



Ohio Administrative Code

Rule 3333-1-22 Nurse education assistance loan program.

Effective: December 28, 2023

(A) Intent and authority

(1) It is the intent of the chancellor of the department of higher education in promulgating this rule to establish and administer a nurse education assistance loan program which will provide financial assistance to eligible students while providing an incentive for these students to engage in the practice of nursing in the state of Ohio upon completion of their academic programs.

(2) This rule is adopted under the authority conferred upon the chancellor by section 3333.28 of the Revised Code.

(B) Definitions

For purposes of this rule:

(1) A "loan" means the total principal amount of all nurse education assistance loan program funds awarded to a student plus interest assessed by the chancellor.

(2) An "approved nurse education program" means a prelicensure nurse education program offered by an institution which is approved by the Ohio board of nursing under section 4723.06 of the Revised Code or a postlicensure nurse education program approved by the chancellor under section 3333.04 of the Revised Code or offered by an institution holding a certificate of authorization issued by the chancellor under Chapter 1713. of the Revised Code.

(3) An "institution" means a hospital school of nursing, or a private college, university or vocational school which offers an approved nurse education program.

(4) An "Ohio resident" means any person who meets the requirements of rule 3333-1-10 of the Administrative Code. Verification of Ohio residency for these purposes is to be provided by the



institution in which the student is enrolled. Institutions are to provide students with a fair and adequate opportunity to present proof of their Ohio residency.

(5) "Half-time enrollment" means an academic course load which is at least one-half of the normal full-time course load as determined by the institution in which the student is enrolled.

(6) "Educational expenses" means charges assessed by the student's institution for instructional and general fees ("tuition"), laboratory fees, books and supplies, room and board, transportation, and other miscellaneous expenses as indicated in each student's institutional cost of attendance.

(7) "Expected family contribution" means the measure of a student's or a family's ability to contribute to the cost of education from the student's or the family's financial resources. An expected family contribution for these purposes is to be calculated by means of a federally approved need analysis formula designated by the chancellor. The chancellor may use any federally approved need analysis formula that is a successor to expected family contribution.

(8) The "direct clinical practice of nursing" means the equivalent of full-time employment in an Ohio board of nursing licensed occupation and in which the employee has to apply the knowledge and skills gained in her or his nurse education program.

(9) A "deferment" is an agreement between the borrower and the chancellor which authorizes the borrower to temporarily stop performance of the service obligation or repayment of the loan during specified periods of time. No interest will accrue during any deferment period.

(10) "Total service obligation" means a period of time--four consecutive years for those students completing a postlicensure program of study and five consecutive years for those students completing a prelicensure program of study--following completion of the approved nurse education program during which time the borrower is employed in the clinical practice of nursing in the state of Ohio.

(11) The "designated agency" means a public agency or private firm which provides services to the department of higher education, under a contractual agreement, for the processing of loans which are in repayment, delinquent or in default.



(12) "Full-time employment" means employed at one or more employers for an average of thirty-two hours a week utilizing nursing degree.

(C) Eligibility requirements

To be eligible to receive a nurse education assistance loan a student is to:

- (1) Be an Ohio resident;
- (2) Be a citizen, a national, or a permanent resident of the United States; or be in the United States for other than a temporary purpose and intend to become a permanent resident; or be a permanent resident of the Trust Territory of the Pacific Islands or the Northern Mariana Islands;
- (3) Be enrolled in or be accepted for enrollment in an approved nurse education program for at least half-time study. The chancellor may request documentary evidence of compliance with this paragraph;
- (4) Provide an expected family contribution value, or successor/equivalent, which has been determined in accordance with paragraph (B)(7) of this rule;
- (5) Complete a promissory note stating an intention to engage in the direct clinical practice of nursing in the state of Ohio upon completion of her or his academic program; and
- (6) Not owe a refund to, or be in default on, any state educational loan program or any federal educational loan or grant program covered under Title IV of the Higher Education Act, as amended.

(D) Application procedures

(1) Interested applicants are to complete the free application for federal student aid (FAFSA) prior to completing the NEALP application. The completion of the FAFSA provides an expected family contribution (EFC), or equivalent successor measurement, that may be used to determine NEALP eligibility.



(2) Applications are available electronically on the NEALP website annually during the application period, which will be posted on higher.ohio.gov/nealp.

(3) Each applicant is to submit by the stated close date the completed application, a signed promissory note, a signed statement of students rights, and a statement of intent if seeking a masters of nurse educators (MNE) degree.

(4) If an applicant is under the age of eighteen, the applicant will need to have a co-signer that is eighteen years or older on the promissory note.

