

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

Southeast Health (SEH) 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 \$20,000 for a maximum of six (6) consecutive semesters. In return the nursing student will sign a commitment to work for SEH 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 \$20,000 for a maximum of six (6) consecutive semesters – 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 SEH, is unable to work for SEH for any reason or terminates full-time employment prior to the 30 month commitment with SEH; the loan must be reimbursed subject to the terms of the Promissory Note.

A Clinical Loan Forgiveness application can be completed online under the Careers tab at www.southeasthealth.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 SEH at the time of application.

The following requirements must be met to be considered for a SEH Nursing Student

Loan:

- Completed online Clinical Loan Forgiveness application.
- Letter of acceptance in an accredited nursing program or currently enrolled in an accredited nursing program.
- A letter of recommendation from college faculty or your current unit director if current SEH employee
- Completed Loan Agreement and Promissory Note once selected

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 Health (SEH) and _____ (“Student”).

Recitals

SEH 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 SEH agree as follows:

1. Loan Amount and Payment Schedule. SEH shall provide a loan to Student in the total aggregate amount up to \$20,000.00 (the “Loan”) for a maximum of six (6) consecutive semesters 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, SEH shall not be obligated to pay such Loan, or any remaining portion of same, if prior to any such installment payment Student informs SEH that he or she does not plan to accept or will not accept employment with SEH upon the completion of the degree. Upon such event, any Loan amounts then paid to Student shall become immediately due and payable to SEH 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, SEH 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 SEH, 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 SEH. 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 SEH, and

Student shall repay to SEH 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 SEH on a full-time basis upon graduation;
- (3) If within Student's first 30 months of employment with SEH, 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 SEH and delivered to SEH as follows: Nurse Recruiter, Human Resources, 1108 Ross Clark Circle, Dothan, Alabama 36301 or to such other person and address as SEH may authorize. Upon any event that results in the above-mentioned repayment obligation under this Agreement while Student is employed with SEH, 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 SEH 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 SEH, if any, shall be reported by SEH 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 SEH, and SEH 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 SEH for its costs and reasonable attorneys' fees regarding any collection efforts or other legal action that results in the repayment to SEH 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 SEH.

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 SEH. Student further acknowledges and agrees that: (1) SEH 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 SEH that will result or has resulted in SEH foregoing numerous opportunities to recruit another individual for such Registered Nurse position; (2) any failure by Student to begin employment with SEH 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 SEH’s ability to properly compete and provide services; (3) the reasons for such significant and negative effect on SEH include, but are not limited to, the growing requirement of medical facilities where SEH 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 SEH’s practice in providing medical services, the actual monetary damage to SEH 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 SEH in accordance with this Agreement, or accepts or begins other employment within the first 30 months after being employed by SEH, then Student shall owe and pay to SEH 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, SEH 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 SEH. As part of Student’s consideration for receiving the Loan, Student is expected to begin employment with SEH upon such date, and upon such terms and conditions, as may be determined by SEH upon his or her satisfactory completion of the degree. In addition, SEH 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 SEH regarding the hiring or employment of Student, nor is it intended to create or does create a contract of employment with SEH 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 SEH. 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 SEH 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 SEH 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 SEH 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 and Title]

Printed Name

Date: _____

Date: _____