

TITLE 11
DEPARTMENT OF HEALTH
CHAPTER 351
Nursing Student Loan Program

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§11-351-1 Purpose.

The purpose of this chapter is to adopt rules governing implementation of the Nursing Student Loan program authorized by chapter 321, Hawai'i Revised Statutes. [Eff JUN 25 1992] (Auth: HRS §§321-24, 321-25, 321-26) (Imp: §§ 321-24, 321-25, 321-26)

§11-351-2 Definitions.

As used in this chapter, unless a different meaning clearly appears in the context;

"Department" means the department of health of the State of Hawai'i;

"Director" means the director of health of the State of Hawai'i or a duly authorized designate;

"Loan" mean a financial obligation owed to the department by students who borrow money to pursue a nursing career;

"Loan advisory committee" means the committee formed by the director to advise the director on the making of loans. Members of the loan advisory committee may include officers and staff of the department, representatives from Hawai'i Nurses' Association, the Hawai'i chapter of the American Organization of Nurse Executives, the University of Hawai'i, Hawai'i Loa College, and the community colleges;

"Loan reserve fund" means moneys available to grant loans to eligible applicants;

"Nursing student" means a student registered in an accredited specialized nursing educational program as a full-time student as defined by an accredited degree-granting university, college or nursing institution in Hawai'i;

"NCLEX" means the licensing examination for the licensure of nurses which is administered in the State in February and July of each year;

"State" means the State of Hawai'i;

"Work" means employment for a minimum of seventy-two hours per consecutive two-week period. Exceptions will be made for time taken off for temporary disability insurance/workers compensation, pregnancy (limited to three months), involuntary military duty; and personal leave limited to six months. [Eff JUN 25 1992] (Auth: §§321-24, 321-25, 321-26) (Imp: §§321-24, 321-25, 321-26)

§11-351-3 Loan management.

The operation and implementation of the loan program shall be conducted in accordance with the remaining sections of this chapter and a loan fund management procedural guide. A copy of the loan fund management procedural guide used by the administrator shall be at the department's building in its most current form and available for inspection during normal business hours. [Eff JUN 25 1992] (Auth: §§321-24, 321-25, 321-26) (Imp: §§321-24, 321-25, 321-26)

§11-351-4 Loan funds.

- (a) The fund is implemented on the basis of an initial legislative appropriation of \$250,000.
- (b) The fund may also accept donations from any legitimate source, including federal and private grants and gifts from private foundations or endowment organizations. Donations will be received by the director for deposit in the fund.
- (c) All interest and fees collected by the department shall be deposited in the fund to cover the administrative costs associated with operating the fund. All payments received on account of principal shall be credited to the fund to maintain a proper reserve to guarantee sufficient loans.
- (d) All funds in the student nursing loan program shall lapse into the general fund at the close of business on June 30, 2000. [Eff JUN 25 1992] (Auth: §§321-24, 321-25, 321-26) (Imp: 321-24, 321-25, 321-26)

§11-351-5 Purpose of loans.

- (a) The department shall provide low interest loans to students who are studying to become licensed registered nurses or nurse practitioners and who intend to work in the State. The loan amount shall be used for:

- (1) Payment of tuition; and
 - (2) Other necessary financial assistance in connection with obtaining a degree or certificate from an accredited degree-granting university, college or nursing institution in Hawai'i.
- (b) The department may grant loans as "matching funds" to secure grants. [Eff JUN 25 1992] (Auth: §§321-24, 321-25, 321-26) (Imp: §§321-24, 321-25, 32126)

§11-351-6 Eligibility requirements.

Consideration for loans under this chapter shall be extended only to applicants who meet the following minimum requirements:

- (1) The applicant is or plans to be a student pursuing a career as a registered nurse;
- (2) The applicant has been accepted and is classified as a full-time nursing student by the applicant's respective school;
- (3) The applicant has been a Hawai'i resident for at least one year prior to the date the applicant applies for a loan;
- (4) The applicant has not previously graduated from a similar nursing program and is not repeating any nursing-related courses; and
- (5) The applicant intends to become licensed and obtain employment as a registered nurse immediately upon graduation and work in Hawai'i for a minimum of three years. [Eff JUN 25 1992] (Auth: §§321-24, 32125, 321-26) (Imp. §§321-24, 321-25, 321-26)

§11-351-7 Application procedures.

