

**Nursing Education Loan Repayment Program  
Fiscal Year 2011  
2-Year Contract**

**U.S. Department of Health and Human Services  
Health Resources and Services Administration  
Bureau of Clinician Recruitment and Service**

Under the Nursing Education Loan Repayment Program ("NELRP"), section 846 of the Public Health Service Act (42 U.S.C. § 297n), the Secretary of Health and Human Services ("Secretary") is authorized to provide registered nurses with partial repayment of their outstanding qualifying loans for nursing education. In return for these loan repayments, the nurses agree to engage in the full-time practice of their profession for 2 years at a health care facility with a critical shortage of nurses.

The terms and conditions of participating in the NELRP are set forth below:

1. The undersigned applicant ("Applicant") agrees to serve full-time as a registered nurse for a period of two (2) consecutive years, beginning on the effective date of this Contract, at the health care facility identified by the Applicant in his or her NELRP Application, which facility the Secretary has determined has a critical shortage of nurses (i.e., a "Critical Shortage Facility" (CSF)). Full-time service is working as a registered nurse at a CSF for a minimum of 32 hours per week, for a minimum of 45 weeks per service year. No more than 7 weeks per service year can be spent away from the CSF for vacation, holidays, continuing education, illness, maternity/paternity/adoption, or any other reason. If the Applicant is unable to complete the service obligation at the initial service site identified in the application, the Applicant agrees to resume service within 60 days and complete the remaining service period at another CSF that has been approved by the Secretary as a transfer site for the Applicant.
2. The Applicant agrees to submit a semi-annual report, containing such information as the Secretary shall specify, regarding the Applicant's compliance with the service obligation described in paragraph 1 of this Contract.
3. The Applicant agrees to inform the Secretary immediately of any change in mailing address, email address, employment location or any other change in the provision of nursing services set forth in paragraph 1 of this Contract.
4. Subject to the availability of funds:
  - a. For the first year of the two consecutive years of service, the Secretary agrees to pay, to and on behalf of the Applicant, an amount equal to 30 percent of the principal of, and interest on, the Applicant's qualifying loans for nursing education which were unpaid on the effective date of this Contract.
  - b. For the second year of the two consecutive years of service, the Secretary agrees to pay, to and on behalf of the Applicant, an amount equal to 30 percent of the principal of, and interest on, the Applicant's qualifying loans for nursing education which were unpaid on the effective date of this Contract.
5. The Applicant agrees to apply all NELRP payments received after Federal tax withholding to repay the Applicant's qualifying loans for nursing education. No portion of the NELRP payments made directly to the Applicant shall be used to pay taxes due to Federal, State, or local authorities.
6. The Applicant and Secretary may modify this Contract by written mutual consent, prior to the expiration of this Contract, to extend the Applicant's service obligation set forth in paragraph 1 of this Contract for a third consecutive year. In return for a third year of service, the Secretary would pay, subject to the availability of funds, an amount equal to 25 percent of the principal of, and interest on, the Applicant's qualifying loans for nursing education which were unpaid on the effective date of this Contract.
7. If the Applicant fails to provide 2 years of service as set forth in paragraph 1 of this Contract, the applicant shall repay all NELRP payments made under paragraph 4 of this Contract (including the amounts withheld for Federal taxes), plus interest at the maximum legal prevailing rate from the date of the Applicant's breach of that service obligation, as required under 42 U.S.C. § 297n(g)(1)(B).
8. The amount the Secretary is entitled to recover under paragraph 7 of this Contract must be repaid by the Applicant within not more than three (3) years of Applicant's breach of the service obligation set forth in paragraph 1 of this Contract.
9. The Secretary may waive or suspend the Applicant's service or payment obligation under this Contract if compliance by the Applicant (i) is impossible or (ii) would involve extreme hardship and enforcement of such obligation would be unconscionable.
10. Any payment or service obligation incurred by the Applicant under this Contract will be cancelled upon the Applicant's death.
11. The Applicant agrees to comply with the requirements of the NELRP regulations at 42 C.F.R. Section 57.312.
12. The Applicant agrees to comply with the debarment and suspension regulations at Title 2, C.F.R., Part 180, Subpart C (2006), as supplemented by Subpart C of Title 2, C.F.R., Part 376 (2007).
13. The Applicant agrees to permit the Secretary to collect any debt owed by the Applicant as a result of an overpayment of NELRP payments, through the administrative offset of subsequent NELRP payments to the Applicant under this Contract or a Continuation Contract entered into pursuant to paragraph 6 of this Contract, until the debt is paid in full. An overpayment of NELRP payments may occur, for example, due to administrative error or when payments are made during any period when the Applicant is not providing full-time service at a CSF approved by the Secretary.

**The Secretary or his or her authorized representative must sign this Contract before it becomes effective.**

Applicant Name (please print):	
Applicant's Signature:	Date:
Secretary of Health and Human Services or Designee:	Date:
HRSA-868 (Revised 12/2010)	