

RULES AND REGULATIONS

NURSING REWARD PROGRAM

The Rhode Island Student Loan Authority, pursuant to Chapter 62.1 of Title 16 of the General Laws of Rhode Island, as amended, hereby promulgates the following Rules and Regulations for the Rhode Island Nursing Reward Program (the "Program").

A. PURPOSE

The Nursing Reward Program is intended to reduce the growing nursing shortage in the state by providing licensed nurses working in a licensed health care facility in Rhode Island relief from interest payments during the first four years of repayment on their Stafford Loans.

B. BASIC ELIGIBILITY

To be eligible to participate in the Program an individual:

1. Must be a nursing major at an eligible postsecondary school.
2. Must have a Stafford Loan to finance his or her nursing education from the Rhode Island Student Loan Authority or one of its 21 affiliated lenders obtained on or after July 1, 2000.

C. ELIGIBILITY FOR INTEREST FORGIVENESS

To be eligible for interest forgiveness on Stafford Loans obtained from Rhode Island Student Loan Authority or its Affiliated Lenders on or after July 1, 2000 an individual:

1. Must be a registered nurse in the State of Rhode Island.
2. Must work as a registered nurse providing direct patient care in a licensed health care facility in the State of Rhode Island, including hospitals, nursing homes, and home nursing care providers, at least 20 hours per week.

D. INTEREST FORGIVENESS

Any individual eligible for interest forgiveness under the criteria specified herein shall obtain an application from the Rhode Island Student Loan Authority and shall complete and submit such application to the Authority. Based on such application and such other supporting documentation that may be requested, the Authority shall determine whether the applicant satisfies the eligibility criteria for interest forgiveness. If the Authority determines that the applicant meets all

eligibility requirements, the Authority shall notify the applicant that he or she shall be relieved of the obligation to pay interest on his or her Stafford Loan(s) up to the first four years of repayment provided the applicant continues to satisfy the eligibility requirements set forth herein. If the applicant is at any time deemed by the Authority to be no longer eligible for interest forgiveness on his or her Stafford Loan(s), the Authority shall notify the applicant in which event the applicant's eligibility for loan forgiveness shall terminate.

Any individual deemed eligible by the Authority for interest forgiveness shall submit to the Authority each year such information as the Authority may prescribe to determine the individual's continued eligibility.

Any individual no longer deemed eligible for interest forgiveness on his or her loan(s) shall forthwith pay to the holder of such loan all accrued interest accrued during the period of ineligibility.

E. APPEALS

Any applicant who is aggrieved by any determination with respect to his or her eligibility for loan forgiveness may appeal such determination in writing to the Executive Director of the Rhode Island Student Loan Authority, 560 Jefferson Boulevard, Warwick, RI 02886 within twenty (20) days of said determination. The decision of the Executive Director on all appeals shall be final.

F. AFFILIATED LENDERS

The following financial institutions shall be considered Affiliated Lenders for purpose of this program:

Bank of Newport

First Bank & Trust Co.

Bank of Rhode Island

Greenwood Credit Union

Bayside Federal Credit Union

Federal Employees Credit Union

Borrowsmart-Trust

Narr. Elec. Employee Cred.Uni

Bostitch Employees Credit Union

Newport Fed. Sav. Bank

Centreville Savings Bankruptcy

People's Credit Union

Coastway Credit Union

RI State Employees Cred. Union

Cottrell Credit Union

Sovereign Bank

Columbus Credit Union

Teachers & Comm. Credit Union

Coventry Credit Union

Warwick Mun. Employees Cr. Union

Credit Union Central Falls

Washington Trust Co.

Westerly Comm. Cr. Union

G. Termination and suspension of program

Notwithstanding anything to the contrary herein, the interest benefits under this program shall cease after December 31, 2010. The program may be suspended by the Authority for any year for which there is not available funding.