(E) Maximum awards amounts

(1) The maximum annual loan amount will be the following:

(a) Ten thousand dollars for a student enrolled in an eligible postlicensure nurse education program and who has stated an intent to practice as a faculty member or an adjunct with the equivalent of full-time employment or a combination of teaching and direct clinical practice of nursing that is equivalent of full-time employment at a prelicensure or postlicensure program for nursing in the state.

(b) Three thousand dollars for a student enrolled in an eligible prelicensure nurse education program leading to a registered nurse license;

(c) Three thousand dollars for a student enrolled in an eligible postlicensure nurse education program;

(d) One thousand five hundred dollars for a student enrolled in an eligible prelicensure nurse education program leading to a license in practical nursing.

The listed award amounts are the maximum award a student may receive and each year the award amounts will be set by the chancellor as set forth in paragraph (F) of this rule.

(2) Loans may be awarded for a maximum of fifteen quarters or ten semesters or the equivalent and may not exceed the total aggregate loan amount of thirty thousand dollars.



(3) Fund balance: Annually, the chancellor will review the applications, the biennial appropriations and consult with the board of nursing to determine the percentage that will remain after awards for a particular year. However, the money remaining in the fund will not be less than five per cent of the annual appropriation.

(F) Awarding loans

(1) Each year the chancellor will review the states needs for nurse educators, registered nurses and practitioners, and practical nurses and review the total applications received in identified fields of need to determine the number of loans to be awarded. The chancellor may determine the number of loans which are available to be awarded based on available funds. Available loans may be apportioned by professional category. Prior to a final apportionment determination, the chancellor will consult with the board of nursing. For purposes of this rule, consultation with the board of nursing may include, but is not limited to, submission of recommendations, a report, or findings by the board of nursing.

(2) The total number of applications received and available funds determines the maximum award in each nursing degree category and is provided to the institutions electronically. The final eligibility number is finalized by the institutions in the verification process. Institutions are instructed to verify each applicants enrollment and eligibility. The institutions verification process includes but is not limited to; acceptance and/or enrollment in a nursing program that does not include pre-requisite courses; reporting the total cost of attendance for the year, the total estimated financial aid, and the EFC (or successor/equivalent); and verifying the applicant is not in student loan default with the U.S. department of education. The verification process and deadline date will be posted on the department of higher education website each year. Institutions submit this information in a HEI file which is recorded in the NEALP system of the student account. The institutions are electronically notified of the final per student award amount and EFC (or successor/equivalent) cutoff if applicable.

(3) If sufficient funds are available, as determined by the chancellor, loan assistance will be awarded to all eligible applicants in programs identified as fields of need.

(4) If available funds are not sufficient to award loans to all eligible applicants, as determined by the



chancellor, the chancellor will allocate the available funds among the professional categories. All eligible applications received prior to the established deadline will be ranked within each category on the basis of relative financial need as evidenced by the expected family contribution (or successor/equivalent), with preference given to the lowest expected family contribution (or successor/equivalent), in the awarding of loans. The chancellor may consider other factors in the ranking of applications.

(5) In determining the annual amount of each loan, the chancellor will consider the student's educational expenses, the expected family contribution (or successor/equivalent), and other financial aid awarded to the student.

(G) Loan disbursement

(1) The chancellor will disburse the funds to the verified borrower's institution to cover educational expenses in equal portions over two or three terms of the academic year provided the applicant is attending an approved nursing program.

(2) Loan benefits will not be disbursed during any term in which the borrower is not in good academic standing as defined by her or his institution. A borrower who is not in good academic standing needs to bring her or his academic record up to the necessary standard within two academic terms or the loan will go into repayment.

(3) If a student reduces his or her enrollment - either by dropping a class(es) or withdrawing altogether after the institution's census date, but during the institution's refund period, the percentage of the NEALP award refund will be equivalent to the percentage refund of the student's actual educational expense charges. If a student reduces his or her enrollment - either by dropping a class(es) or withdrawing altogether after the institution's freeze date, and after the institution's refund period, no NEALP award refund will be necessary.

(H) Loan application

(1) Loans are not automatically renewed. Each year an applicant will have to reapply and be in good standing on all previous NEALP loans. To qualify for loan renewal, the borrower will need to



continue to meet all eligibility requirements set forth in paragraph (C) of this rule and maintain an academic record which places her or him in good academic standing as defined by the institution.

(2) Completion of an application/promissory note is necessary for each loan.

