

Education Loans with Service Cancelable Benefits 2008-2009 General Information Guide

Program Information

Georgia Student Finance Authority (GSFA) provides loans to help students and parents meet the costs of higher education. GSFA administers the Federal Family Education Loan Program (FFELP) and offers service cancellation benefits in Georgia on eligible Federal Stafford loans as well as state education loans obtained through the Registered Nurse Program, the Georgia National Guard Service Loan Program, and the Nurse Faculty Service Loan Program. These loans help students preparing for professions in which there is a personnel shortage in Georgia. Federal Stafford education loans in Georgia are guaranteed by the Georgia Higher Education Assistance Corporation (GHEAC).

Both **subsidized and unsubsidized** Stafford loans are eligible for service cancellation benefits. A **subsidized** Federal Stafford loan is a need-based loan, which means the amount you may be eligible to receive is based on your financial need. The federal government pays the interest that accrues on a subsidized Federal Stafford loan while you are in school, during your grace period, and during deferment periods. An **unsubsidized** Federal Stafford loan is a non-need based loan, which means that the amount you may be eligible to receive is not based on your financial need. If you receive an unsubsidized Federal Stafford loan, you will be responsible for all interest that accrues on the loan from the date of disbursement forward.

To be eligible for a service cancelable loan, you must meet federal regulations governing the FFELP and GSFA policies concerning residency, program of study, grade point average (GPA), etc. There is a grace period, prescribed by federal and state law, before you must begin repayment.

Before You Apply

Contact the Financial Aid Office at the school you plan to attend for updated instructions for requesting service cancellation benefits on your Stafford loan. Many Georgia colleges participate in electronic loan processing and may require different procedures. It is important to **apply early** for service cancellation benefits. Allocations are established early and commitments for funds may be totally utilized before the school's application deadline.

IMPORTANT: Loan funds for the fields listed in the table on this page, with the exception of the Nursing Faculty Loan Program, are appropriated each year by the Georgia State Legislature. Therefore, availability may change during the year if budget cuts are necessary. Check with GSFA or your school Financial Aid Office if you have a question about funds availability.

If your school participates in the Federal Direct Student Loan Program, you **may** still be eligible for a Federal Stafford loan with service cancellation benefits. Check with the Financial Aid Office at the school.

Loan Amounts and Disbursement of Funds

Loan maximums may be limited annually to amounts that are less than the Federal Stafford loan program. Your loan amount will depend on your field of study and the appropriation of funds for the program. In all cases, GSFA, as the lender, reserves the right to determine the loan amount. The maximum loan amount per academic year, including both subsidized and unsubsidized amounts, is **\$2,000** (see exceptions). The minimum loan amount per type is \$100, or \$200 per academic year. You may not borrow more than an amount equal to the cost of attendance minus any other financial aid received.

Exceptions to the program maximums listed above are: \$3,000 for LINC, \$3,500 for General Dentistry, and \$4,000 for DHR Nursing. Graduated awards for Nursing and Nurse Anesthesia: \$2,500 freshman year, \$3,500 sophomore year, \$4,000 junior year, \$4,500 senior year. \$10,000 for Social Work, junior and senior year only.)

Approved Service Cancelable Fields

Undergraduate/Health

Dental Hygiene
Dietetics (Food & Nutrition)
Health Information Management
(formerly Medical Records)
Laboratory Technology
Medical Technology
Nurse Anesthesia
Nursing, Licensed Practical
Nursing, Registered (Associate
Degree, Bachelor's Degree, &
Diploma)
Occupational Therapy
Pharmacy
Physician Assistant
Radiologic Technology
Respiratory Therapy

Graduate Health Fields

Dentistry (General)
Optometry
Pharmacy
Physical Therapy
Veterinary Medicine

Master's Degree

Dietetics (Food & Nutrition)
Health Information Management
(formerly Medical Records)
Nurse Anesthesia
Nursing
Physical Therapy
Radiologic Technology
Respiratory Therapy

Other

Agriculture Education
DHR Nursing
Georgia National Guard
Gerontology
ICAPP (Intellectual Capital
Partnership Program)
LINC (Ladders in Nursing Careers)
Northeast Georgia Pilot Nursing
Program
Nursing Faculty
Registered Nurse Fast Track
Social Work

NOTE: The Approved Service Cancelable Fields of study are subject to change. Check with the Georgia Student Finance Authority to confirm approval of the field of study you are interested in before applying for a Federal Stafford loan with the Service Option.

For each loan approved by GSFA and guaranteed by GHEAC, you must sign a promissory note, acknowledging the terms of the loan and your repayment obligation, before funds will be disbursed. After your loan is guaranteed, you will receive a "Service Cancellation Benefits Contract." Loan funds are disbursed at the beginning of each school term of the loan period. Your check will be made payable to you and mailed or electronically transferred to the educational institution for disbursement upon verification that you are enrolled in good academic standing for the required number of hours.

