

2023-24 Nursing Education Scholarship Program (NESP) Terms and Conditions

1. Definitions

A. In this Promissory Note, herein referred to as “Note”, the words “I”, “me”, “my”, and “mine” mean the recipient/borrower. Unless otherwise indicated, “you”, “your”, and “yours” mean the Illinois Student Assistance Commission or “ISAC”, its successors and assigns, and any other holder of this Note.

B. “Award” or “award funds”, or words of similar import, shall mean any funds provided to me during my postsecondary education for participation in the Nursing Education Scholarship Program, as defined below.

C. “Convert” or “conversion” means the conversion of award funds provided to me through the Nursing Education Scholarship Program.

D. “Loan” or “loan proceeds” shall mean the amount of converted award funds provided to me through the Nursing Education Scholarship Program and owed by me under this Note. The calculation for reducing the total loan by award funds through the partial fulfillment of my nursing obligation is described in further detail below.

E. “Nursing Education Scholarship Program” means the program authorized by the Nursing Education Scholarship Law [110 ILCS 975/9.1] and its implementing regulations.

F. “Approved Institution” means a public community college, private junior college, hospital-based diploma in nursing program, or public or private college or university, or online institution, with a pre-licensure nursing education program that is physically located in this State that has approval by the Department of Financial and Professional Regulation for an associate degree in nursing program, associate degree in applied sciences in nursing program, hospital-based diploma in nursing program, baccalaureate degree in nursing program, graduate degree in nursing program, or certificate in a practical nursing program or a post-licensure nursing education program approved by the Illinois Board of Higher Education or any successor agency with similar authority.

G. “Repayment Period” will begin on the day as described in Section 5C and shall end no later than six (6) years after such date unless otherwise extended pursuant to the terms of this note.

2. Recipient/Borrower Certifications and Authorizations

A. I certify that I meet the eligibility requirements for the Nursing Education Scholarship Program: I am a United States citizen or eligible noncitizen; I am a resident of Illinois and have been so for at least one (1) year prior to completing this application; I am enrolled or accepted for enrollment an Approved Institution; I am enrolled or accepted for enrollment in an associate degree in nursing program, hospital-based diploma in nursing program, baccalaureate degree in nursing program, graduate degree in nursing program or certificate in practical nursing program.

B. I certify that I will remain continuously enrolled as a student in good standing and maintain satisfactory academic progress as determined by the institution and any applicable rules; and I agree to complete the applicable, required nursing employment obligation.

C. I certify that I have not previously received the maximum funds from the Nursing Education Scholarship Program for which I am applying.

D. I certify that I have not previously received a Nursing Education Scholarship and was granted a waiver of the continuous attendance requirement or a waiver of the nursing employment obligation.

E. I certify that I have not received any monies from other scholarships or loan funds requiring service commitments that would prevent me from meeting the nursing employment obligation.

F. I certify that I will maintain eligibility for participation in the Nursing Education Scholarship Program, and that a failure to maintain eligibility as described in this Note may result in the conversion of award funds into a loan.

G. I agree that scholarship funds will not be used for expenses incurred when I must complete a prerequisite course or repeat an academic course due to academic performance.

H. I understand that under the provisions of the State Comptroller Act [15 ILCS 405/10.05] I may have my scholarship funds offset to fulfill any State debt, but such offset will not reduce, waive, defer, or suspend my continuous enrollment or nursing employment obligation.

I. I agree to observe and comply with all the administrative rules applicable to this program and that I must inform ISAC within 7 days of any changes occurring in my postsecondary enrollment status, eligibility status or personal information. Personal information includes but is not limited to, name changes, current address, current home and cell phone numbers, current email address, current employers, and citizenship status.

J. In the event the awarded funds convert to a loan under this Note, including any interest assessed in accordance with this Note, you and your agents may report the repayment status of the resulting loan to all credit bureaus. Therefore, to maintain a good credit rating, it is to my advantage to comply with the terms of this Note and to meet my responsibilities as a borrower under the Nursing Education Scholarship Program.

K. I authorize you and your agents to request and receive from others, credit-related information about me.

L. Unless prohibited by applicable law, you and your agents are authorized to share information about this Loan, including but not limited to my name, Social Security number (SSN), address, and account status with your agents and affiliates, other creditors, my parents, and spouse and other persons or organizations permitted by law to receive such information.

M. I understand that in the event the awards are converted to a loan, this loan is a qualified educational loan and is made under a program which is funded in part by a nonprofit organization and/or government unit and, as such, is not dischargeable in bankruptcy.

N. When you receive my signed Note, you are not guaranteeing the award of funds through the Nursing Education Scholarship Program. The award of funds and any disbursement thereof will be made in accordance with the procedures described in the Nursing Education Scholarship Law [110 ILCS 975] or its implementing regulations. All awards are subject to appropriation for the Nursing Education Scholarship Program by the State of Illinois.

