

MWI 3530.1
REVISION A-2
EFFECTIVE DATE: July 22, 2015
EXPIRATION DATE: July 22, 2025

MARSHALL WORK INSTRUCTION

HS01

STUDENT LOAN REPAYMENT PROCESS *With Change 2 (8/13/20)*

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DOCUMENT HISTORY LOG

Status (Baseline/ Revision/ Change/ Revalidation/ Canceled)	Document Revision/ Change	Effective Date	Description
Baseline		4/27/2010	
Change	1	5/7/2014	On 5/7/14, at the request of the OPRD, administrative changes were made at paragraph 6.1.2.4: deleted [Federal Career Intern Program], added Recent Graduates Program (RGP), enhanced...Fellows. At A.1.3: deleted Federal Career Interns, added Internship Employment Program Participants (IEP).
Revision	A	7/22/2015	Released for five (5) year Center review as required by MPR 1410.2. Some paragraphs were reworded for clarity, but no requirements have been changed or added. Added two additional applicability statements at 2.3 & 2.4 as required by NPR 1400.1. Reformatted to comply with new required template per MPR 1410.2J & as instructed in MWI 1410.1F.
Change	1	7/17/20	On 7/17/20, at the request of the OPRD and approval of the Center Directives Manager, an administrative change was made in accordance with MPR 1410.2 to extend the expiration date from July 22, 2020 to October 30, 2020 to allow time for the revision to complete the review and concurrence process.
Change	2	8/13/2020	On 8/13/20, at the request of the OPRD, administrative changes were made adding NPR 3530.1, NASA Pay and Compensation Policy, and NASA Form 1698, Student Loan Repayment Service Agreement, to Paragraph 4, Applicable Documents and Forms. The requirement to use NASA Form 1698 has been added at 5.4 in accordance with NPR 3530.1. Organization names have been updated and minor editorial corrections have been made. Appendix B – Acronyms has been added.
Revalidation	A-2	12/16/2020	On 12/16/20, at the request of the OPRD, this directive is being revalidated. The expiration date is extended to July 22, 2025.

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1. PURPOSE

This Marshall Work Instruction (MWI) provides instructions and Center specific requirements for implementing the Student Loan Repayment Program. In accordance with Title 5 of the U.S.C Section 5379, as amended, and 5 CFR Part 537 agencies are authorized to establish a program under which they may agree to repay (by direct payment on behalf of the employee) all or part of any outstanding federally-insured student loan or loans previously taken out by a candidate to whom an offer of employment has been made, or a current employee of the agency, in order to recruit or retain highly qualified personnel.

2. APPLICABILITY

2.1 This MWI applies to Center personnel, programs, projects, and activities, including contractors and resident agencies to the extent specified in their respective contracts or agreements. (“Contractors,” for purposes of this paragraph, include contractors, grantees, Cooperative Agreement recipients, Space Act Agreement partners, or other agreement parties. (See Appendix E)).

2.2 This MWI applies to the Michoud Assembly Facility.

2.3 This MWI applies the following: all mandatory actions (i.e., requirements) are denoted by statements containing the term “shall.” The terms: “may” or “can” denote discretionary privilege or permission, “should” denotes a good practice and is recommended, but not required, “will” denotes expected outcome, and “are/is” denotes descriptive material.

2.4 This MWI applies the following: all document citations are assumed to be the latest version unless otherwise noted.

3. AUTHORITY

3.1 5 U.S.C. sec. 5379, Student Loan Repayments

3.2 5 CFR Part 537, Repayment of Student Loans

4. APPLICABLE DOCUMENTS AND FORMS

4.1 NPR 3530.1, NASA Pay and Compensation Policy

4.2 NRRS 1441.1, NASA Records Retention Schedules

4.3 NASA Form 1698, Student Loan Repayment Service Agreement

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5. INSTRUCTIONS

5.1 Recruitment: Each determination for student loan repayment purposes (including the amount to be paid) shall be made before the eligible candidate actually enters on duty in the position for which he or she was recruited. The Student Loan Repayment Program may be used with other recruitment tools; however, it may not be used to recruit an individual from another Federal Agency.

5.1.1 Recruitment Repayment:

5.1.1.1 Loan repayments shall be based on a written determination that in the absence of offering loan repayment benefits, the Center may encounter difficulty in filling the position with a uniquely qualified candidate (See Appendix F).

5.1.1.2 Payments shall be structured to ensure that no employee receives more than the statutory limit in any calendar year in accordance with 5 CFR Part 537.106 (c) (1) (2).

5.1.1.3 The Center shall not enter into a loan repayment agreement lasting more than 3 years. More than one loan may be repaid as long as the combined repayments do not exceed statutory limits.

