

**CALIFORNIA STUDENT AID COMMISSION**  
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**AMENDMENT TO TITLE 5, DIVISION 4, CHAPTER 1, CA CODE OF REGULATIONS  
REGARDING IMPLEMENTATION OF STATE NURSING ASSUMPTION PROGRAM OF  
LOANS FOR EDUCATION FOR NURSING FACULTY (Educ. Code §§ 70100-70110)**

**PROPOSED TEXT**

Text proposed to be added to the California Code of Regulations is displayed in *italic* type.

*Article 17 State Nursing Assumption Program of Loans for Education for Nursing Faculty*

*Section 30910. Definitions*

- (a) *“Academic year” means a period as determined by the employing regionally accredited California college or university.*
- (b) *“Accredited college or university” means a college or university that has been accredited by a national or regional accrediting body, including, but not limited to, Middle States Association of Colleges and Schools, The Northwest Commission on Colleges and Universities, North Central Association of Colleges and Schools, New England Association of Schools and Colleges, Inc./Commission on Institutions of Higher Education, Southern Association of Colleges and Schools/Commission on Colleges, and Western Association of Schools and Colleges/Accrediting Commission for Senior Colleges and Universities.*
- (c) *“Cost of Attendance” means the student budget at the participating institution for the nominated student that includes tuition, fees, housing, food, books, transportation and personal expenses for the year. It may also include an allowance for the rental or purchase of a computer, child care or other dependent care costs and additional expenses for students with disabilities not already covered.*
- (d) *“Demonstrated academic ability” means academic standing consistent with or superior to the requirements established by the accredited college or university for satisfactory progress toward graduation or the award of the graduate or undergraduate degree.*
- (e) *“Demonstrated financial need” means financial need as determined under Article 1.5 (commencing with Section 69503) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code.*
- (f) *“Eligible noncitizen” means a United States resident as defined for financial aid purposes under Title IV of the federal Higher Education Act of 1965.*

(g) *“Full-time” and “full-time basis” means full-time employment, as determined by the employing regionally accredited California college or university.*

(h) *“Half-time basis” means half-time enrollment as determined by the participating institution.*

(i) *“Natural disaster” means a fire, flood, storm, tidal wave, earthquake, terrorism, epidemic, or other similar public calamity that the Governor determines presents a threat to public safety. (California Government Code, Section 8680.3)*

(j) *“Other natural causes” means a disease, or physical or mental condition involving inpatient care in a hospital or residential health care facility, or continuing treatment or continuing supervision by a health care provider, or family care and medical leave under Government Code section 12945.2 or the federal Family and Medical Leave Act of 1993.*

(k) *“Participating institution” means an accredited college or university that has elected to participate in the program by submitting nominations of students to the Commission under the provisions of this Article.*

(l) *“Part-time” and “part-time basis” means part-time employment, as determined by the employing regionally accredited California college or university.*

(m) *“Program” means the State Nursing Assumption Program of Loans for Education for Nursing Faculty established in Article 1 (commencing with section 70100) of Chapter 3 of Part 42 of Division 5 of Title 3 of the Education Code and as set forth in this Article.*

(n) *“Program participant” means an individual who has a loan assumption agreement signed by both the individual and the Commission.*

(o) *“Regionally accredited California college or university” means college or university that has been accredited by a regional accreditation body and that has a location in California.*

(p) *“Satisfactory academic progress” means academic standing consistent with the requirements of the accredited college or university for satisfactory progress toward the award of the graduate or undergraduate degree.*

(q) *“Serious illness” means an illness involving inpatient care in a hospital or residential health care facility, or continuing treatment or continuing supervision by a health care provider, or family care and medical leave under Government Code section 12945.2 or the federal Family and Medical Leave Act of 1993.*

*Note:*

*Authority cited: Section 70106, Education Code. Reference: Sections 70101, 70102, 70103, 70104, 70105, Education Code.*

