

# **Kaiser Permanente Student Financial Aid Program Northern California Nurse Scholars Academy ELDNP Program**

**This is an overview for general information only. Conditions and terms of loan forgiveness and repayment are subject to change.**

The Kaiser Permanente Student Financial Aid Program (SFAP) operates under license by the Department of Corporations 605-1523 (lender's license), Kaiser Permanente legal departments and Kaiser Permanente national and regional accountability departments. The department was established and has been in continual operations since 1987. A 2014 DOC and KP internal audits found no deficiencies and/or recommendations.

## **Loan Conditions and Requirements**

1. Recipient (borrower) must be at least 18 years of age to sign contractual agreement.
2. Recipient must be a U.S. Citizen.
3. Recipient must meet all eligibility requirements defined for the ELDNP Program.
4. Schools and/or colleges must be accredited by the Western Association of accreditation of Schools and colleges (WAASC).
5. Recipient must maintain at least a 3.0 GPA and must continue in their program until degree is completed. If at any time the recipient (for any reason) withdraws from their program the loan becomes due and payable. Once the loan is in repayment it cannot be reversed if in the event the recipient returns to school. The loan repayment is subject to 10 percent interest. If the loan is paid in full within 30 days, no interest is due.
6. The loan remains dormant until graduation and further a six month deferment is given at the completion of their program.
7. Financial Assistance is being managed through our Kaiser Permanente Student Financial Aid Program. Applications are processed through Scholarship America. All of the contracts are vetted with Kaiser Permanente legal and financial departments.
  - A. Loan forgiveness -- Kaiser Permanente will repay the loan under strict conditions as follows: After completion of the program, recipient must work at least 20-32 hours per week for a minimum of 36 months (3 years).
    - Recipient must be employed by Kaiser Permanente Northern California Region either full time (minimum 32 hours) or part time (minimum 20 hours). Loan forgiveness is prorated for part-time employees and will take more than three years to repay.
    - Recipient must maintain continuous employment.
  - B. Must be a benefited employee.
  - C. Must be working in the capacity for which their degree was offered.
  - D. May not transfer to another region or non-KFH entity during the loan forgiveness period.
  - E. May not be terminated or suspended for any reason during the loan forgiveness period.

- F. Special circumstances: In the event an employee cannot complete the required hours due to disability and/or family leave, SFAP must be notified within 30 days and provided the proper documentation for same. The loan at this time will become dormant until the employee returns to and completes the required hours for forgiveness. After one full year of continuous leave, the loan defaults to repayment. In addition, if in the event the employee becomes permanently disabled, the loan defaults to repayment.
  - G. Upon completion of program, participant will start into a cycle of loan forgiveness that will repay the amount of the loan over three years.
  - H. Loan forgiveness is considered taxable income in the year in which it is earned. For example, if an employee graduates in 2017, employee would start loan forgiveness that year, and whatever amount is forgiven that year is considered taxable -- this will show up on the employee pay statements.
8. Voluntary/involuntary separation -- Participants who leave Kaiser Permanente employment prior to completing the loan forgiveness period are provided a one-month grace period during which time they may pay off the entire loan without penalty. Interest rate on the loan is 10 percent and a reasonable monthly payment will be negotiated with the participant at the time of separation.

Note: Individuals requesting a loan from the SFAP department must meet a 650 point credit score and must have a reasonable income-to-debt ratio. Kaiser Permanente employees understand that requesting a loan from this department is independent of any contractual agreements for any bargaining units and/or unions made by and for Kaiser Permanente, and that further, any grievances and/or complaints must be addressed directly to the SFAP department.