

Nurse Faculty Loan Program Promissory Note

Section A: Borrower Section		
1. Name (last, first, middle initial) and Permanent Address (street, city, state, ZIP code)	2. Social Security Number	
	3. Date of Birth	
	4. Area Code / Telephone Number	
	5. Driver's License Number (list state abbreviation first)	
Section B: School Section		
6. School Name and Address University of California, San Francisco 1822 Folsom Street San Francisco, CA 94143	7. Borrower Status <input type="checkbox"/> Less than half time <input checked="" type="checkbox"/> Half time or greater	8. Interest Rate 3%
	9. Loan Amount	10. Loan Period

I, (hereinafter "the Borrower"), promise to pay to The Regents of the University of California (hereinafter "the School") located at San Francisco County, California, the sum of such loan amounts as may from time to time be advanced to me, with interest at the rate of three (3) percent per annum, except as specified in "Interest" on page 2 of the agreement, together with all attorney's fees, collection agent costs, and other related costs and charges for the collection of any amount not paid when in default according to the terms of this Promissory Note, (hereinafter "the Note").

The Borrower and the School further understand and agree that:

The School must determine that an NFLP loan applicant is eligible before making the loan. To be eligible to receive an NFLP loan, a borrower must: (1) be a U.S. citizen or national of the U.S, or a lawful permanent resident of the U.S. and its territories, (2) be enrolled full-time in an eligible program at the time the NFLP loan is established and must complete the education component(s) to prepare qualified nurse faculty, (3) be in good academic standing in an advanced nurse education program at the School, and (4) have no judgment liens entered against him/her based on the default on a Federal debt, 28 U.S.C. 3201(e). The borrower should maintain full time enrollment status for a minimum of 2 terms/semesters during an academic year while receiving the NFLP loan.

The School will make NFLP loans to eligible students for the cost of tuition, fees, books, lab expenses, and other reasonable education expenses. An NFLP loan may not exceed \$30,000 per student for any academic year, not to exceed 5 years per student.

- **Service Obligation:** The NFLP is a loan cancellation program with a service obligation for recipients of the loans. To be eligible for the maximum 85% cancellation, the Borrower must agree to serve as full-time nurse faculty at a school of nursing for a consecutive four-year period following graduation from the program. Following graduation, the Borrower must submit certification of employment within a reasonable timeframe to be determined by the School. NFLP borrowers are limited to a 12-month timeframe to establish employment as full time nurse faculty at a school of nursing following graduation from the program. If employment verification is not submitted within the 12-month period, the borrower will **NOT** be eligible for the loan cancellation provision.
- **Cancellation:** To receive loan cancellation, the Borrower must be employed full-time as nurse faculty at a school of nursing for a complete year, as is defined by the employing school of nursing or 12 consecutive months. The School will cancel an amount up to 85% of the loan (plus interest) as follows:
 - A. Upon completion by the Borrower of each of the first, second and third year of full-time employment as a faculty member in a school of nursing, the School will cancel **20%** of the principal of, and the interest on, the amount of the unpaid loan on the first day of employment.
 - B. Upon completion by the individual of the fourth year of full-time employment as a faculty member in a school of nursing, the School will cancel **25%** 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 submit the **Request for Partial Cancellation of Loan** form to the lending School at the end of each complete year of full-time employment as faculty at a school of nursing.

- **Postponement:** The beginning of the Borrower's repayment period may be postponed only if the Borrower is employed full-time as nurse faculty at a school of nursing and will request loan cancellation at the end of each complete year of this employment. To receive postponement of the repayment period, the Borrower must submit a *Request for Postponement of Installment Payment* form to the lending School 30 days before the end of the 9-month grace period, and annually thereafter. Subsequent requests for postponement must be filed 30 days before the expiration date of the initial request for postponement for each year of employment. If the Borrower ceases to be employed full-time as nurse faculty prior to completion of a year, the postponement ends and the repayment period begins immediately.

