

TITLE 5 POST-SECONDARY EDUCATION
CHAPTER 7 TUITION AND FINANCIAL AID
PART 32 NURSE EDUCATOR LOAN-FOR-SERVICE PROGRAM

5.7.32.1 ISSUING AGENCY: State of New Mexico Higher Education Department.
[5.7.32.1 NMAC - N, 1/15/2008]

5.7.32.2 SCOPE: Provisions of 5.7.32 NMAC apply to New Mexico residents that are selected to participate in Nurse Educator loan-for-service program described in this rule.
[5.7.32.2 NMAC - N, 1/15/2008]

5.7.32.3 STATUTORY AUTHORITY: Sections 21-1-27.7, NMSA 1978.
[5.7.32.3 NMAC - N, 1/15/2008]

5.7.32.4 DURATION: Permanent.
[5.7.32.4 NMAC - N, 1/15/2008]

5.7.32.5 EFFECTIVE DATE: January 15, 2008, unless a later date is cited at the end of a section.
[5.7.32.5 NMAC - N, 1/15/2008]

5.7.32.6 OBJECTIVE: The objective and purpose of the New Mexico nurse educator loan-for-service program is to enhance the ability of current and future nursing educators to obtain bachelor's of science, master's of science and doctoral philosophy degrees.
[5.7.32.6 NMAC - N, 1/15/2008; A, 7/15/2015]

5.7.32.7 DEFINITIONS:

- A. "Department"** means the New Mexico higher education department.
 - B. "Committee"** means the health professions advisory committee of the department.
 - C. "Loan"** means a grant of funds to defray the costs incidental to a nursing education, under a contract between the department and a student, requiring repayment with services or repayment of principal and interest and any fees.
 - D. "Student"** means an individual who is a resident of New Mexico and is degree seeking and enrolled in at least three (3) credit hours in a nurse education program at a New Mexico public college or university.
 - E. "Service"** means employment in a nurse faculty position at a New Mexico college or university.
 - F. "Extenuating circumstances"** means circumstances not within the control of the recipient.
 - G. "Eligible institution"** means any New Mexico public, post-secondary institution.
- [5.7.32.7 NMAC - N, 1/15/2008]

5.7.32.8 HEALTH PROFESSION ADVISORY COMMITTEE: The health profession advisory committee is created to advise the department on matters relating to the administration of the nurse educator loan-for-service program.

- A.** The committee shall be appointed by the department pursuant to policies and procedures of the department and shall be composed of:
 - (1) a representative of the department of health;
 - (2) a representative of the New Mexico health policy commission;
 - (3) representatives of public post-secondary health and medical training programs;
 - (4) representatives of recruiting and placement organizations;
 - (5) representatives of professional health and medical associations; and
 - (6) other representatives as appointed by the department.
 - B.** The responsibilities of the committee shall include:
 - (1) make recommendations to the department on applicants for the nurse educator loan-for-service program; and
 - (2) give advice or other assistance to the department as requested.
- [5.7.32.8 NMAC - N, 1/15/2008]

5.7.32.9 STUDENT ELIGIBILITY: To be eligible for this program, a student must:

- A. be a New Mexico resident;
 - B. be a citizen of the United States, or a permanent eligible non-citizen;
 - C. be accepted by a public post-secondary institution into a degree granting, nursing education program necessary to enhance or gain employment in a nursing faculty position at a New Mexico public post-secondary institution;
 - D. be enrolled in at least three (3) credit hours at the time the loan is awarded and disbursed; and
 - E. be currently practicing or declare an intent to practice as a nurse educator at an eligible institution.
- [5.7.32.9 NMAC - N, 1/15/2008]

5.7.32.10 SELECTION OF LOAN RECIPIENTS: Selection shall be based on the following considerations and preferences:

- A. the ability, character, and qualifications of each applicant including a review of the individual's complete application; and
 - B. the demonstrated interest of the applicant in serving in a nursing faculty position.
- [5.7.32.10 NMAC - N, 1/15/2008]

5.7.32.11 RESPONSIBILITIES OF THE DEPARTMENT: The department shall be responsible for:

- A. developing program guidelines;
- B. advertising the program;
- C. processing applications, and presenting a list of eligible candidates to the committee;
- D. administering the loans, including:
 - (1) disbursing funds;
 - (2) keeping records on borrowers and processing of contracts;
 - (3) administration of and record keeping of loan repayments;
 - (4) record keeping of location and time of service of student loan recipients; and
 - (5) verification of qualification for forgiveness for service.