*Section 30911. Application to Participate in the Program*

*Applications to participate in the program shall be submitted by the applicant to his or her participating institution by the deadline established each academic year by the Commission. The application shall include the following information regarding the applicant:*

*(a) Applicant's personal information, including:*

- (1) Last name, first name and middle initial;*
- (2) Social Security number;*
- (3) Address and telephone number;*
- (4) Date of birth;*
- (5) E-mail address, if available;*
- (6) California registered nurse license number, if available;*
- (7) for an applicant in an undergraduate degree program, a copy of the federal Student Aid Report (SAR) generated by the United States Department of Education based upon the applicant's Free Application for Federal Student Aid (FAFSA) with an Expected Family Contribution (EFC) for the academic year in which the applicant applies to the program. Verification of information provided in the FAFSA and used to calculate the EFC may be requested by the Commission as necessary. Failure to provide verification in a timely manner, if requested, may result in disqualification from consideration for an award.*

*(b) The applicant's representations that he or she:*

- (1) is a United States citizen or eligible noncitizen;*
- (2) is a resident of California;*
- (3) is in compliance with Selective Service requirements;*
- (4) does not owe a refund on any state or federal educational grant;*
- (5) does not currently have a delinquent or defaulted student loan.*
- (6) has not received a grant as an instructor in a California community college registered nursing program pursuant to Article 3.51 (commencing with Section 78260 (b) (4) of the Education Code);*
- (7) The name of the accredited college(s) or university(ies), as applicable, at which the applicant:*
  - (i) is enrolled on at least a half-time basis in an academic program leading to a baccalaureate or graduate degree in nursing or a field related to nursing;*
  - (ii) has obtained a baccalaureate degree; or*
  - (iii) is accepted on at least a half-time basis to a graduate program in nursing\_or a field related to nursing;*
- (8) Statement that the applicant agrees to:*
  - (i) maintain satisfactory academic progress; and*
  - (ii) teach in a nursing program on a full-time basis at one or more regionally accredited California colleges or universities for at least three consecutive academic years, or on a part-time basis for the equivalent of three full-time academic years, starting within twelve (12) months after obtaining a degree in nursing or a field related to nursing unless the*

*participant enrolls in a program leading to a more advanced academic degree in nursing or a field related to nursing;*

*(9) The name of lender, loan identification number(s), and current balance(s) of a loan or loans the applicant has received, or has been approved to receive, under one or more of the following designated loan programs:*

*(i) the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.);*

*(ii) the Federal Direct Loan Program (20 U.S.C. Sec. 1087b et seq.);*

*(iii) any loan program approved by the Commission on a case by case basis, but not including lines of credit, home equity loans, credit card debt, and other general consumer loans, business loans, personal loans, or mortgages;*

*(10) For applicants who are enrolled in an undergraduate program, the student's cost of attendance at the participating institution for the academic year of application to the program.*

*(c) The application shall state that by signing, the applicant agrees that, if requested, the applicant will provide information or documentation to verify the accuracy of the information included in the application, and the applicant understands that failure to provide accurate and complete information as requested may result in disqualification from the program and loss of program benefits. The application shall be dated and signed by the applicant under penalty of perjury under the laws of the State of California.*

*Note:*

*Authority cited: Section 70106, Education Code. Reference: Sections 70101, 70102, 70103, 70105, 70107, Education Code.*

#### *Section 30912. Nominations by a Participating Institution*

*(a) A participating institution may nominate one or more applicants who have submitted applications to participate in the program meeting the requirements of Section 30911 by submitting to the Commission by the deadline established by the Commission all of the following information regarding each applicant:*

*(1) the applicant's complete application, including the SAR for an undergraduate applicant;*

*(2) the participating institution's certifications of the following information:*

*(i) the applicant is enrolled in, or has been admitted into, a baccalaureate or graduate degree program in nursing or a field related to nursing in which the applicant is or will be enrolled on at least a half-time basis;*