- (a) All persons applying for loans shall utilize the loan application form provided by the department upon request.
- (b) The application form shall be submitted to the department at least ninety days prior to the start of the upcoming academic semester.
- (c) Applicants are required to submit a written confirmation from an accredited degree-granting university, college, or nursing institution in Hawai'i confirming the applicant is either a current student or will be commencing studies in the upcoming academic semester.
- (d) In the event that no accredited specialized nursing educational programs are available in Hawai'i, the director, in consultation with the loan advisory committee, shall give consideration for loan approval to fund training at an accredited degree-granting or certificate-granting university, college, or nursing institution outside the State of Hawai'i.
- (e) Applicants shall submit official copies of their college transcripts to the department. (First term college students shall provide high school transcripts.)
- (f) Applicants shall submit a written essay on the applicant's personal and professional goals using the form provided by the department.

(g) Applicants shall make a commitment, in a written notarized form provided by the department, to work as a registered nurse in Hawai'i for a minimum of three years immediately following obtaining a license under chapter 457, Hawai'i Revised Statutes.

(h) At the discretion of the loan advisory committee, applicants may be subject to a credit verification and will be notified of this credit verification check when applying for the loan.

(i) The "Nursing Student Loan Program General Application Information and Instructions" comprised of the Application for Student Nursing Student Loan Application and the Notice of Intent, all dated 9/17/91, located at the end of this chapter, are made a part of this section.

(j) Only loan applications meeting all the requirements of this section shall be considered complete and eligible for review pursuant to this chapter. It shall be solely the applicant's responsibility to submit a completed loan application. Incomplete loan applications shall not be eligible for review. [Eff JUN 25 1992] (Auth: §§321-24, 321-25, 321-26) (Imp: §§321-24 , 321-25, 321-26)

§11-321-8 Loan advisory committee.

(a) All completed loan applications shall be reviewed by the loan advisory committee.

(b) The loan advisory committee will meet on a semiannual basis, or as determined by the committee, to review loan applications.

(c) The loan advisory committee recommendations will be guided by the nature of studies, the applicant's past academic performance, and the assurance that the applicant will pursue work as a licensed registered nurse, or secondly, a career as a nurse practitioner in Hawai'i upon graduation. Should there be a limit in the amount of funds available, the applicant's financial need will also be considered.

(d) The loan advisory committee shall submit the completed loan applications and its recommendations to the director for final approval or disapproval. [Eff JUN 25 1992] (Auth: §§321-24, 321-25, 321-26) (Imp: §§321-24, 321-25, 321-26)

§11-351-9 Disapproval of loan applications.

The director may disapprove the loan application for any of the following reasons:

(1) Applicant cannot meet certain practical credit requirements established by the loan advisory committee;

(2) Applicant's moral character is questionable as determined by the loan advisory committee; or

(3) Applicant fails to meet other criteria deemed necessary by the loan advisory committee in justifying or granting a loan. [Eff JUN 25 1992] (Auth: §§321-24, 321-25, 321-26) (Imp: §§321-24, 321-25, 321-26)

§11-351-10 Notification of approval or disapproval

(a) Applicants will be notified in writing of their approval or disapproval for the loan request at least thirty days prior to the upcoming academic semester.

(b) For approved applicants, warrants will be issued directly to the recipient at least ten days prior to the start of the upcoming academic semester. [Eff JUN 25 1992] (Auth: §§321-24, 321-25, 321-26) (Imp: §§321-24, 321-25, 321-26)

§11-351-11 Maximum loan amount; loan terms and restrictions.

(a) The maximum individual loan amount shall not exceed \$10,000 per recipient for any one academic year.

(b) The director shall determine the extent and kinds of security required for each loan, if any.

(c) No loan shall be granted for a period exceeding five years. The following guidelines shall be used by the department in establishing loan terms:

(1) All loans shall be made before June 30, 1995.

(2) All repayments of loans shall be made before the close of business on June 30, 2000, at which time the funds from the nursing student loan program shall lapse into the general fund.