O. I certify that I am not in default on an educational loan and do not owe a refund on any federal or state grants.

P. I authorize you and your agents to request any information from the educational institution or institutions that I attend, of the status of my eligibility, of the status of the award(s), or of this Loan.

Q. I authorize my future employers or their agents to release any information requested by you and your agents regarding my employment and my continued eligibility to participate in the Nursing Education Scholarship Program.

3. Disbursement

A. I understand that you may either electronically transfer funds or mail funds to the postsecondary institution in which I enroll to complete a qualifying course of study under the Nursing Education Scholarship Program for tuition and fees in an amount of up to seventy-five (75%) of the weighted tuition and fee charges at community colleges and universities statewide as determined by ISAC if I remain continuously enrolled in a nursing program for at least one-third of the number of credit hours required per term by the approved institution for its full-time nursing students. I authorize you to issue means of payment made payable to the postsecondary institution through the Illinois Comptroller's Office for payment to my student account at the postsecondary institution.

B. I understand that, if I remain continuously enrolled as a full-time student in a nursing program, I may be awarded an additional scholarship amount equivalent to the uniform living allowance reported in the weighted Monetary Award Program (MAP) budget. The scholarship may be electronically transferred or mailed directly to me at the address that I provide on the application form. I acknowledge that any amount of the scholarship not used for qualified educational expenses may be taxable and that I may be obligated to report such amounts without further notice from ISAC.

4. Terms of Conversion

A. Following the awarding of any funds to me as a result of my participation in the Nursing Education Scholarship Program, I understand and agree during the award terms to (i) remain continuously enrolled for at least one-third of the hours required per term for a full time student at an Approved Institution for a part-time scholarship award and on a full-time basis for as applicable to the scholarship that, which on completion, qualifies me to become licensed as a registered professional nurse, an advanced practice registered nurse, or a licensed practical nurse in the State of Illinois, (ii) remain a student in good standing; and (iii) maintain satisfactory academic progress toward graduation as determined by the Approved Institution in which I am enrolled.

B. Following graduation from my postsecondary course of study, I agree to: (i) provide a copy of my certificate, diploma, or degree that indicates my graduation date as soon as the document is available; (ii) become a registered professional nurse, licensed practical nurse or advanced practice registered nurse and provide a copy of my license as soon as it is available; (iii) begin working as a registered professional nurse, licensed practical nurse or advanced practice registered nurse providing direct patient care at a medical facility in Illinois within one year following completion of the postsecondary education degree or license program for which the award funds were provided; (iii) continue such employment on a full-time basis for 12 months for each year of scholarship assistance received. I understand that employment that is less than full-time will extend the length of the obligation in accordance with the applicable rules; and (iv) provide you with evidence of compliance with the program requirements.

C. If I fail to comply with all the requirements listed in Subsections A and B immediately above, any funds awarded to me for participation in the Nursing Education Scholarship Program shall convert into a Loan under this Note plus interest at a rate equal to seven percent (7%) per annum and other costs, including reasonable collection costs and attorneys' fees.

D. In the event that I begin my nursing employment requirement, but fail to complete my obligation, the Loan balance shall be determined by first calculating the entire amount of the awards granted plus interest at a rate equal to seven percent (7%) per annum and, if applicable, reasonable collection fees, then reducing that amount pro rata by the fraction of the nursing obligation that I completed.

E. I understand that I may be eligible for one deferment of the requirement to remain continuously enrolled in the program for which I receive the award. I may request and be approved for a deferment if: (i) a licensed health care professional attests that I am unable to fulfill the continuous attendance requirement due to a temporary physical or mental health disability; or (ii) I provide a copy of the order showing that I am military reservist called to active duty.

F. I shall not be considered to have failed to fulfill my commitment to begin working as a nurse following graduation if (i) I serve as a member of the United States Armed Forces as established by the applicable statute and rules; or (ii) I am enrolled on at least half-time basis in an academic program related to the field of nursing as established in the applicable statute and rules; or (iii) I involuntarily left the profession due to a decrease in the number of nurses employed in the State as defined in the rules (iv) I am temporarily disabled, for not more than one year, as established by the sworn affidavit of a qualified physician or licensed healthcare provider; or (v) I have been approved for up to 12 weeks of parental leave. I agree to begin meeting the nursing obligation within 6 (six) months after the deferment period ends.

5. Repayment

A. If any portion of the awards is converted into a loan, then this Nursing Education Scholarship Grant Agreement/Promissory Note shall serve as a Contract for Repayment.

B. If any portion of the awards is converted to a loan, then said amount, plus any accrued interest or fees must be repaid within six (6) years of entering repayment status.

C. I shall enter repayment status on the earliest of the following dates: (i) the first day of the first calendar month after I cease to pursue a course of study leading to licensure as a nurse, but not until six (6) months have elapsed after cessation of at least half-time enrollment in such a course of study or ; (ii) the date you learn that I do not plan to fulfill or I have failed to fulfill the obligation described in Section 4, or (iii) the day after the latest date by which I must begin working to fulfill the nursing employment obligation.