*(ii) the applicant's grade point average;*

*(iii) the applicant is making satisfactory academic progress;*

*(iv) the applicant has demonstrated academic ability;*

*(v) it is an accredited college or university; and*

*(vi) the date the applicant is expected to receive his or her undergraduate or graduate degree in nursing or a field related to nursing;*

*(3) the participating institution's determination that the applicant has demonstrated outstanding ability to become a nursing faculty member, on the basis of the following criteria:*

*(i) grade point average; and*

(ii) *faculty evaluation of the applicant's ability to become a nursing faculty member based on the factors used by the participating institution to hire nursing faculty;*  
(4) *for applicants who are undergraduates, the applicant's cost of attendance for the academic year of application to the program.*

(b) *Each nomination, including the certifications required by this section, submitted by a participating institution shall be signed by the director of the participating institution's nursing program or designee under penalty of perjury under the laws of the State of California.*

*Note:*

*Authority cited: Section 70106, Education Code. Reference: Sections 70101, 70102, 70103, 70107, Education Code.*

### *Section 30913. Award Process*

(a) *The Commission shall select program participants from among the applicants whose applications and nominations are complete and are received by the Commission by the designated deadline date of each academic year and who are determined by the Commission to meet all requirements for participation established in the Education Code. If the maximum authorized allocation of awards is not exhausted after this selection process is completed, the Commission may continue to accept nominations and select program participants based on the date the nominations are received by the Commission. The Commission may continue to make awards until the maximum authorized allocation is exhausted.*

(b) *The Commission shall only consider and select from among nominated applicants with demonstrated academic ability. In addition, undergraduate applicants may only be considered if they have demonstrated financial need. The Commission shall determine that such financial need exists if the applicant's cost of attendance at the participating institution for the academic year exceeds the applicant's EFC for that year.*

(c) *Nominated applicants in graduate degree programs will be scored and awarded points using the following selection criteria:*

(1) *Points will be awarded according to the length of time remaining until the applicant is expected to receive the graduate degree in nursing or a field related to nursing, as follows:*

<i>GRADUATE DEGREE</i>	<i>POINTS</i>
<i>Completion Within Four Years or Less</i>	<i>20</i>
<i>Completion Within Three Years or Less</i>	<i>30</i>
<i>Completion Within Two Years or Less</i>	<i>40</i>
<i>Completion Within One Year or Less</i>	<i>50</i>

(2) *Points will be awarded based on the applicant's grade point average in the graduate program in nursing or a field related to nursing as follows:*

GRADUATE GPA	POINTS
2.99 or Less	0
3.00 - 3.24	10
3.25 – 3.49	15
3.50 – 3.74	20
3.75 – 3.99	25
4.00	30

(d) Nominated applicants in undergraduate degree programs who have been determined to have demonstrated financial need pursuant to subsection (b) will be scored and awarded points using the following selection criteria:

(1) Points will be awarded according to the length of time remaining until the applicant is expected to receive the baccalaureate degree in nursing or a field related to nursing, as follows:

BACCALAUREATE DEGREE	POINTS
Completion Within Four Years or Less	10
Completion Within Three Years or Less	15
Completion Within Two Years or Less	20
Completion Within One Year or Less	25

2) Points will be awarded based on the applicant's grade point average in the baccalaureate degree program in nursing or a field related to nursing as follows:

BACCALAUREATE GPA	POINTS
2.99 or Less	0
3.00 - 3.24	05
3.25 – 3.49	7.5
3.50 – 3.74	10
3.75 – 3.99	12.5
4.00	15

(e) In addition to the points based on expected date of degree award and GPA, 20 points will be awarded to any nominated applicant with an active registered nurse license issued by the California Board of Registered Nursing.

(f) The Commission will select nominees with the highest point totals until the authorized award allocation is exhausted. In the case of a tie in the total number of points, the Commission will select nominees based on the earliest date of expected graduation and in the case of a secondary tie, by the highest grade point average.