General Eligibility Requirements

You must:

1. Be a United States citizen or eligible resident/non-citizen;
2. Be a legal resident of Georgia as defined by GSFA;
3. Have registered with Selective Service (if you are a male borrower under age 25);
4. Have not defaulted on an education loan and owe no refund on an education grant;
5. Have signed your loan application and promissory note;
6. Be accepted for admission or enrolled as at least a half-time student at an eligible school;
7. Be accepted for admission or enrolled in good academic standing as determined by the school and maintain at least a "C" average, except where otherwise specified; and
8. Have completed core curriculum and be accepted for admission in an approved service cancelable field of study.

Additional Eligibility Requirements for DHR Nursing

A current Department of Human Resources (DHR) employee may receive service cancellation benefits to study for a baccalaureate or advanced nursing degree. The current loan amount per academic year is \$4,000. Two calendar years (24 months) of service are required for each academic year of loan assistance received.

In addition to the general requirements mentioned above, specific requirements for DHR Nursing are:

You must:

1. Be enrolled in a baccalaureate or advanced nursing degree program at an eligible, participating postsecondary institution in Georgia;
2. Intend to practice as a registered nurse for the Georgia DHR or any Georgia county board of health in order to cancel the loan through service;
3. Be a current DHR employee; and
4. Submit to GSFA a letter of employment verification from your DHR supervisor along with a completed student loan application that has been certified by the financial aid representative at the college you will be attending.

Additional Eligibility Requirements for Gerontology

In addition to the general requirements above, specific requirements for gerontology are:

You must:

1. Be pursuing a certificate or degree with a specialty in gerontology in one of the following disciplines: health and social service, public administration, research, or teaching;
2. Have coursework that includes:

- a. At least 20 quarter hours dealing with the problems of aging if you are enrolled in a certificate program; or
 - b. More than 20 quarter hours dealing with the problems of aging, as well as practicum experience, if you are enrolled in a degree program; and
3. Attach to your application a letter of recommendation from your department head certifying that you are pursuing a certificate/degree specializing in gerontology.

What You Should Know About Repayment and Service Cancellation Benefits

Stafford loans with service cancellation benefits are repayable by **approved service** in Georgia or in regular monthly installments beginning when your grace period ends. The minimum monthly installment is \$50. Repayment in service includes cancellation of any accrued interest. If you have received both subsidized and unsubsidized funds for the same critical field of study, your repayment schedule will include both types of loans for cancellation. Cash repayable loans cannot be consolidated with service-cancellation loans for repayment purposes.

IMPORTANT: Repayment policies regarding loan cancellation by service are subject to change prior to your employment or as conditions warrant at the discretion of GSFA. Contact GSFA for current information on approved locations.

When you are near the end of your grace period, GSFA will issue a "**Repayment Schedule**" to you. It is your responsibility as a borrower to contact GSFA at 1-800-505-GSFC (4732) to request information regarding service cancellation.

Service Cancellation in the Health Related Fields

If you have completed your program of study and qualify for a professional certificate in your field, you may cancel each academic year's loan (or its equivalent) by practicing full-time time for one calendar year (12 months) at an approved site. You must **obtain employment** within Georgia and **request approval** from GSFA of the employment site for service credit. Examples of approved sites are: hospitals, clinics, nursing homes, and children's homes. **Employment by federal agencies, such as VA hospitals and military facilities, private duty nursing, temporary employment agencies, and volunteer work will not be approved for service repayment credit.**

There is a **geographic restriction** on service cancellation for borrowers practicing Veterinary Medicine. The recipient must practice his profession in a rural or sparsely populated area of the state or in a community of 10,000 population or less in need of a licensed veterinarian for purposes of meeting the needs of owners or producers of farm animals used for or in connection with the production of commercial food products.

Credit for part-time service can be given only if, in the opinion of GSFA, the circumstances affecting such a request are sufficient to warrant credit. No credit will be granted for less than half-time service or for service while you are enrolled in school and receiving service cancellation loan assistance from GSFA. No credit will be given for part-time service in gerontology.

Georgia National Guard Service Cancelable Education Loan Program

The purpose of this program is to provide financial assistance toward the cost of attendance at a Georgia private or public college or university or public postsecondary technical college to eligible

members of the Georgia National Guard (Army or Air). The funds received can be repaid through service cancellation.

Contact your Georgia National Guard Education Services Officer or the Georgia Student Finance Authority at (770) 724-9000 or toll-free at 1-800-505-GSFC (4732) for further information.

ICAPP (Intellectual Capital Partnership Program)

The Georgia Student Finance Authority (GSFA) and the Intellectual Capital Partnership Program (ICAPP), the Economic Development Program of the University System of Georgia, are pleased to announce a revision to the program. ICAPP, which was initially designed to address the shortage of high quality, trained workers in the field of Computer Science, has been revised to address a different workforce need, focusing on the impending shortage of health professionals, particularly in nursing.

The ICAPP Service Loan Program is administered as a Federal Stafford Loan with a service option provided by GSFA. The maximum loan amount is \$7,500, less other grant and scholarship aid received, for the entire length of the program of study. Financial assistance is provided to students working toward an approved health professional certificate or degree through the Master's level.

