

THE REPAYMENT OF YOUR NURSING FACULTY LOAN

This guide outlines your rights and responsibilities in repaying your loan. This is vital information to understand to prevent default on your loan.

The type of Nursing Faculty Loan you borrowed is dependent on the Nursing Faculty Loan regulations in effect at the time you borrowed the funds.

EXIT COUNSELING

Federal regulations require you to complete exit counseling on your loans prior to your departure from MU or if your enrollment in an advanced nursing educational program ceases or drops to less than half-time. A hold is placed on transcript requests and your diploma until your exit counseling is satisfactorily completed.

GRACE PERIOD

The grace period is the time between graduation (or ceasing to be enrolled at least half time in an advanced nurse education program) and the beginning of loan repayment. Nursing Faculty Loans have a 9-month grace period. You are not required to make payments during the grace period. Any payments made during the grace period before interest accrues will be applied toward principal.

INTEREST RATE

Interest begins to accrue 3 months after separation from an advanced nurse education program. The interest rate on Nursing Faculty Loans is 3% per year when a borrower is employed full time as nurse faculty at an accredited school of nursing otherwise the interest will be the prevailing market rate (see compliance section for details). Interest is computed monthly on the unpaid principal balance. Any extra payments you make toward principal will reduce the amount of interest you will pay over the life of the loan. Interest accrued is cancelled for each year of employment.

LENGTH OF REPAYMENT

Borrowers who separate* from MU's advanced nurse education program or ceases to be employed as full-time nurse faculty must repay their loans at a minimum payment of \$40.00/month or at a payment amount which will repay the loan in 10 years, whichever is higher.

**Separation includes graduation, withdrawal from MU and/or appropriate program, or ceasing to make sufficient progress as determined by the Nursing School faculty and staff.*

REPAYMENT

The first payment due, your minimum payment amount, and term of the loan is on your truth-in-lending form provided to you during exit counseling.

The total amount of interest indicated on the truth-in-lending statement assumes payments are received on the 1st day of every month as outlined on the truth-in-lending form. The actual amount of interest paid will depend on the date payments are received.

Payments are applied to any interest and/or fees outstanding, then towards principal. You may prepay at anytime without penalty. If you want to pay ahead, you must include a note specifying this along with your payment.

CREDIT BUREAU REPORTING

All student loans are reported to a national credit bureau monthly. If you are current on your loan payments you will establish a good credit history. If your loan becomes past due, the delinquency is reported to a credit bureau. Past due reportings will affect your ability to take out other loans, such as a mortgage or car loan. Some employers and landlords use credit ratings in their decisions to employ and rent.

THE BILLING PROCESS

Once your loan enters repayment you will be sent a billing statement each month. Bills are computed around the 12th of the month and are due on the 1st, approximately 2 weeks later.

A payment is required each month. Payments received are first applied to the amount billed. Any extra payments will be applied to principal and not to future payments unless sent to 14 Jesse Hall with a note specifying how to apply.

Failure to submit your payments on time may result in late charges being assessed to each loan. Any payments returned to us as unpaid will be assessed a \$20.00 service charge. **YOU ARE RESPONSIBLE FOR MAKING YOUR LOAN PAYMENT EACH MONTH EVEN IF YOU DO NOT RECEIVE A BILL.**

DEFERMENT

A deferment is an authorized period of time during which payments are not required and interest does not accrue. Any payments made during this period will be applied to principal.

A listing of deferments available on Nursing Faculty Loans is on the reverse of this brochure. To qualify for deferment your loan must be in current status. You must notify our office to request deferment. Forms and other documentation may be required. Once our office receives all the necessary information and documents, your loan is put in "pre-deferment." During pre-deferment, billing is delayed. Near the end of the pre-deferment, period you must submit a deferment form. The deferment form must be completed and certified by the appropriate official. The certified deferment form must be received in our office in a timely manner to finalize your deferment. Certified deferment forms for student status must be completed each semester.

If you discontinue the activity for which your loan was deferred, you must notify us immediately. Your loan will only qualify for deferment for the period that you engaged in the activity. All other periods of deferment will be removed from your loan. Late notification could result in your loan becoming delinquent.

Failure to submit deferment forms in a timely manner may result in negative credit bureau reporting. If the certified deferment form is not received in our office in a timely manner, the "pre-deferment" is removed from your account and you will be billed for all the previous months that had been "pre-deferred." Your account would immediately be considered past due. Because we report all loan accounts to the credit bureau monthly, your account would be reported to the credit bureau as extremely past due.

CANCELLATION

The Nursing Faculty Loan is a loan cancellation program that requires the borrower to be employed as a full-time nurse faculty in an accredited school of nursing. You must agree to serve for a consecutive four-year period to receive the maximum of 85% cancellation. Employment as a faculty nurse must be established within 12-months of graduation from an advanced nurse education program. You must notify our office of your employment as a nurse faculty and provide the required verification to qualify for the cancellation.

Once our office receives your request we will send you the necessary form(s) to complete. This form must be certified by your employer and returned to us so we may determine your eligibility for the cancellation. If approved, a postponement will be processed on your Nurse Faculty Loan for the period on the form. Your account must be current before we can process a postponement. A postponement is how we delay billing while you are employed in an activity that will qualify for cancellation.