D. I understand that, during the Repayment Period, you may send me a monthly electronic notice, statement or coupon book. The monthly statements will cover periods beginning on the first day of the Repayment Period and will cover one contractual month based on your billing periods. I will make consecutive monthly payments in the amounts and on the payment due dates shown on my monthly statement or coupons until I have paid all of the interest and principal or any other charges I may incur under this Note.

E. I will repay this Loan in equal consecutive monthly installments of principal and interest necessary to amortize the unpaid balance of this Loan (as of the date of calculation) at a fixed rate imposed by law over the number of months remaining in the Repayment Period. If an adjustment to my repayment terms is required (a) because the final payment on this Loan will be a different amount than the preceding monthly payments on this loan, you may, at your option, adjust the terms of my repayment or the amount of my monthly payments.

F. Interest shall accrue on this loan at the rate of seven percent (7%) per annum throughout the Repayment Period until the principal, interest accruing and any other costs incurred on this Loan are paid in full. Interest will be calculated on the basis of a 365 day year for the actual number of days elapsed.

G. If I make payments after my payment due dates, I will owe additional interest or may be subject to the assessment of late charges. In such cases, I acknowledge that you will increase the amount of my regular monthly payment or increase the last payment to an amount necessary to repay this Loan in full.

H. During the Repayment Period, I agree to pay at least a minimum amount of \$50 each month (principal and interest) or the monthly interest charge, whichever is greater.

I. I will pay a late charge of up to five percent (5%) of my installment payment if I fail to make any part of an installment payment within 15 days after it becomes due. Additional late charges of up to 5% of my installment payment will be charged for each additional 30 day period when I fail to make any part of an installment payment.

J. If I am unable to repay this Loan in accordance with the terms of this Note, I may request in writing that you modify these terms. I understand that such modification would be solely at your discretion. I understand that I will remain responsible for payment during any period of deferment. I guarantee that I will accept any new terms for the Loan including any capitalized interest that was the result of forbearances granted.

K. I understand that, at your sole discretion, my repayment period may be extended during periods of deferment, hardship, or while in forbearance. Furthermore, I shall make graduated installments in accordance with a schedule approved by you.

L. Except as otherwise provided by law, I will be in default and you have the right to accelerate the total outstanding principal balance, accrued interest, and all other amounts payable to you under the terms of this Note. Default is defined as: (i) I fail to make any monthly payment to you when due; (ii) Any payment has not reached you within 15 days after it is due; (iii) I fail to notify you of a change in any of my personal information as stated in Section 2 within 10 days after a change occurs; (iv) I fail to comply with any term, condition, covenant, or agreement contained in this Note; (v) Any bankruptcy proceeding is begun by or against me or I assign any of my assets for the benefit of my creditors; or (vi) I make any false written or oral statements in applying for participation in the Nursing Education Scholarship Program or this Note.

M. My failure to receive notice, a coupon book or a monthly statement does not relieve me of my responsibility and obligation of making my required Loan payments in accordance with the terms and conditions of this Note.

N. I authorize you or your agents to contact me regarding this Note or the Loan at the telephone number I have provided, which I provide in the future, or which ISAC reasonably believes is my current telephone number even if the number is a cellular telephone number. I understand that automated telephone number dialing equipment or an artificial pre-recorded message may be used.

O. My death, incompetency, or permanent disability shall discharge any obligation under the terms of this Note.

6. Governing Law

At your option, you will have the right, without further notice, to file suit against me to collect this debt. I understand that you are located in Cook County, Illinois. Your decision on whether to lend me money will be made in Illinois. Consequently, the provisions of this Note will be governed by the Laws of the State of Illinois. I agree that any suit that you bring against me will be brought in a court of competent jurisdiction in the county in which you maintain your principal place of business. In accordance with the terms of this Note, I agree to pay you reasonable costs and expenses to the extent permitted by law, including reasonable attorneys' fees, court and other collection costs, which you incur in enforcing the terms of this Note if I am in default.

7. Additional Agreements

A. My responsibility for paying this Loan is unaffected by the liability of any other persons or by your failure to notify me that a required payment has not been made. Without losing any of your rights under this Note, you may accept (i) late payments or (ii) partial payments.

B. I may not assign this Note or any of its benefits or obligations. You may assign this Note at any time.

C. The terms and conditions set forth in this Note constitute the entire agreement between you and me.

D. If any provision of this Note is held invalid or unenforceable, that provision shall be considered omitted from this Note, and such omission shall not affect the validity of enforceability of any other provision of this Note.

E. Any notice required to be given to me by you will be effective the day it is mailed by you by means of first-class mail to the latest address that I have provided you or you have otherwise learned.

F. I agree that all amounts due hereunder shall be paid in U.S. currency by draft drawn on a U.S. domiciled bank or foreign bank with a U.S. branch, in either case that shall be a member of the Federal Reserve System.