

Default Penalty Attestation

Solicitation of Interest # 20283

Nurses Across New York Loan Repayment Program – Cycle I

Instructions: Applicants are instructed to upload this signed document as Attachment 9 of the application.

There are **significant financial consequences** in the event that a nurse fails to complete their three-year service obligation. These default provisions are defined in the Master Grant Contract as follows:

State Funding: In the event of default, the nurse applicant will repay the State of New York according to the following formula: $A = 3 [\text{phi}] (T - S)/T$.

- "A" is the amount the State is entitled to recover;
- "[phi]" is the sum of the amounts paid under this contract to or on behalf of the CONTRACTOR and the interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at a rate equal to that owed on underpayments of New York State personal income tax;
- "T" is the total number of months in the individual's period of obligated service; and
- "S" is the number of months of such period served by them in accordance with the terms of this contract.

Uncollectable accounts, or failure to fully repay the amounts stated below, will be referred to the New York State Attorney General's Office for possible legal action.

If the Applicant, through any cause, fails to perform any of the terms, covenants or promises of any contract resulting from this SOI, the Department acting for and on behalf of the State, shall thereupon have the right to terminate the contract by giving notice in writing of the fact and date of such termination to the Applicant.

The most important thing to understand about default, is the that the financial penalty is always assessed against the individual or organization that holds the contract. Thus, if the grantee is:

1. **A Health Care Institution:** If the nurse named in the contract leaves prematurely, the health care institution is responsible for any/all default penalties.
 - For this reason, the health care institution may want to pursue a separate agreement with the named nurse in order to establish nurse responsibility for default. The separate agreement would not involve the New York State Department of Health.
 - The nurse cannot bring the NANY contract with them to a new employer.

2. Applicant: If the nurse named in the contract left their NANY approved employment prematurely, the nurse is responsible for any/all default penalties.
- The nurse *may* be able to bring their contract with them to a new employer, provided that employer is located in a NANY approved underserved area. However, all modifications are subject to final approval by the New York State Department of Health.

I certify that I have reviewed this document and understand how default penalties are applied in relation to this SOI. Signature of Applicant/Grantee or Authorized Applicant Representative:

Signature

Date

Name & Title (printed)