5.1.2 Recruitment Student Loan Repayment Request: For a prospective employee's student loan request to be considered, the requesting organization/manager shall submit a request to the Human Resources Business Partner Office, HS10 with the following information:

5.1.2.1 Name of prospective employee;

5.1.2.2 Organization to which the employee will be assigned;

5.1.2.3 Type of appointment (permanent, term, other);

5.1.2.4 Was the employee recruited under a special appointing authority? If so, identify the authority used. [Example: NASA Pathways Recent Graduates Program (RGP), NASA Pathways Presidential Management Fellows, Veteran's Recruitment Act, Schedule A, (i.e., handicapped hiring authority)];

5.1.2.5 Duty station to which the employee will be assigned;

5.1.2.6 Position title, series and grade (example: AST Aerospace Flight Systems, GS-861-7);

5.1.2.7 Has the employee been offered a full-time or part-time position? Identify the employee's employment status (permanent, term, or temporary);

5.1.2.8 Step and salary the prospective employee has been offered by the Center. [Example: We have offered Mr. Doe a position at the GS-7, step 7 level (\$53,644) per Annum.];

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5.1.2.9 Identify other incentives offered to the prospective employee by the Center. [Example: We have offered Ms. Roe enhanced leave, and a \$4,000 recruitment bonus.];

5.1.2.10 If the prospective employee has received a competing offer, what salary and benefits have been offered by the competing employer? (If a competing offer has been made in writing, attach a copy.);

5.1.2.11 Has the prospective employee received a Federal student loan repayment before? If so, from what agency and in what amount;

5.1.2.12 Explain the difficulty experienced or expected in filling the position if the prospective employee's student loan is not repaid;

5.1.2.13 Explain what "unusually high or unique qualifications" the employee possesses and/or what special need the Center has for this individual's knowledge, skills, and abilities;

5.1.2.14 How much does the prospective employee owe on their qualifying student loan(s)? Is the prospective employee in default on one or more of the qualifying student loans;

5.1.2.15 Indicate the total amount of the proposed loan repayment and the number of years over which the payments are to be made;

5.1.2.16 Explain the rationale for offering to repay the amount proposed; and

5.1.2.17 Indicate funding availability.

5.2 Retention: Each determination for student loan repayment shall be based upon a written determination that the unique qualifications of the eligible employee or special need of the Center for the employee's services makes it essential to retain the employee, and in the absence of offering student loan repayment benefits, the employee would likely leave for employment outside the Federal service (See Appendix F). The Student Loan Repayment Program may be used in conjunction with other retention tools.

5.2.1 Retention Repayment:

5.2.1.1 Same as 5.1.1.2 under Recruitment Repayment.

5.2.1.2 Same as 5.1.1.3 under Recruitment Repayment.

5.2.2 Retention Student Loan Repayment Request: For a current Federal Center employee's student loan request to be considered for repayment, the requesting organization/manager shall submit a request to the Human Resources Business Partner Office, HS10 with the following information:

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5.2.2.1 The unique qualifications of the employee or the special need for employee’s services that make it essential to retain him/her;

5.2.2.2 The likelihood the employee would leave for employment outside the Federal service if he/she does not receive loan repayment benefits;

5.2.2.3 The extent to which the employee’s departure would affect the Center’s ability to carry out an activity or perform a function that is deemed essential to the Center’s mission;

5.2.2.4 This determination shall be in writing and document the criteria used to determine the amount of the loan repayment benefit. Managers may consider the following criteria in deciding the amount;

- a. Salary levels reported in published salary surveys for comparable non-Federal positions;
- b. Salary documented in a competing job offer;
- c. The importance/criticality of the position and the effect on the Center if the employee was to leave;
- d. The projected cost of recruitment and training associated with replacement of the employee; and
- e. The length of service of the employee with the Center.

5.2.2.5 The certification that funding is available to cover the proposed amount and include the funding citation that shall be used to repay the loan.

5.3 The Human Resources Business Partner Office shall:

5.3.1 Provide technical assistance to employing organizations, concerning the administration of the student loan repayment program;

5.3.2 Negotiate agreements with employees or candidates for employment on terms of payment;

5.3.3 Ensure that a student loan is Federally-insured and eligible to be repaid under this program (subject to budget availability);

5.3.4 Verify the current loan balance at the time of entrance on duty or current Federal employees;

5.3.5 Ensure there are procedures for making loan payments.

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5.4 Employees and prospective employees shall:

5.4.1 In accordance with NPR 3530.1, Chapter 11, “Student Loan Repayment Program,” sign a written service agreement using NASA Form 1698, “Student Loan Repayment Service Agreement” before any loan repayment may be made.

5.4.2 Serve a minimum of 3 years with the Center regardless of the amount of repayment authorized. This 3-year period begins when the first payment is made to the holder of the loan.

Note: A service agreement in no way constitutes a right, promise, or entitlement for continued employment or noncompetitive conversion to the competitive service.

