

NFLP Loan Principal and Interest Cancellation

The Nurse Faculty Loan Program provides for the cancellation of up to 85% of the student loan and interest on that loan based on the completion of up to 4 years of employment as full-time nurse faculty following graduation.

Principal Cancellation:

- 20% of the principal and the interest on the amount of the **original** unpaid loan balance upon completion of each of the first, second, and third year of full-time faculty employment.
- 25% of the principal and the interest on the amount of the **original** unpaid loan balance upon completion of the fourth year of full-time faculty employment.

Example: \$100,000 NFLP loan process

Years & Principal Cancellation	Cancellation Amount	Balance
Year 1, 20% (of \$100,000)	\$20,000.00	\$80,000.00
Year 2, 20% (of \$100,000)	\$20,000.00	\$60,000.00
Year 3, 20% (of \$100,000)	\$20,000.00	\$40,000.00
Year 4, 25% (of \$100,000)	\$25,000.00	\$15,000.00

Interest Cancellation:

The amount of interest cancelled should be based on the unpaid principal amount on the first day of employment and the number of years of employment.

Example: For a borrower who completes 2 years of employment as nurse faculty, 40% of the **entire** interest accrued since graduation, should be cancelled by the end of year 2 of employment.

If an NFLP Beneficiary is only able to receive a partial cancellation for year 1, 2 or 3 of employment (i.e. a total cancellation of 20%, 40%, or 60% of the principal loaned amount and interest), the remaining amount of the unpaid loan balance will continue to accrue interest at 3% per annum to account for partial service, and repayment will be initiated according to the institutional collection policies.