

CLINICAL LOAN FORGIVENESS PROGRAM**Housewide Manual**

Policy:**Effective Date: 12/2016**

Southeast Alabama Medical Center (SAMC) is dedicated to providing quality professional nursing care to meet the healthcare needs of our patients and the community. The Clinical Loan Forgiveness Program will share in the cost of educating Registered Nursing students in exchange for a commitment to work for the Medical Center in a full-time position once the degree is earned.

Procedure:

The program will pay up to \$10,000 per academic year for a maximum of 2 years. In return the nursing student will sign a commitment to work for SAMC full-time for 30 months, the first 12 months after nursing orientation on a Medical Surgical Unit. The loan recipient should begin work within one month after graduation.

Once approved for a Nursing Student Loan, the following items will be covered up to \$10,000 per academic year – tuition, books and lab fees. Covered educational expenses will be paid directly to the educational facility.

Loan recipients are required to maintain a minimum 2.5 overall GPA (4.0 point scale). If the loan recipient does not complete the nursing program, does not accept full-time employment with SAMC, is unable to work for SAMC for any reason or terminates full-time employment prior to the 30 month commitment with SAMC; the loan must be reimbursed subject to the terms of the Promissory Note.

A Clinical Loan Forgiveness application can be obtained by contacting the Nurse Recruiter in the Human Resources Department or by downloading an application located on the Careers tab at www.samc.org.

The Loan Forgiveness Program was created and funded to increase the number of clinical nurses at the bedside. It does not cover the cost of second degrees, i.e.: ADN to BSN or BSN to MSN programs once employed as a Registered Nurse.

The number of students chosen will be limited and based on the actual/projected staffing needs of SAMC at the time of application.

The following requirements must be met to be considered for a SAMC Nursing Student Loan:

- Letter of acceptance in an accredited nursing program or currently enrolled in an accredited nursing program.
- Completed Clinical Loan Forgiveness application.
- Loan Agreement and Promissory Note
- Copy of background check/report from college/university.

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- A fee schedule of covered expenses for the academic year.
- A letter of recommendation from your current unit director if current SAMC employee.
- Completed applications should be turned in to the Nurse Recruiter in the Human Resources Department. Applications will be reviewed by the SAMC Nursing Student Loan Committee.

Reviewed/Revised: 12/16



Application Received:
Information Comp:
Interview:
CC:
OFFICE USE ONLY

Clinical Loan Forgiveness Program Application

Last Name	First Name	Middle Name	Date
Address	City	State	Zip
			Phone
			Home: _____
			Cell: _____
Date of Birth	Social Security No.		
/ /			

EDUCATION INFORMATION

Program Attending or Accepted to: _____

College: _____ Hours Completed: _____

Degree Pursuing: _____ City: _____ State: _____

Expected Date of Graduation: _____ Current Grade Point Average: _____

College: Name: _____ City: _____ State: _____

Major: _____ GPA: _____ Degree: _____ Year: _____

I would like to be on scholarship for _____ semesters/quarters beginning with the _____ semester/quarter.

(Fall, Winter, Etc. & Year) (Circle One)

Have you ever been associated with SAMC in any employment or volunteer capacity? YES NO

Department: _____ Date From: _____ To: _____

Have you ever been discharged from a job or asked to resign? YES NO

Have you ever been convicted of a crime (*other than a minor traffic violation*) pled guilty, no contest, been given deferred adjudication, or been found guilty of a crime in a court of law? YES NO

Are you a relative of anyone working for SAMC? YES NO

If Yes, Name _____ Relationship _____ Department _____

WORK EXPERIENCE

Employer:	Address:
Job Title:	Supervisor Name/Title:
Dates of Employment: From To	Duties:
Employer:	Address:
Job Title:	Supervisor Name/Title:
Dates of Employment: From To	Duties:
Employer:	Address:
Job Title:	Supervisor Name/Title:
Dates of Employment: From To	Duties:

I believe I am deserving of a Clinical Loan from SAMC because: _____

Signature

Date

Return application to:
Human Resources
Southeast Alabama Medical Center
Attn: Nurse Recruiter
1108 Ross Clark Circle
Dothan, AL 36301

800 735-5016
(334) 793-8044 (fax)

REGISTERED NURSE LOAN AGREEMENT AND PROMISSORY NOTE

This REGISTERED NURSE LOAN AGREEMENT AND PROMISSORY NOTE (“Agreement”) is made and entered into by and between Southeast Alabama Medical Center (SAMC) and _____ (“Student”).