(See Reverse Side)

- **Grace Period:** The grace period begins immediately following completion of the program or voluntary termination as a full-time student for a period of nine (9) consecutive months. During the grace period repayment of the loan is NOT required.
- **Repayment:** The NFLP loan is repayable in equal or graduated periodic installments (with the right of the Borrower to accelerate repayment) over a 10-year period that begins 9 months after the Borrower completes the program, ceases to be a full-time student in the advanced nurse education program or ceases to be employed as a full-time nurse faculty.
- **Interest:** The NFLP loan will bear interest on the unpaid balance of the loan at: (a) the **rate of 3 percent per annum** beginning 3 months after the Borrower ceases to be a full-time student in the nurse education program at the School, or (b) bear interest on the unpaid balance of the loan at the **prevailing market rate** if the Borrower fails to complete the advanced nurse education program or when the Borrower fails to establish employment as a full-time nurse faculty at a school of nursing. Borrowers employed as full-time nurse faculty at a school of nursing for a consecutive four-year period will bear interest at the rate of 3% for the four year period and the remaining six years of the "repayment period". If the borrower ceases full-time employment as nurse faculty at a school of nursing, the NFLP loan will bear interest at the prevailing market rate.
- **Prepayment:** The Borrower may, at his or her option and without penalty, prepay all or any part of the principal and accrued interest on the loan at any time.
- **Acceleration:** If the Borrower fails to make a scheduled repayment or fails to comply with any other term of this Promissory Note, the entire unpaid balance of the loan, including interest due and accrued and any applicable penalty charges, will, at the option of the School, become immediately due and payable.
- **Deferment:** Borrowers who are ordered to active duty as a member of a uniformed service of the United States (Army, Navy, Marine Corps, Air Force, Coast Guard, the National Oceanic and Atmospheric Administration Corps, or the U.S. Public Health Service Commissioned Corps) are eligible for deferment for up to 3 years. A Borrower who voluntarily joins a uniformed service is NOT eligible for deferment, nor is a borrower who is employed by one of the uniformed services in a civilian capacity.
- **Death and Disability:** In the event of the Borrower's total and permanent disability or death, the School will cancel any remaining payments on the Note.
- **Forbearance:** The School may, in its discretion, place the Borrower's NFLP loan in forbearance whenever extraordinary circumstances such as poor health or hardship temporarily affect the Borrower's ability to make scheduled loan repayments. During periods of forbearance, interest continues to accrue on the unpaid principal balance of the loan.
- **Default:** If the Borrower fails to make an installment payment when due or fails to comply with any other term of this Promissory Note, the loan will be considered in default.
- **Exit Interview:** The Borrower agrees to attend an exit interview prior to completing or terminating full-time student status at the School.
- **Credit Bureaus:** The School may disclose any delinquency or default on the Borrower's loan to credit bureaus.
- **Collection Agents, Litigation, and Withholding of Services:** If the Borrower fails to make a scheduled repayment, or fails to comply with any other term of the Note, the School may:
 - a. refer the Borrower's loan to a collection agent;
 - b. initiate legal proceedings against the Borrower;
 - c. withhold School services from the Borrower, such as transcripts and letters of recommendation;
 - d. refer the Borrower's loan to the Secretary for collection assistance, including offset of Federal salaries; and
 - e. pursue judicial remedies.
- **General:** The Borrower will promptly inform the School of any change in name or address
- **Disclosure:** The School will provide to the Borrower a disclosure statement regarding the financial charges on the NFLP loan(s) each time it makes a loan award and when it establishes a repayment schedule. The Borrower must sign these disclosure statements.

The terms of this Note shall be construed according to Section 846A of the Public Health Service Act, authorizing the Nurse Faculty Loan Program.

I **CERTIFY** and **ACKNOWLEDGE** that the above information is true and correct, and I have read and understand the provisions of the Note and my rights and responsibilities regarding the NFLP loan made under the Note.

(Print Name of Borrower)

(Signature of Borrower)

Date