Institutions participating in the program are: Abraham Baldwin Agricultural College, Armstrong Atlantic State University, Augusta State University, Clayton State University, Coastal Georgia Community College, Columbus State University, Dalton College, Darton College, Georgia Highlands College, Georgia Perimeter College, Georgia State University, Georgia Southwestern State University, Gordon College, Kennesaw State University, Middle Georgia College, University of Georgia, and Valdosta State University. A list of the eligible health fields and participating sponsors is available at www.gsfc.org and Gacollege411.org.

As an ICAPP Service Loan recipient, you must agree to repay the loan by working in your program of study for one of the sponsors partnered with the colleges listed above or by working at a GSFA-approved site. Most sites are approved except Federal installations such as a Veterans Administration hospital or a military base. Private duty nursing, volunteer work, and working through a temporary employment agency are not approved for service cancellation. You must agree to work for one calendar year (12 months) for each \$2,500 of loan assistance received.

For more information on ICAPP, contact the Financial Aid Office at the participating institution or the Georgia Student Finance Authority at (770) 724-9000 or 1-800-505-GSFC (4732).

LINC (Ladders in Nursing Careers)

Ladders in Nursing Careers, or LINC, is a career mobility program developed by the Georgia Hospital Association with grant funding provided by the Robert Wood Johnson Foundation. Its purpose is to provide support to minority, low-income, or rural students to enable them to enter and complete a program of nursing.

The current loan amount per academic year is \$3,000. You must agree to serve one calendar year (12 months) for each academic year of loan assistance received at an approved site within the state of Georgia. The approved sites are the same as listed under "Service Cancellation in Health Related Fields."

For more information, please call the LINC contact, Karen Waters, Georgia Hospital Association, at (770) 955-0324 or 1-800-233-2964.

Registered Nurse Service Cancelable Loan Program

The purpose of this program is to attract high-quality, knowledge-based jobs to Georgia by providing hospitals with the skilled labor force they need. The program was established to increase the capacity of the traditional five-semester RN program to accommodate additional students; to develop a LPN to RN program for licensed LPNs to complete a summer bridge course; and to develop a fast track RN program to allow students to complete the program in four semesters rather than five.

Currently the Registered Nurse Service Cancelable Loan Program includes two schools (see table below):

College/University	Sponsors
Armstrong Atlantic State University	Memorial Health University Medical Center – Savannah Saint Joseph's Candler Health System – Savannah
Darton College	Palmyra Medical Center – Albany Putney Memorial Hospital – Albany Archbold Medical Center – Thomasville

The maximum award amount is \$9,000. You must agree to work for a sponsoring hospital for one calendar year (12 months) for each \$3,000 of loan assistance received.

For additional information on this program, contact the Financial Aid Office at the participating institution or the Georgia Student Finance Authority at (770) 724-9000 or 1-800-505-GSFC (4732).

Nursing Faculty Service Cancelable Loan Program

The Nursing Faculty Service Cancelable Loan Program is a unique graduate education service cancelable loan program designed to encourage Georgians to enter—and remain in—the nursing education profession. Financial assistance is offered in three core nursing education tracks: Baccalaureate to Master's, Master's to Doctorate, and Post-Master's Nursing Education Certification. The program was developed by the Health Care Workforce Policy Advisory Committee and is funded by the Georgia Department of Labor and the Robert W. Woodruff Foundation.

You must enroll in a graduate-level educational program at a public or private Georgia university that prepares students to serve on the faculty of a Georgia public or private school of nursing (LPN, ADN, and/or BSN). After completing the program, you must serve as a faculty member in Georgia in a board-approved LPN, ADN, and/or BSN nursing program for one calendar year for each \$2,500 received through this program, with a maximum of five years for repayment.

For eligibility requirements and award amounts, contact the Georgia Student Finance Authority at (770) 724-9000 or toll-free at 1-800-505-GSFC (4732). Also, you may refer to the GSFA website at www.gsfc.org or Gacollege411.org for additional information.

REMINDERS

- **Complete an approved need analysis form.** Be sure to follow the application instructions provided by your Financial Aid Office. (**Note:** ICAPP and Georgia National Guard applicants are not required to complete a need analysis form.)
- **Apply early.** Due to limited service cancelable loan benefits and the large number of applicants, GSFA cannot provide assistance to every eligible applicant. If you apply before October 1, you will have a better chance of receiving these benefits.
- **Cancelations mean reapplying.** Service cancelable loan benefits are not transferable from one school to another. If you change schools during the year, your remaining loan disbursements will be canceled, and you must reapply at the new school. GSFA cannot guarantee that funds will be available when you reapply.
- **Do not leave items blank on your application forms.** Be sure all items are legible. **Important:** Incomplete and illegible application materials will be returned to you for correction, delaying processing of your service cancelation benefits request. Funds may be depleted at your school by the time you re-submit your forms.
- **Service credit cannot be granted** for a Federal Stafford loan unless the loan was approved with the service option at the time of guarantee.

Georgia Student Finance Authority
2082 East Exchange Place • Tucker, Georgia 30084
770) 724-9000 • 1-800-505-GSFC (4732)



For additional information regarding the Service Cancelable Loan program, visit GAcollege411.org or call 1-800-505-4732.