of any changes to your name or address

Know your loan amount including the interest rate

Enter the date and amount of your first payment into your phone calendar so you don't miss it

Contact Herzing before your payment due date if you are unable to pay for any reason - we can help you figure out your options

Options such as deferment, postponement, and/or cancellation are available

There is no penalty for paying early or more than is due

Herzing has the right to withhold services such as official transcript printing, letters of recommendations, alumni materials, placement information, etc. if you are not communicating with us

# Repayment Terms

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10-year repayment period

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Minimum \$40/month

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Monthly payments required

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The interest accrues on the unpaid balance of the loan at 3% per year and begins 3 months after leaving school

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If the course of study is not completed or you do not serve as a faculty member, the loan will bear interest on the unpaid balance of the loan at the prevailing market rate.

# Penalties for Not Paying

01

A late charge when a payment is 60 days past due.

02

Default – which could result in the full balance becoming due.

03

Reports sent to credit bureaus that could affect credit scores.

04

Tax offsets to collect past due amounts.

05

Collection agencies calling.



# Deferment and Forbearance

## Deferment:

- Interest does not accrue
- Do not have to make payments
- Approved reasons only – active duty orders, peace corps volunteering, continued Nursing education
- You must apply through Herzing at least 30 days prior to the eligible activity beginning

## Forbearance:

- Interest will continue to accrue
- Required to make interest-only payments
- Approved reasons only
- Time spent in the forbearance counts as part of the 10-year repayment period
  - This means your payments could increase when your forbearance ends to ensure you still repay the loan within the 10 years
- You must apply through Herzing

# NFLP Discharge

In the event of a borrower's death, the loan can be canceled in full

- Requires submission of a certified death certificate.

If the borrower becomes totally and permanently disabled, the borrower may be entitled to cancellation of any remaining payments due on the loan.

- Permanent and total disability is defined as the borrower being unable to engage in gainful employment of any kind because of a medically determined impairment that this is expected to continue for a long and indefinite period of time or to result in death.

# Cancellation

Herzing will cancel an amount up to 85 percent of the loan (plus interest) as follows:

Upon completion by the Borrower of each of the first, second and third year of full-time employment as a faculty member in an accredited school of nursing, the school will cancel 20 percent of the principal of, and the interest on, the amount of the unpaid loan on the first day of employment.

Upon completion by the individual of the fourth year of full-time employment as a faculty member in an accredited school of nursing, the school will cancel 25 percent of the principal of, and the interest on, the amount of the unpaid loan on the first day of employment.

- To receive loan cancellation, the borrower must:
  - **be employed** full-time as nurse faculty at an accredited school of nursing for a complete year, as is defined by the employing school of nursing or 12 consecutive months.
  - **submit** the Request for Partial Cancellation of Loan form to Herzing University at the end of each complete year of full-time employment as faculty at a school of nursing.



# Notifications

- University Accounting Services (UAS) is the servicer for your NFLP loan
- UAS will email you notifications throughout your enrollment, grace period, and repayment.
- Examples of notifications include
  - Required exit counseling through UAS
  - Required form for students who have graduated to prove employment and request loan cancellation

# Herzing Support

Herzing University is available to assist all borrowers throughout enrollment and after graduation.

## Financial Aid Department

- Call 866-508-0748 and select option 2
- Email [FA@herzing.edu](mailto:FA@herzing.edu)

## Alumni Support Financial Services Department

- Call 866-508-0748 option 7
- Email [AlumniSupport@herzing.edu](mailto:AlumniSupport@herzing.edu)