(d) Each loan shall bear a simple interest rate not to exceed five per cent per year.

(e) Loans shall be granted for the entire period required to complete studies, up to a maximum of five years. Allocations will be made each semester/quarter to the loan beneficiary upon submission of:

(1) Transcripts from the previous academic semester indicating that the loan recipient has a minimum grade point average of 2.0 (on a 4.0 scale);

(2) A copy of the recipient's registration for courses for the upcoming academic semester/ quarter;
and

(3) Letter from the school of nursing confirming the recipient's enrollment, as requested by the director.

(f) Should the recipient determine that the loan amount will need to be increased after the original loan amount is awarded, the recipient shall submit a request for additional funds in writing to the loan advisory committee along with justification for the increase (e.g., increased tuition). The increased amount, if approved by the director, will be applied to the upcoming academic semester. [Eff JUN 25 1992] (Auth: §§321-24, 321-25, 321-26) (Imp: §§321-24, 321-25, 321-26)

§11-351-12 Repayment.

(a) Repayment of the loan shall commence twelve months after the recipient has graduated, been licensed, and has obtained employment as a registered nurse in Hawai'i.

(b) Loan recipients shall have their outstanding repayment obligation reduced by twenty percent per year for each year they work as a registered nurse in Hawai'i. Recipients shall submit a letter from the recipient's employer by January 31 of

each year, or as requested by the director, to confirm the recipient is employed directly providing or supervising clinical care with an institution or organization in Hawai'i.

(c) Recipients who meet the criteria in sub-section (h) of this section may defer repayment of the outstanding loan amount each year they are employed as a licensed registered nurse directly providing or supervising clinical care with an institution or organization in Hawai'i. If the recipient requires time off from work due to temporary disability insurance/ workers' compensation, pregnancy (limited to three months), personal emergency (limited to six months), or involuntary military duty, the repayment period will be deferred and added to the end of the loan repayment period.

(d) Repayment of loans shall commence immediately under the following conditions. The recipient:

- (1) Withdraws from nursing studies prior to graduation;
- (2) Graduates but does not seek employment;
- (3) Graduates and becomes employed in the State in a profession other than as a registered nurse;
or
- (4) Graduates and becomes employed in any field outside of the State.

(e) Repayment of the loan amount or any portion thereof which has been allocated to the recipient for the upcoming semester/quarter but which has not been expended shall be returned immediately to the department. Loan amounts are assumed to be unexpended, unless the recipient provides proof that it has been spent (e.g., receipts).

(f) Repayment of the loan amount which has been disbursed to the recipient and expended shall be made on a quarterly basis, according to the repayment schedule specified by the department. There are no penalties for early repayment of the loan.

(g) Repayment which is fifteen calendar days past the due date will be assessed a late payment penalty of two percent simple interest.

(h) Repayments may be deferred under any of the following conditions:

- (1) The recipient provides written confirmation that the recipient has resumed nursing studies on a full-time basis for which the loan was originally approved;
- (2) The recipient takes and passes the next scheduled NCLEX and obtains employment as a licensed registered nurse directly providing or supervising clinical care with an institution or organization in Hawai'i within ninety days of taking the examination; or
- (3) The recipient provides written confirmation that the recipient has become employed as a registered nurse directly providing or supervising clinical care in an institution or organization in the State of Hawai'i.

(i) Deferral of loan repayments is subject to approval by the director. [Eff JUN 25 1995] (Auth: §§321-24, 321-25, 321-26) (Imp: §§321-24, 321-25, 321-26)

§11-351-13 Default.

