

## Chapter HEA 8

### NURSING STUDENT STIPEND LOANS

|          |                       |
|----------|-----------------------|
| HEA 8.01 | Purpose.              |
| HEA 8.02 | Definitions.          |
| HEA 8.03 | Borrower eligibility. |
| HEA 8.04 | Terms of loans.       |

|          |  |
|----------|--|
| HEA 8.05 | Loan forms and application process.        |
| HEA 8.06 | Loan forgiveness.                          |
| HEA 8.07 | Terms of repayment.                        |
| HEA 8.08 | Deferment of loan repayment for borrowers. |

**HEA 8.01 Purpose.** The purpose of this chapter is to define the various aspects of the nursing student stipend loan program authorized by s. 39.39, Stats., as created by 1987 Wis. Act 399, as to the awarding of the loans; their forgiveness or their repayment.

**History:** Cr. Register, November, 1988, No. 395, eff. 12-1-88.

**HEA 8.02 Definitions.** (1) “Accredited institution” means an institution of higher education in Wisconsin which is accredited by a national or state accrediting agency, and which provides an associate degree, diploma or bachelors degree program in nursing.

(2) “Board” means the higher educational aids board.

(3) “Full-time enrollment” means enrollment in at least 12 academic credits per semester or the quarterly equivalent as determined by the educational institution.

(4) “Loan” means the nursing student stipend loan program.

**History:** Cr. Register, November, 1988, No. 395, eff. 12-1-88.

**HEA 8.03 Borrower eligibility.** In order to receive a loan, the borrower shall satisfy the following requirements:

(1) The borrower shall be a resident of the United States being either a citizen or an alien lawfully admitted for permanent residence by the federal immigration and naturalization service.

(2) The borrower shall be a Wisconsin resident as determined by the board using the residency standards of s. 36.27, Stats.

(3) The borrower shall be enrolled full-time in an eligible Wisconsin institution in either the second year of a 2 year associate degree nursing program in a technical college system; the third year of a 3 year nursing diploma course; or in the junior or senior year of a bachelor degree program in a non-profit public or private college or university.

**History:** Cr. Register, November, 1988, No. 395, eff. 12-1-88; correction in (3) made under s. 13.93 (2m) (b) 6., Stats., Register, February, 1998, No. 506.

**HEA 8.04 Terms of loans.** (1) Eligible borrowers may receive up to \$2,500 a year based upon their financial need as determined through use of the national needs analysis as used under s. 39.435, Stats. The exact loan amount will be equal to the borrower’s cost of education minus the student and parental contribution, minus the grant aid the borrower is offered.

(2) The total the borrower may borrow from the board shall not exceed \$5,000 in outstanding principal.

(3) For loans which are not forgiven but must be repaid, the interest rate shall be 5% per annum on the unpaid principal balance with accrual beginning upon the initial date of repayment. Interest shall not accrue during periods of full-time enrollment; employment for forgiveness; or during board authorized periods of deferment from repayment.

**History:** Cr. Register, November, 1988, No. 395, eff. 12-1-88.

**HEA 8.05 Loan forms and application process.**

(1) A student seeking a loan shall submit to both the board and the borrower’s institutional financial aid office the nationally accepted needs analysis form used by the institution and the board. The forms are available from the institutional financial aid

offices. The board shall provide the agreement form to the borrower after the loan has been approved.

(2) The institutional aid office shall determine the borrower’s cost of education and financial contribution within the requirements set by the board. The aid office shall decide if the borrower shall receive a loan.

(3) The institutional aid office shall notify the board of the loan amount for the borrower. The board shall voucher a check for the borrower’s loan after the borrower’s signed agreement form has been received by the board. The agreement form shall set forth the terms of the loan; the terms of forgiveness; the terms of repayment; and the borrower’s rights and responsibilities.

(4) All borrower contact concerning forgiveness and repayment shall be with the board. After leaving school the borrower is required to maintain contact with the board until the loan is either forgiven or repaid. The borrower is required to forward all name, address and telephone changes to the board.

**History:** Cr. Register, November, 1988, No. 395, eff. 12-1-88.

**HEA 8.06 Loan forgiveness.** (1) Loans shall be forgiven when the borrower is employed as a registered nurse in a Wisconsin hospital, nursing home, or home health agency. For every 12 months of employment, \$1,000 shall be forgiven, with the amount to be prorated in cases where fewer months are worked. The borrower shall be given a maximum of 7 years of nursing employment to work the 5 years equivalent to the maximum of \$5,000 which can be borrowed.

(2) The maximum of 7 years allowed for forgiveness shall be extended by the board for up to a total of 3 years for active duty military service; national health service; peace corps and vista; and such time periods approved by the board for pregnancy or temporary physical or emotional disability. In no instance shall the term of forgiveness exceed 10 years including periods of deferments authorized by the board.

(3) Any loan principal remaining unforgiven whether because the 7 year period is over or the borrower has not been employed or has moved out of state, shall be repaid with interest accrued from the date the borrower ceased working as a nurse in Wisconsin or ceased being a student.

(4) Only borrowers holding a 2 year associate degree, a 3 year diploma or a bachelor’s degree in nursing shall be eligible for forgiveness.

(5) No interest shall be charged the borrower during the forgiveness period.

**History:** Cr. Register, November, 1988, No. 395, eff. 12-1-88.

**HEA 8.07 Terms of repayment.** (1) Borrowers shall repay a loan if not employed as a nurse in Wisconsin. Repayment shall be required of borrowers who are employed for periods of time but who do not complete their forgiveness within the time allowed under s. HEA 8.06 (1) and (2).

(2) The minimum monthly payment shall be \$50 including principal and accrued interest. Accrued interest shall be paid first each month from the payment received. The board shall determine the monthly repayment schedule, although a borrower may request a schedule with a higher monthly payment.

(3) A borrower shall repay the loan within a maximum of 10 years not counting periods of deferment granted by the board. Interest shall not accrue during periods of deferment authorized by the board.

(4) Borrowers may prepay any or all of their loan account without penalty whether the borrower is in school, forgiveness, repayment or deferment.

(5) If a borrower dies or becomes totally and permanently disabled, his or her obligation to make any further payment of principal and interest on the loan is canceled.

**History:** Cr. Register, November, 1988, No. 395, eff. 12-1-88.

**HEA 8.08 Deferment of loan repayment for borrowers.** (1) Borrowers who return to school on a full-time basis in any course of study at an accredited institution shall be deferred by the board from repayment for the period of enrollment.

(2) Borrowers who enter the military on active duty shall be deferred by the board from repayment for up to 3 years. National guard or reserve duty are not eligible for deferment.

(3) Borrowers who enter the national health service, peace corps or vista, shall be deferred by the board from repayment for

up to 3 years. Employment with similar private agencies is not eligible for deferment unless the agencies are federally tax exempt.

(4) Borrowers who are unemployed may be deferred from repayment by the board for up to 6 months at a time as long as they provide proof, satisfactory to the board, of actively seeking employment.

(5) The board shall defer borrowers from repayment for up to 6 months of each pregnancy.

(6) The board may grant forbearance from repayment for the benefit of the borrower. Forbearance means an extension of time for making loan payments or the acceptance of smaller payments than were previously scheduled. The board may grant forbearance whenever unemployment, health, other personal problems, or study that is ineligible for deferment temporarily affects the borrower's ability to make scheduled payments on the loan.

(7) In order to receive a deferment, a borrower shall apply to the board. If the borrower submits written evidence that verifies eligibility for the deferment, the board shall approve the deferment.

**History:** Cr. Register, November, 1988, No. 395, eff. 12-1-88.