Note:

Authority cited: Section 70106, Education Code. Reference: Sections 70105, 70107, 70109, Education Code.

#### Section 30914. Loan Assumption Agreements

(a) The Commission shall provide a loan assumption agreement to each nominated applicant selected by the Commission to be a program participant. The loan assumption

agreement shall be effective when both the program participant and the Commission have signed the agreement.

(b) The loan assumption agreement shall include the following:

(1) The program participant shall agree to:

(i) maintain satisfactory academic progress;

(ii) maintain enrollment on at least a half-time basis each academic term at an accredited college or university;

(iii) continue to satisfy the eligibility requirements in section 30911(b)(1)-(6);

(iv) teach nursing on a full-time basis at one or more regionally accredited California colleges or universities for at least three consecutive academic years, or part-time for the equivalent of three full time academic years, starting within twelve (12) months after obtaining a baccalaureate or graduate degree in nursing or a field related to nursing, unless the participant enrolls in a program leading to a more advanced academic degree in nursing or a field related to nursing;

(v) authorize the accredited college or university attended by the applicant, employers, and lenders to provide information requested by the Commission for the purposes of administering the loan assumption agreement; and

(vi) comply with all laws and regulations applicable to the program.

(2) The Commission shall agree that:

(i) after the program participant has completed one academic year of teaching nursing studies on a full-time basis, at or the equivalent on a part-time basis, at one or more regionally accredited California colleges or universities, the Commission shall assume, subject to the requirements of section 30915, up to eight thousand three hundred thirty-three dollars (\$8,333) of the outstanding liability of the participant under one or more of the designated loan programs;

(ii) after the program participant has completed two consecutive academic years of teaching nursing studies on a full-time basis, or the equivalent on a part-time basis, at one or more regionally accredited California colleges or universities, the Commission shall assume, subject to the terms of section 30915, up to an additional eight thousand three hundred thirty-three dollars (\$8,333) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to sixteen thousand six hundred sixty-six dollars (\$16,666); and

(iii) after the program participant has completed three consecutive academic years teaching nursing studies on a full-time basis, or the equivalent on a part-time basis, at one or more regionally accredited California colleges or universities, the Commission shall assume, subject to the terms of section 30915, up to an additional eight thousand three hundred thirty-four dollars (\$8,334) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to twenty-five thousand dollars (\$25,000).

(c) The term of the loan assumption agreement shall be no more than 10 years from the date signed by the program participant and the Commission unless extended pursuant to Section 30916.

*(d) The loan assumption agreement shall constitute a conditional warrant that may be redeemed with the Commission as specified in section 30915. A participant in this program shall not receive more than one loan assumption agreement.*

Note:

*Authority cited: Section 70106, Education Code. Reference: Sections 70101, 70102, 70103, 70106 Education Code.*

### *Section 30915. Loan Payments*

*(a) A program participant may redeem the conditional warrant and the Commission shall make loan payments, pursuant to the loan assumption agreement and as provided in Section 30914 and subsection (c), when the Commission has received the following information for each qualifying year of teaching:*

*(1) documentation certifying that the program participant has received a baccalaureate or graduate degree in nursing or a field related to nursing from an accredited, participating institution;*

*(2) the following employment information for each applicable year of employment subject to the loan assumption agreement:*

*(i) program participant's name and social security number;*

*(ii) names and addresses of the program participant's employers;*

*(iii) program participant's signature under penalty of perjury under the laws of the State of California.*

*(3) the following employment information from the participant's employer(s) for each applicable year of employment subject to the loan participation agreement:*

*(i) statement that the program participant completed an academic year of teaching nursing on a full-time basis, or, if the program participant is employed on a part-time basis, the percentage of employment as related to a full-time academic year.*

*(ii) statement that the employer is a regionally accredited California college or university;*

*(iii) employer representative's printed or typed name, title, and telephone number;*