[5.7.32.11 NMAC - N, 1/15/2008]

5.7.32.12 LOANS: Loans can be made to students to defray expenses incurred while obtaining eligible degree under the following conditions and limitations:

A. The amount may not exceed seven thousand five hundred dollars \$7,500 per academic year. The department may set lower maximum award amounts based on the level of degree being obtained and other considerations.

B. Upon approval of the loan, a contract shall be drawn between the student and the department and signed by the student (for additional contract details see 5.7.32.14 NMAC).

[5.7.32.12 NMAC - N, 1/15/2008; A, 7/15/2015]

5.7.32.13 LOAN REPAYMENT AND FORGIVENESS: All loans shall be repaid to the state together with interest or forgiven according to the following.

A. If a loan recipient fails to fulfill or is unable to commence their service obligation, the loan shall become due with interest at seven percent (7%) per year. The department, in consultation with the student, shall establish terms of repayment, alternative service, or cancellation terms.

B. Interest will only begin to accrue if loan recipient ceases employment or fails to complete the degree program as a nurse educator prior to completing their service obligation.

C. If the borrower teaches as a nursing faculty at an eligible institution, loan principal may be forgiven according to the following formula.

(1) Loan terms less than one (1) academic year shall require one (1) academic year of practice as a nurse educator. Upon completion of first year of service, one hundred percent (100%) of the principal shall be forgiven.

(2) Loan terms of two (2) academic years shall require two (2) academic years of practice as a nurse educator at an eligible institution. Upon completion of the first year of service, fifty percent (50%) of the principal shall be forgiven. Upon completion of the second year of service, the remainder of the principal shall be forgiven.

(3) Loan terms of three (3) academic years or more shall require three (3) years of practice as a nurse educator at an eligible institution. Forty percent (40%) of the principal shall be forgiven upon completion of the first year of service as a nurse educator, thirty percent (30%) of the principal shall be forgiven upon completion

of the second year of service, and the remainder of the principal shall be forgiven upon completion of the third year of service.

D. Recipients must serve a complete academic year of service in order to receive credit for that year. Service as a nurse educator while attending college courses will be credited toward the service obligation.

E. Subject to applicable statutory limitations, the department may extend or modify the foregoing repayment periods for good cause.

F. In the event it becomes necessary, the department may suspend or defer loan payments using the following provisions. The borrower must submit a written request accompanied by a financial statement and a consent-waiver for authorization for current employment and address information concerning the borrower, and any other information as requested.

(1) If the borrower is willing, but financially unable to make payments under the repayment schedule, the borrower may request forbearance for a period not to exceed six (6) months. Interest will accrue during this period.

(2) The borrower may request deferment of payment obligation for a period not to exceed three (3) years for any purpose deemed acceptable by the department.

G. Loans may be prepaid at any time. Payment on a loan not in repayment status may be made in any amount. Payments on a matured promissory note shall be in the amounts of and be applied on the principal installments due on such note in the inverse order of the maturities of such installments, unless otherwise agreed.

H. Authorized charges and fees:

(1) Late charges: Borrower may be charged a late charge in the amount of five percent (5%) of the installment payment or five dollars (\$5.00), whichever is less, on any payment made later than ten (10) days after it is due.

(2) Attorney's fees, other charges, and costs: Borrower shall agree to pay all reasonable attorney's fees, and other costs and charges necessary for the collection of any loan amount not paid when due.

I. Borrower has the responsibility to notify the department in advance of any change of address and of any action which necessitates reconsideration of a promissory note.
[5.7.32.13 NMAC - N, 1/15/2008; A, 7/15/2015]

5.7.32.14 CONTRACTS: A contract shall be drawn between each student receiving a loan and the department on behalf of the state of New Mexico. The contract shall:

A. provide for the payment by the department of a specified sum as determined in 5.7.32.13 NMAC;

B. state that interest will only begin to accrue if loan recipient ceases employment as a nurse educator prior to fulfilling service obligation;

C. state the conditions of repayment or forgiveness as detailed in 5.7.32.13 NMAC;

D. state the legal responsibilities of the borrower and that delinquent loans shall be referred to the department for appropriate action, which may include referral to the office of the attorney general, if deemed necessary;

E. state that the borrower's obligations of the contract with the department shall be binding on borrower's estate;

F. state that the department may cancel any contract on thirty (30) days written notice for any reasonable and sufficient cause;

G. state that in the event the borrower fails to make any payment when due, the entire indebtedness including interest due and accrued thereon shall, at the option of the department, become immediately due and payable; and

H. state that jurisdiction and venue shall be proper in Santa Fe county, New Mexico for purposes of any suit to enforce the contract.

[5.7.32.14 NMAC - N, 1/15/2008]

HISTORY OF 5.7.32 NMAC: [Reserved]