Loans that are three installments in arrears shall be considered in default. The recipient shall also be considered to be in default for failure to comply with any term or condition of the loan authorization or agreement. If the recipient is in default, the whole of the loan, at the option of the director, shall become due and payable. Any expense incurred by the department for recovering of moneys shall be borne by the recipient. [Eff JUN 25 1992] (Auth: §§321-24, 321-26) (Imp: §§321-24, 321-25, 321-26)

Department of Health State of Hawai'i

APPLICATION FOR NURSING STUDENT LOAN PROGRAM

Please Print or Type

Section I: PERSONAL DATA

Name _____

(Last) (First) (Middle)

Address _____

(City) (State) (Zip Code)

Phone () ____ - ____ Social Security No. ____ - ____ - ____

If you are NOT a U.S. citizen, are you eligible for employment in the U.S.? • Yes • No

Name and address of nearest relative NOT residing with you

Name _____ Relationship _____

Address _____ Phone () ____ - ____

Please provide one personal and one professional reference

Personal Reference (Do NOT list a relative)

Name _____ Relationship _____

Address _____ Phone () _____ - _____

Professional Reference (Do NOT list a supervisor)

Name _____ Relationship _____

Address _____ Phone () _____ - _____

APPLICATION FOR NURSING STUDENT LOAN PROGRAM

Section II: EDUCATIONAL INFORMATION

NAME AND LOCATION SCHOOLS ATTENDED	YEARS ATTENDED	MAJOR	DEGREE/ DIPLOM A
HIGH SCHOOL			
COLLEGE			
OTHER SCHOOLING			

Name of Nursing School Attending _____

Status: • Accepted into Nursing Program

• Not accepted into Nursing Program

• Pending (explain) _____

Enrollment Date _____

Anticipated Graduation Date _____

Grade Point Average (based on 4.0 scale) _____

Degree Pursued _____

APPLICATION FOR NURSING STUDENT LOAN PROGRAM

Section III: EMPLOYMENT INFORMATION

Please begin with your most recent employment

Employer _____ Phone No. () _____ - _____

Address _____

Name and Title of Supervisor _____

Your Title _____

From _____ To _____ • Full Time • Part Time

Employer _____ Phone No. () _____ - _____

Address _____

Name and Title of Supervisor _____

Your Title _____

From _____ To _____ • Full Time • Part Time

Employer _____ Phone No. () _____ - _____

Address _____

Name and Title of Supervisor _____

Your Title _____

From _____ To _____ • Full Time • Part Time

Employer _____ Phone No. () _____ - _____

Address _____

Name and Title of Supervisor _____

Your Title _____

From _____ To _____ • Full Time • Part Time

APPLICATION FOR NURSING STUDENT LOAN PROGRAM

Section IV: FINANCIAL INFORMATION

For what funding you are applying? (Maximum \$10,000 per year)

- Tuition
- Expenses
- Tuition and Expenses

Please complete the following information

Total annual gross income \$ _____

Total monthly expenses \$ _____

Please summarize your monthly financial needs and expenses on the reverse side of this page

Indicate entire loan amount requested by semester or quarter

Semester/Quarter	Tuition	Other Expenses	Total Expenses
TOTAL			

Other financial assistance information

INSTITUTION	TYPE ASSISTANCE	ASSISTANCE	
		APPLIED FOR	RECEIVING

APPLICATION FOR NURSING STUDENT LOAN PROGRAM

Section V: STATEMENT OF PERSONAL AND PROFESSIONAL GOALS

Discuss your reasons for applying for this loan. Include information on your background; school and community activities in which you have participated; awards and special recognition you have received; your hobbies and interests; the reasons you have for becoming a nurse; and your future career goals. Attach additional page(s) if necessary.

APPLICATION FOR NURSING STUDENT LOAN PROGRAM

Section VI:

I certify that the information provided in this application is truthful.

I have read the Nursing Student Loan Program General Application Information and Instructions and understand and accept the employment/repayment obligations associated with participating in this loan program.

Applicants Signature

Date

The following shall be submitted together:

1. Completed application
2. Statement of Personal and Professional Goals
3. Copies of all high school and college transcription
4. Verification of grade point average
5. Notarized Letter of Intent to work as a registered nurse with an institution or organization providing direct clinical care in Hawai'i for a minimum of three year after obtaining a license under chapter 457, the Hawai'i Revised Statutes

Application and required attachments shall be submitted to:

Department of Health

State of Hawai'i

Division of Community Hospitals

1270 Queen Emma Street, Suite 1200

ATTN: NURSING STUDENT LOAN PROGRAM

Honolulu, Hawaii 96813

APPLICATION FOR NURSING STUDENT LOAN APPLICATION

NOTICE OF INTENT

Name _____

Social Security Number _____ - _____ - _____

Total Repayment (Amount Requesting) Obligation \$ _____

I agree to work as a registered nurse or as a nurse practitioner with an institution or organization providing direct clinical care in Hawai'i for a minimum of three years of obtaining a license pursuant to chapter 457 of the Hawai'i Statutes.