(I) Loan forgiveness

(1) After graduation from an approved nurse education program, the borrower may be eligible for debt cancellation as follows:

(a) At a rate of twenty-five per cent per year, for a maximum of four years, for students that completed a postlicensure program of study for each year in which the borrower is employed as a faculty member or an adjunct with the equivalent of full-time employment or a combination of teaching and direct clinical practice of nursing that is equivalent of full-time employment at a prelicensure or postlicensure program for nursing in the state of Ohio.

(b) At a rate of twenty per cent per year, for a maximum of five years, for students who completed a prelicensure program of study for each year in which the borrower is employed in the direct clinical practice of nursing in the state of Ohio for the equivalent of full-time employment.

(c) At a rate of twenty per cent per year, for a maximum of five years, for students who completed a postlicensure program of study without the intent to teach for each year in which the borrower is employed in the direct clinical practice of nursing in the state of Ohio for the equivalent of full-time employment.

(d) At a rate of twenty per cent per year, for a maximum of five years, for students who completed a prelicensure nurse education program leading to a license in practical nursing for each year in which the borrower is employed in the state of Ohio for the equivalent of full-time employment.

(2) To qualify for loan forgiveness the borrower needs to secure the equivalent of full-time employment as described in paragraph (B) of this rule within a period not to exceed six months following graduation from the approved nurse education program.



(3) While fulfilling the service obligation, the borrower is to provide periodic evidence of the equivalent of full-time employment as requested by the chancellor.

(J) Repayment

(1) The chancellor has the authority to enter into a contractual agreement with a public or private agency for services needed to manage the repayment of nurse education assistance loans and the collection of delinquent or defaulted loans who may determine the interest rate and fees.

(2) Repayment of the principal amount of the loan and interest will be deferred during the following periods:

(a) While the borrower is enrolled in an approved nurse education program, provided that the borrower continues to meet all eligibility requirements;

(b) While the borrower is seeking employment to fulfill the service obligation, during a period not to exceed six months;

(c) While the borrower is fulfilling the service obligation;

(d) During a period not to exceed one calendar year, after which time a borrower has failed the state nursing licensing examination for the first time. This deferment period ends thirty days after the borrower passes the state nursing licensing examination on the second attempt. If the borrower fails to pass the state nursing licensing examination on the second attempt, the loan plus interest will go into repayment immediately;

(e) During an authorized deferment as granted by the chancellor which may be granted for up to one year for any circumstances which constitute an undue hardship, as judged by the chancellor. These circumstances may include continued nursing education, serious illness, pregnancy, disability, inability to secure employment or involuntary termination of employment.

(f) While the borrower is deployed on active duty service outside the state.



(g) While the borrower joins a spouse deployed on active duty outside the state.

(3) Repayment of the outstanding principal amount of the loan plus interest will be made to the department of higher education or the designated agency and will begin on the occasion of one or more of the following events:

(a) The borrower drops out of school without an approved deferment;

(b) The borrower is not in good academic standing for more than two consecutive terms;

(c) The borrower drops out of the approved nurse education program;

(d) The borrower fails to complete the total service obligation.

(4) The terms of repayment, including the length of the repayment period and the date on which the first payment is due, will be agreed upon by the borrower and the chancellor or the designated agency and shall be set forth in a disclosure statement. The disclosure statement will also include the total amount of interest owed on the loan.

(5) The total repayment period will not exceed ten years.

(6) The minimum monthly repayment amount will be determined by the chancellor or the office of the Ohio attorney general or the designated agency, as applicable.

(K) Delinquency and default

(1) A borrower is delinquent when a loan payment is a minimum of thirty days late. The chancellor or the designated agency will use diligent efforts to collect on a delinquent loan and may seek assistance from the office of the Ohio attorney general.

(2) A loan is considered to be in default when it is one hundred twenty days delinquent. A loan which is in default will be declared due in full and the borrower will be disqualified from any debt cancellation benefits. The chancellor or the designated agency will use diligent efforts to collect on a



loan which is in default and may seek assistance from the office of the Ohio attorney general.

(L) Cancellation

(1) The entire debt or service obligation will be canceled if:

(a) The borrower dies, or

(b) The borrower becomes totally and permanently disabled and the borrower provides a statement from a licensed physician verifying this condition.

(M) Promoting the program

The chancellor will promote public awareness of the nurse education assistance loan program by disseminating information to high school guidance offices, college financial aid offices and community service agencies. In addition, special efforts will be made to promote the program and the nursing profession among groups who have been historically underrepresented in nursing careers.

(N) Influence on other awards

The receipt of a nurse education assistance loan will not affect a student's eligibility for assistance, or the amount of that assistance, granted under section 3333.122, 3333.26, 5910.03, 5910.032 or 5919.34 of the Revised Code.