1. APPLICATION TO PARTICIPATE IN THE [X] NURSING STUDENT LOAN PROGRAM [ ] NURSING SCHOLARSHIP PROGRAM [ ] HEALTH PROFESSIONS STUDENT LOAN PROGRAM [ ] HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
PUBLIC HEALTH SERVICE
NATIONAL INSTITUTES OF HEALTH
BUREAU OF HEALTH MANPOWER EDUCATION

12. PROGRAM ELIGIBILITY DATA

A. PROGRAM ENTRANCE REQUIREMENTS
   A. PROGRAM ENTRANCE REQUIREMENTS: [ ] Grad of GED Equi. [ ] 1st Year Testing for English Language and Basic Math Equiv.
   Interview, Good Health, Eval. of Recent Grades
   B. LENGTH OF ACADEMIC YEAR IN MONTHS: 9
   C. TOTAL LENGTH OF PROGRAM: YEARS: 2 MONTHS

13. TERMS AND CONDITIONS: The undersigned application accepts, as to any Federal funds allocated and paid as a result of this application, the obligation to comply with the applicable provisions of the Public Health Service Act as amended and the regulations adopted pursuant thereto, and with the Public Health Service policies in effect at the time of such allocation and payment. With respect to any funds allotted and paid for the purpose of making loans to students under the Health Professions Student Loan Program, or the Nursing Student Loan Program, the undersigned further agrees to comply with the terms of agreement set forth on the reverse hereof. The undersigned also agrees to comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Regulations adopted pursuant thereto (45 CFR Part 40), and states that the Assurance of Compliance with such Regulation (Form HHS-441) which has previously been filed by the applicant institution, or is attached, applies to all FUNDS ALLOCATED AND PAID PURSUANT HERETO. THE UNDERSIGNED ALSO AGREES THAT, IN ACCORDANCE WITH SECTION 725, 45 CFR 75, AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT, PROHIBITING DISCRIMINATION ON THE BASIS OF SEX IN THE ADMISSION OF INDIVIDUALS TO TRAINING PROGRAMS, THIS APPLICATION WILL NOT BE CONSIDERED COMPLETE AND TO FUNDS MAY BE AWARDED UNDER IT UNTIL SUCH TIME AS IT IS COMPLETED BY THE UNDERSIGNED'S FILING AS ASSURANCE OF FACTORY TO THE SECRETARY THAT THE SCHOOL WILL NOT DISCRIMINATE ON THE BASIS OF SEX IN THE ADMISSION OF INDIVIDUALS TO ITS TRAINING PROGRAMS. THE UNDERSIGNED ALSO CERTIFIES THAT APPLICANT INSTITUTION HAS NO COMMITMENTS OR OBLIGATIONS INCONSISTENT WITH COMPLIANCE WITH SUCH ACTS, REGULATIONS, POLICIES, AND TERMS OF AGREEMENT.

14. SIGNATURE OF AUTHORIZING OFFICER (Name and Title as shown on page 2 of this form)"
1. Federal Capital Contributions (FCC)

Monies paid to the institution, pursuant to the application on the reverse hereof, in the form of Federal Capital Contributions shall be deposited by the institution in a separate and distinct account, hereinafter referred to as the "FCC Fund." In addition to Federal Capital Contributions, the institution shall deposit in the FCC Fund:

(a) an amount equal to not less than one-ninth of such Federal Capital Contribution, contributed by such institution;
(b) collections of principal and interest on loans made to students from the FCC Fund;
(c) collections of charges pursuant to Sec. 741(j) or Sec. 823(f) of the Public Health Service Act;
(d) sums transferred pursuant to Sec. 781 or Sec. 861 of the Public Health Service Act; and
(e) any other earnings of the FCC Fund.

The FCC Fund shall be used by the institution only for:

(a) loans to eligible health professions students pursuing a full-time course of study or loans to eligible nursing students pursuing a full-time or half-time course of study;
(b) capital distributions as provided under Sec. 743 or Sec. 876 of the Public Health Service Act, or as agreed to by the institution and the Secretary of Health, Education, and Welfare;
(c) costs of litigation arising in connection with the collection of any obligation to the FCC Fund, and interest thereon; and
(d) transfers or withdrawals pursuant to Sec. 746 or Sec. 829 of the Public Health Service Act.

The Secretary shall pay to the institution its proportionate share of the amount of principal and interest which is canceled with respect to student loans pursuant to Sec. 741(d), (f) and (l) or Sec. 823(b)(3) and (g), (h) and Sec. 830(a) of the Public Health Service Act.

2. Federal Capital Loans (FCL)

Monies paid to the institution, pursuant to the application on the reverse hereof, in the form of Federal Capital Loans shall be deposited by the institution in a separate and distinct account, hereinafter referred to as the "FCL Fund." In addition to Federal Capital Loans, the institution shall deposit in the FCL Fund:

(a) collection of principal and interest on loans made to students from the FCL Fund;
(b) collections of charges pursuant to Sec. 741(j) or Sec. 823(f) of the Public Health Service Act; and
(c) any other earnings of the FCL Fund.

The FCL Fund shall be used by the institution only for:

(a) loans to eligible health professions students pursuing a full-time course of study or loans to eligible nursing students pursuing a full-time or half-time course of study;
(b) repayments of principal and interest of Federal Capital Loans; and
(c) costs of litigation arising in connection with the collection of any obligation to such Fund, and interest thereon.

With respect to sums borrowed by the institution in the form of Federal Capital Loans, the Secretary shall pay to the institution:

(a) an amount equal to 90 percentum of the loss to the institution from defaults on student loans made from such sums;
(b) the amount by which the interest payable by the institution on Federal Capital Loans exceeds the interest received by it on student loans made from such sums;
(c) an amount equal to the collection expenses authorized by Sec. 740(b)(3) or Sec. 822(b)(3) of the Public Health Service Act with respect to student loans made from such sums; and
(d) the amount of principal which is canceled with respect to student loans from such funds pursuant to Sec. 741(d), (f), and (l) or Sec. 823(b)(3) and (g), (h) and Sec. 830(a) of the Public Health Service Act.

The institution shall remit to the Federal Government all principal and interest collected from loans made to students and any other earnings from the fund, including charges collected pursuant to Sec. 741(j) or 823(f) of the Public Health Service Act.

Funds received as a Federal Capital Loan cannot be transferred to a school's scholarship grant account, nor can funds paid to a school as a scholarship grant be transferred to the FCL Fund.

While this agreement remains in effect, no student eligible to receive a loan from any Fund established pursuant hereto shall receive a loan from a loan fund established under Sec. 204 of the National Defense Education Act of 1958.

APPROVED:

[Signature]
Secretary of Health, Education, and Welfare