I, _____, certify that I am a student registered in a full-time accredited specialized nursing educational program as defined by an accredited degree-granting university, college nursing institution in Hawai'i or the mainland and meet the eligibility requirements to obtain a loan under the Nursing Student Loan Program. I have read and agree to comply with the terms outlined in the Nursing Student Loan Program General Application Information and Instructions. I understand that if awarded a loan, the loan amount will be paid to me each semester upon submission of the following:

1. Transcripts from the previous academic semester indicating a minimum GPA of 2.0 (based on a 4.0 scale).
2. A letter from the school of nursing confirming successful completion of the previous semester.

I understand that upon graduation, I must obtain employment as a registered nurse or a nurse practitioner in Hawai'i for a minimum of three years immediately following obtaining a license under chapter 457, Hawai'i Revised Statutes. I understand that for each full year (12 months) of continuous employment as outlined above, twenty per cent of my total repayment obligation will be forgiven. To cancel the entire obligation shall require five years of employment.

I understand that any leaves of absence will cause the fulfillment date of my obligation to be adjusted. I also understand that the repayment obligation amount is due immediately upon any of the following conditions:

1. I withdraw from nursing studies prior to graduation or convert to part-time status.
2. I graduate but do not seek employment.
3. I graduate and become licensed but I become employed in the State in a profession other than as a registered nurse.
4. I graduate and become employed in any field outside the State of Hawai'i.

(Name)

(Signature) (Date)

Subscribed and sworn to before me this
____ day of _____, 199____.

Notary Public, State of Hawai'i
My commission expires:

STATE OF HAWAII
DEPARTMENT OF HEALTH

NURSING STUDENT LOAN PROGRAM
GENERAL APPLICATION INFORMATION AND INSTRUCTIONS

OVERVIEW

Nursing students may receive financial assistance through a restricted loan program as they pursue an accredited specialized nursing education program with an accredited degree-granting university, college, or nursing institution in the State of Hawai'i. In the event that no accredited specialized nursing educational programs are available in the State of Hawai'i, consideration for loan approval with an accredited degree-granting or certificate-granting university, college, or nursing institution outside the State of Hawai'i may be given. The program will run from July 1, 1991 to June 30, 1995, or until all available funds are expended, whichever comes first. Loan recipients are expected to repay their loans by June 30, 2000.

The Department of Health, State of Hawai'i provides services and opportunities to take part in its programs and activities without regard to race, color, national origin, age, disability, or sexual orientation.

FUNDING AVAILABLE

Funding under this loan program is limited to a maximum of \$10,000 per student per academic year, not to exceed five years.

Low interest loans are available to persons who are studying to become licensed registered nurses and who intend to work in Hawai'i. The loan amounts shall be used for:

1. Payment of tuition.
2. Other necessary financial assistance in connection with obtaining a degree or certificate from an accredited degree-granting university, college, or nursing institution in Hawai'i.
3. "Matching funds" to secure grants from other sources.

MINIMUM SELECTION CRITERIA

Applicants shall:

1. Be a student pursuing a career as a registered nurse.
2. Have been accepted and classified as a full-time nursing student by the applicant's respective school.
3. Have been a Hawai'i resident for at least one year prior to the date the applicant applies for a loan.
4. Have not previously graduated from a similar nursing program and is not repeating any nursing-related courses.

5. Intend to become licensed and obtain employment as a registered nurse directly providing or supervising clinical care immediately upon graduation and work in Hawai'i for a minimum of three years.

APPLICATION PROCESS

Applicants shall submit:

1. Completed "Application for Nursing Student Loan Program."
2. A confirmation from an accredited degree-granting university, college, or nursing institution confirming that the applicant is either a current student or will be commencing studies in the upcoming academic semester.
3. Official copies of college transcripts. Applicants who have not previously attended college shall submit high school transcripts.
4. A written essay on the applicant's personal and professional goals using the form provided by the department.
5. A written notarized form provided by the department, which indicates the applicant intends to work as a registered nurse in Hawai'i for a minimum of three years immediately following obtaining a license under chapter 457, Hawai'i Revised Statutes.