Prior to the end of the postponement period, you must complete a cancellation form to have the qualifying year certified for cancellation. Cancellations are processed once the qualifying year has been completed and certification has been received from your employer. Along with the cancellation section of the form, you will need to complete the postponement section of the form if you are planning to continue employment in the same position for an additional year. This process of postponements and cancellation must be repeated each year for cancellation of your loan which allows us to insure that all criteria for cancellation have been met and comply with federal regulations.

To qualify for a cancellation based on employment, you must be employed full-time for a complete year, or as defined by the employing school of nursing or 12 consecutive months. The 12-month period can be under different employers, but there can be no break in employment. **If you cease to perform the employment activity for which your account was deferred you must notify the Student Loan Repayment Center immediately!** You do not qualify for the cancellation if you do not complete a full 12 months or year as defined by the employing school of nursing.

You cannot receive cancellation for any employment activity performed BEFORE the date your loan was disbursed or DURING THE SAME PERIOD for which your loan was disbursed.

If it is determined that you do qualify, you will receive cancellation at a specific percentage of the original principal borrowed plus all the interest that accrued during the year. The table on the back lists the cancellations as well as the percentage of principal that may be canceled each year.

Failure to submit postponement and cancellation forms by the due date may result in late charges and negative credit bureau reporting. If we do not receive the certified forms in our office by the due date, the "postponement" is removed from your account and you will be billed for all the previous months that had been "postponed." Your account would immediately be considered extremely past due. Because we report all loan accounts to a credit bureau monthly, your account would be reported to a credit bureau as extremely past due.

COMPLIANCE ON NURSE FACULTY LOANS

To receive the benefits of the Nursing Faculty Loan, a borrower must complete an advanced nurse education program and establish full-time employment as nurse faculty at an accredited school of nursing within 12-months of graduation and maintain employment for four consecutive years. Otherwise:

- the cancellation is NOT available if employment is not established within 12-months following graduation from the program
- if employment verification is not submitted within the 12-month period following graduation, the borrow is NOT eligible for the cancellation
- if full-time employment as nurse faculty is not established within 12-months following graduation, the interest rate on the loan will be at the prevailing market rate, which may increase your minimum monthly payment
- if full-time employment as nurse faculty is ceased or terminated, the interest rate on the loan will be at the prevailing market rate
- if service in the uniformed services is voluntary or in a civilian capacity the loan is NOT eligible for military deferment

If you have a disability and need this publication in an alternate format, please contact us. Reasonable efforts will be made to accommodate your needs.

GUIDE TO PREVENTING DEFAULT

The key to preventing default is COMMUNICATION!!

Payments - It is your responsibility to repay your loan in accordance with the truth-in-lending statement. Payments are due on the 1st day of each month.

Credit Reporting - All loans, whether current or past due, are **reported** to a national credit bureau each month beginning with the date of disbursement.

Your Contact Information - It is your responsibility to immediately inform the MU Student Loan Repayment Center of any change in name, address, telephone number, or social security number. This may be done online at www.ecsi.net or by noting changes on your billing statement, calling our office, or sending notification in writing to our office (name & SSN changes require written documentation). **Changing your address with one office of the University does not assure that all offices will receive this information.**

Payment Difficulties - Contact us if you cannot make a payment. Our trained loan advisors will work with you to make payment arrangements.

Default - Should you miss two payments, your loan will be considered in default. Your loan can be "accelerated" and sent to a collection agency. "Accelerated" means your loan becomes due in full. When a loan is accelerated, deferment and cancellation privileges are lost. You will have to pay the collection agency's commission on your loan, which can be very high. You can be taken to court and may have to pay all attorney fees and court costs.

Transcripts - MU will not release a transcript for any borrower who is past due on loan payments, has incomplete exit counseling paperwork and/or is in default on an account with MU.

Deferment/Cancellation - Failure to follow procedures explained in your promissory note and this brochure may result in denial of deferment and/or cancellation privileges

DEFERMENTS*
While employed, returns to a graduate nursing education program to pursue a doctoral degree to further preparation as nurse faculty
Participation in a post-doctoral program following graduation
If ordered to Active duty in the uniformed services of the United States (not eligible if service is voluntary) 3 Yr. Limit
CANCELLATIONS*
Death of the borrower - certified copy of the death certificate is required for cancellation. 100% cancellation.
Total and permanent disability - borrower is unable to work and earn money because of an impairment that is expected to continue indefinitely or result in death. Physician certification and documentation is required. 100% cancellation.
Full-time nurse faculty in an accredited school of nursing. 20% cancellation 1 st , 2 nd , & 3 rd year, 25% cancellation 4 th year. 85% cancellation

* The above descriptions are a brief summary of cancellations available. More restrictions may apply.

The University of Missouri has contracted with ECSI to service its student loans. If you have questions about your loan, please contact the below:

University of Missouri-Columbia/ECSI
181 Montour Run Road
Coraopolis, PA 15108
Phone: 1-888-549-3274

Access your account online at: www.ecsi.net

If you have problems contacting ECSI, you may also contact us directly at:

MU Student Loan Repayment Center
14 Jesse Hall
Columbia, MO 65211-1020
Phone: 573-882-6654
Email: muloans@missouri.edu



NURSING FACULTY LOAN

RIGHTS AND RESPONSIBILITIES