Recitals

SAMC is a healthcare authority in the state of Alabama and principal place of business is in Dothan, Alabama.

This loan is for first degree only in an accredited nursing program.

Agreement

NOW THEREFORE, in exchange for the loan, promissory note and other promises set forth in this Agreement, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Student and SAMC agree as follows:

1. Loan Amount and Payment Schedule. SAMC shall provide a loan to Student in the total aggregate amount up to \$10,000.00 (the “Loan”) per academic year for the following:
 - a. Tuition, books and lab fees.
 - b. Covered educational expenses will be paid directly to the educational facility.

Notwithstanding the foregoing payments, SAMC shall not be obligated to pay such Loan, or any remaining portion of same, if prior to any such installment payment Student informs SAMC that he or she does not plan to accept or will not accept employment with SAMC upon the completion of the degree. Upon such event, any Loan amounts then paid to Student shall become immediately due and payable to SAMC within 30 days in accordance with Section 2.b. of this Agreement.

2. Promissory Note and Repayment of Loan.
 - a. General Repayment Obligation. The parties acknowledge and agree that, apart from this Agreement, SAMC is not obligated to provide Student any loan or financial assistance to help offset the expense of the degree, or to provide Student with any incentive to accept employment with SAMC, and that the Loan constitutes an additional payment to Student that is separate and distinct from any salary or other wages he or she might earn when employed with SAMC. Student therefore covenants and agrees that if for any reason, whether voluntary or involuntary, one or more of the following events occurs, then the entire amount of the Loan which has been paid to Student shall at that time be considered due and payable to SAMC, and

Student shall repay to SAMC such Loan amounts that have been paid to date, plus accrued interest at the prime rate:

- (1) If Student does not satisfactorily complete the degree on or about the above-mentioned expected graduation date;
- (2) If Student does not become employed by SAMC on a full-time basis upon graduation;
- (3) If within Student's first 30 months of employment with SAMC, Student/Employee resigns from or such employment ends for any reason.

b. Timing and Manner of Repayment. Such repayment shall be made in full within 30 days after any such event occurs that invokes such repayment obligation, subject to any amendment to this Agreement that may allow such repayment to be made according to a different schedule. The repayment shall be by certified check or money order, made payable to SAMC and delivered to SAMC as follows: Nurse Recruiter, Human Resources, 1108 Ross Clark Circle, Dothan, Alabama 36301 or to such other person and address as SAMC may authorize. Upon any event that results in the above-mentioned repayment obligation under this Agreement while Student is employed with SAMC, Student shall also forfeit any accrued but unused ETO that he or she might otherwise have received payment for upon separation from employment, such forfeiture to be credited against such repayment obligation.

c. Taxes and Indemnification. Student is solely responsible for and shall pay all taxes, penalties, or interest that may be determined to be due and payable by Student as a tax liability for any Loan payment under this Agreement, and Student hereby indemnifies and holds harmless SAMC from any such taxes, penalties, interest, or other costs (including attorneys' fees and expenses). Such Loan payments shall also be subject to any applicable taxes and other withholdings that may be authorized or required by law at the time of payment or at any time in the future. Notwithstanding the foregoing, all Loan payments to Student whose repayment obligation is forgiven or canceled by SAMC, if any, shall be reported by SAMC as a cancellation of debt as may be required by the Internal Revenue Service.

d. Interest and Attorneys' Fees. In the event such repayment is not made in full when due, interest on the outstanding amount shall accrue at the rate of 1 ½ percent per month (or 18 percent per annum) until such amount has been repaid in full. Student further acknowledges and agrees that if he or she does not repay the above-mentioned Loan amount in full when due, then such amount shall be considered immediately due and payable to SAMC, and SAMC may initiate legal action to collect such outstanding amount and may recover all damages and equitable relief to which it may show it is entitled. Student further agrees to pay SAMC for its costs and reasonable attorneys' fees regarding any collection efforts or other legal action that results in the repayment to SAMC of such Loan amount, or any part thereof, or in the enforcement of this Agreement or any of its provisions against Student and in favor of SAMC.

e. Liquidated Damages.