At the discretion of the Loan Advisory Committee, applicants may be subject to a credit verification and will be notified of this check when applying for the loan.

Applications and required attachments listed above shall be submitted together to:

Department of Health

State of Hawai'i

Division of Community Hospitals

1270 Queen Emma Street, Suite 1200

ATTN: NURSING STUDENT LOAN PROGRAM

Honolulu, Hawai'i 96813

Applications may be obtained from the Office of the Director of the Department of Health at 1250 Punchbowl Street, 3rd Floor. Applicants may also call 586-3991 to receive a packet by mail.

Incomplete application packets will not be processed.

Applications for financial assistance will be accepted prior to the beginning of each Fall/Spring semester (quarter system as appropriate). Students shall apply for total funds required to complete studies. Students will only be awarded one loan. If additional funds are needed, students may submit a written request to the Loan Advisory Committee to increase the loan amount. The request should include the reasons and purpose of the increase. Granting of the request will be at the discretion of the director of health. The new amount approved cannot exceed \$10,000.

Upon receipt of complete application materials, a personal interview may be scheduled with the Loan Advisory Committee.

Applicants will be notified by mail of their acceptance or denial into the program.

Nursing Student Loan Program General Application Information and Instructions

SELECTION PROCESS

In addition to the minimum selection criteria, additional criteria may include:

1. Completeness of application packet
2. Personal Statement
3. Grade Point Average
4. Personal Interview

The department may disapprove the loan for any of the following reasons:

1. The applicant cannot meet certain personal credit requirements established by the Loan Advisory Committee.
2. The applicant's moral character is questionable as determined by the Loan Advisory Committee.
3. The applicant fails to meet other criteria deemed necessary by the Loan Advisory Committee in justifying or granting a loan.

Funds will be disbursed on a semester/quarter basis. Allocations will be made each semester/quarter to the loan beneficiary upon submission of:

1. Transcripts from the previous academic semester indicating that the loan recipient has a minimum GPA of 2.0 on a 4.0 scale).
2. Letter from the school of nursing confirming the recipient's successful completion of the previous semester.

REPAYMENT OBLIGATION

Funding received through this program shall be repaid. By accepting this funding, the recipient agrees to become employed full-time as a licensed registered nurse or directly providing or supervising clinical care with an institution or organization in Hawai'i for a minimum of three years. The recipient shall begin employment within ninety days of taking the NCLEX.

For each twelve months of continuous service as noted above, 20 per cent of the obligation will be "forgiven" or cancelled. After working the required three years, sixty per cent of the obligation will be forgiven. To forgive the entire obligation through employment shall require five years. There will be no credit given for partial years worked. If recipient requires time off from work due to temporary disability insurance/ workers compensation, personal emergency (limited to six months), or involuntary military duty, the repayment period will be deferred and added to the end of the loan repayment period.

Repayments of loans shall commence immediately under any of the following conditions:

1. The recipient withdraws from nursing studies prior to graduation or converts to part-time status.
2. The recipient graduates but does not seek employment.
3. The recipient graduates but is employed in the State in a profession other than as a registered nurse.
4. The recipient graduates and becomes employed in any field outside the State of Hawai'i.

Interest will start from the time employment ends or is reduced. Each loan shall bear a simple interest rate not to exceed five per cent per year. If a recipient fails to meet repayment obligations, the recipient's credit rating may be affected and the Department of Health reserves the right to take legal action as necessary to recover funds.

OTHER INFORMATION

Funds will be disbursed to the recipient after they have signed a Letter of Understanding, which reiterates their obligations under this program.

The recipient will be responsible for having their school's Registrar complete and return a confirmation of full-time enrollment, major and GPA each semester.

Loans are awarded for the duration of the studies. However, if a recipient fails to maintain full-time status, minimum GPA or major in Nursing after any semester, funds will not be provided and repayment will be due immediately.

Deferment of repayment is available if the recipient becomes temporarily disabled, as certified by a licensed physician.