*(iv) employer representative's signature under penalty of perjury under the laws of the State of California;*

*(v) certification that the participant has not received a grant pursuant to Article 3.51 commencing with Section 78260 of the Education Code.*

*(4) the following information from each lending institution for each loan that qualifies for payment under the program and the loan assumption agreement:*

*(i) program participant's name and social security number;*

*(ii) account number for each loan;*

*(iii) interest rate for each loan;*

*(iv) disbursement date for each loan;*

*(v) payoff amount for each loan as of June 30;*

*(vi) indication for each loan whether the loan is delinquent or in default;*

- (vii) lending institution/servicer name;*
  - (viii) lending institution/servicer eight-digit servicer identification code;*
  - (ix) address for where payment is to be sent;*
  - (x) a signature of the lending institution official under penalty of perjury under the laws of the State of California*
  - (xi) printed name of the lending institution official;*
  - (xii) e-mail address of the lending institution official;*
  - (xiii) telephone number of the lending institution official;*
- (5) the Commission has determined that the program participant has satisfied the requirements for payment to be made under the loan assumption agreement.*

*(b) A program participant who teaches on less than a full-time basis is not eligible for a loan payment until he or she teaches for the equivalent of a full-time academic year.*

*(c) Loan payments shall be made by lump-sum payment to the lender, to be applied directly to the principal balance, if not otherwise prohibited by applicable law or by the terms of the loan agreement between the program participant and the lender. Payments shall first be made toward loans with the highest interest rates. The program participant shall continue to make payments as required under the terms of the loans to avoid defaulting on those loans, until notified by the lenders or loan servicers that the loans are paid in full.*

*Note:*

*Authority cited: Section 70106, Education Code. Reference: Sections 70101, 70102, 70103, Education Code.*

#### *Section 30916. Failure to Comply with the Loan Assumption Agreement*

*(a) Except as otherwise specified in subsections (b) and (c), a program participant who fails to meet the requirements for payment pursuant to the terms of the loan assumption agreement, including failure to complete a minimum of three consecutive academic years of teaching in nursing at one or more regionally accredited California colleges or universities on a full-time basis, or the equivalent on a part-time basis, will not qualify for loan payment. The loan assumption agreement shall be deemed terminated, and the Commission shall not make any further payments. The participant shall retain responsibility to continue to make any payments required for any remaining loan obligations under the terms of any outstanding loans to avoid defaulting on those loans but shall not be required to repay any loan payments previously made through the program.*

*(b) If a program participant is unable to complete one of the three consecutive academic years of teaching nursing at one or more regionally accredited California colleges or universities on a full-time basis, or the equivalent on a part-time basis, due to serious illness, pregnancy, or other natural causes, the term of the loan assumption agreement shall be extended for a period not to exceed one academic year. The Commission shall make no further payments under the loan assumption agreement until the applicable teaching requirements specified have been satisfied. The program participant shall retain responsibility to continue to make any payments required under the terms of any outstanding loans to avoid defaulting on those loans.*

*(c) If a natural disaster prevents a program participant from completing one of the required academic years of teaching service due to the interruption of instruction at the employing regionally accredited California college or university, the term of the loan assumption agreement shall be extended for the period of time equal to the period from the interruption of instruction at the employing regionally accredited California college or university to the resumption of instruction. The Commission shall make no further payments under the loan assumption agreement until the applicable teaching requirements have been satisfied. The program participant shall retain responsibility to continue to make any payments required under the terms of any outstanding loans to avoid defaulting on those loans.*

*Note:*

*Authority cited: Section 70106, Education Code. Reference: Sections 70101, 70102, 70103, 70104 Education Code.*

#### *Section 30917. Development of Projections for Funding Purposes*

*The Commission shall use program participants' expected dates of graduation and employment dates to project the funding level required to provide loan payments under the program.*

*Note:*

*Authority cited: Section 70106, Education Code. Reference: Section 70106 Education Code.*