(1) *Definition and General Acknowledgments.* For the purposes of this liquidated damages provision, the term “other employment” shall mean Student accepting or beginning employment as a Registered Nurse, or in a position with similar duties, with a person, hospital, medical services practice, or other entity other than SAMC. Student further acknowledges and agrees that: (1) SAMC has invested a significant amount of resources in recruiting Student as a Registered Nurse, including but not limited to the Loan payments under this Agreement and the holding open for Student a position of employment with SAMC that will result or has resulted in SAMC foregoing numerous opportunities to recruit another individual for such Registered Nurse position; (2) any failure by Student to begin employment with SAMC at the expiration of the degree, or to continue such employment for at least 30 months, due to Student accepting other employment as that term is defined above will have a significant and negative effect on SAMC’s ability to properly compete and provide services; (3) the reasons for such significant and negative effect on SAMC include, but are not limited to, the growing requirement of medical facilities where SAMC provides services to do so through or with the assistance of a certain number of licensed Registered Nurse’s; and (4) due to the nature of SAMC’s practice in providing medical services, the actual monetary damage to SAMC due to such other employment by Student, while significant, would be extremely difficult and time-consuming to determine.

(2) *Liquidated Damages.* Therefore, in the event Student receives any Loan payment under this Agreement but accepts or begins other employment without being employed by SAMC in accordance with this Agreement, or accepts or begins other employment within the first 30 months after being employed by SAMC, then Student shall owe and pay to SAMC as liquidated damages, and not as a penalty, an additional amount equal to the Loan amount that has then already been paid to Student under this Agreement. The timing and conditions of Student’s repayment obligation for such liquidated damages shall be the same as those stated above in Sections 2.b., 2.c. and 2.d. Notwithstanding the foregoing, this liquidated damages provision shall not apply if before such other employment has been accepted or begins, SAMC has withdrawn its offer of employment to Student, or otherwise involuntarily terminated Student from employment for reasons other than Student’s job performance or any disciplinary action.

3. Employment by SAMC. As part of Student’s consideration for receiving the Loan, Student is expected to begin employment with SAMC upon such date, and upon such terms and conditions, as may be determined by SAMC upon his or her satisfactory completion of the degree. In addition, SAMC is expected to offer Student continued employment after he or she successfully passes the NCLEX and becomes properly licensed as a Registered Nurse. Notwithstanding the foregoing, nothing in this Agreement shall affect any decision by SAMC regarding the hiring or employment of Student, nor is it intended to create or does create a contract of employment with SAMC for a specific period of time.

4. Governing Law; Venue. The validity, interpretation, performance and enforcement of this Agreement shall be governed by the laws of the state of Alabama. If legal action is brought at any time based on any controversy or claim arising out of, or relating to this Agreement, the parties agree to submit to the jurisdiction and venue of the civil district or superior court of Houston County, Alabama, and agree that such court shall have exclusive

jurisdiction and venue of such action.

5. Entire Agreement. This Agreement constitutes the entire agreement regarding its subject matter, and it supersedes and replaces any prior agreement or agreements concerning a loan, stipend or of employment. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the heirs, representatives, successors (including any successor as a result of a corporate merger, acquisition or similar reorganization) and assigns of SAMC. The parties further agree that the duties and responsibilities of Student under this Agreement are of a personal nature and shall not be assigned in whole or in part by Student.

6. Amendments. No amendment, change, alteration, modification, addition or qualification to or of this Agreement shall be made or is binding unless it is in writing and signed by each of the undersigned parties.

7. No Waiver; Non-Dischargeable Debt. Any election by SAMC not to exercise remedies based on a breach or default hereof shall not act as a waiver of same, nor as a waiver of any remedies as to succeeding breaches or of remedies to which SAMC may be entitled based on such breach or default. Student's debt pursuant to the promissory note provisions in this Agreement shall be considered a "non-dischargeable" debt or monetary obligation to SAMC in the event that Student ever files for bankruptcy.

8. Headings. The headings of the sections and subsections of this Agreement are for convenience only and shall not affect the construction or interpretation of any of its provisions.

9. Severability. Each provision of this Agreement is intended to be severable. If any court determines that one or more of its provisions, or any part thereof, is or are invalid, illegal or unenforceable, then such provision or part shall be severed from this Agreement and this Agreement shall be given full force and effect while being construed as if such invalid, illegal or unenforceable provision or part had not been contained within it.

The parties have executed this Registered Nurse Loan Agreement and Promissory Note with an intent to be bound by its terms, to be effective as of the date signed below by Student.

Student Signature

By: _____
[Name]
[Title]

Printed Name

Date: _____

Date: _____