5.4.3 An employee receiving loan repayment benefits from an agency shall be ineligible for continued benefits from that agency if the employee:

- a. Separates from the agency; or
- b. Does not maintain an acceptable level of performance; or
- c. Violates any of the conditions of the service agreement.

5.5 Employee reimbursements to the Government

5.5.1 Except as provided in paragraph 5.5.4 of this section, an employee who fails to complete the period of employment for which indebted to the Federal Government shall reimburse the paying agency for the amount of any student loan repayment benefits the employee received.

5.5.2 Failure to complete the period of employment established under a service agreement occurs when the employee’s service with the agency terminates before the employee completes the period of employment specified in the service agreement because:

- a. The employee leaves the agency involuntarily on account of misconduct or performance; or
- b. The employee leaves the agency voluntarily.

5.5.3 If an employee fails to reimburse the agency for the amount owed under paragraph 5.5.1 of this section, a sum equal to the amount outstanding shall be recovered from the employee under the agency’s regulations for collection.

5.5.4 Paragraph 5.5.1 of this MWI does not apply when the employee fails to complete a period of employment established under a service agreement because:

- a. The employee is involuntarily separated for reasons other than misconduct or performance; or

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b. The employee leaves the agency voluntarily to enter into the service of any other agency, unless reimbursement to the pay agency is otherwise specified in the service agreement.

5.5.5 The head of an agency may waive, in whole or in part, a right of recovery of an employee's debt if he or she determines that recovery would be against equity and good conscience or against the public interest.

5.6 Approvals

5.6.1 The Director, Chief Financial Officer (CFO), or designee, shall ensure that student loan repayment is considered in the budgetary planning process and concur or non-concur that funds are available to repay the student loan of a Center employee or candidate for employment.

5.6.2 The Director, Office of Human Resources (HRD), or Deputy HRD, shall approve or disapprove proposals to repay student loans of Center employees or prospective employees.

6. CANCELLATION

MWI 3530.1A, Student Loan Repayment Process, dated July 22, 2015

Original signed by

Patrick E. Scheuermann
Director

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APPENDIX A (Reserved for Definitions)

APPENDIX B ACRONYMS

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APPENDIX D RECORDS

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APPENDIX A (Reserved for Definitions)

NONE

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APPENDIX B

Acronyms

CFO	Chief Financial Officer
HRD	Human Resources Director
IEP	Internship Employment Program
PCA	Physicians Comparability Allowance
RGP	Recent Graduates Program

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APPENDIX C (Reserved for Verification Matrix)

NONE

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APPENDIX D

Records

D.1 Records for this process include but are not limited to student loan determinations, service agreements, and annual reports sent to NASA Headquarters.

D.2 Employee service agreements will be maintained by the NASA Shared Services Center (NSSC) as part of the employee's Electronic Official Personnel Folder. [Reference NRRS 3/1.]

D.3 Any reference copies of the service agreements maintained by the Human Resources Business Partner Office will be maintained per NRRS 3/1/C; destroy when obsolete or superseded.

D.4 Copies of annual reports to NASA Headquarters concerning the number of employees selected to receive this benefit maintained by the Human Resources Business Partner Office will be maintained per NRRS 3/46/4; destroy when 3 years old.

D.5 Student Loan determinations will be maintained by the Human Resources Business Partner Office per NRRS 9/1/A; destroy 6 years and 3 months after period covered by account.

Note: Disputes and litigation may lengthen the retention time for these records.

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APPENDIX E

REPAYMENT ELIGIBILITY AND INELIGIBILITY

(PER 5 CFR PARTS 537, “REPAYMENT OF STUDENT LOANS”)

E.1 Eligibility:

E.1.1 Permanent employees.

E.1.2 Employees serving on a term appointment with at least 3 years remaining on their appointment.

E.1.3 Employees serving on an excepted appointment with non-competitive conversion eligibility to term, career, or career-conditional appointments [including, but not limited to NASA Pathways Presidential Management Fellows, Veterans Recruitment Authority Appointees, and NASA Pathways Internship Employment Program participants (IEP)].

E.1.4 For employees receiving a physician’s comparability allowance (PCA), however, the amount of their PCA is reduced by an amount equal to any loan repayment assistance received under this program.

E.2 Ineligibility:

E.2.1 Employees serving under Schedule C appointments. These employees currently occupy or will occupy a position excepted from the competitive service because of its confidential, policy determining, policy making, or policy advocating character (e.g., political appointments).

E.2.2 Students who have defaulted on their student loan.

E.2.3 Individuals who leave NASA for another Federal Agency.

E.2.4 Individuals recruited from another Federal Agency.

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APPENDIX F

REPAYMENT QUALIFICATIONS

(PER 5 CFR PART 537, “REPAYMENT OF STUDENT LOANS”)

- F.1 Constant turnover in the same or similar positions.
- F.2 Labor market factors that affect the ability to recruit for similar positions.
- F.3 Special qualifications needed.
- F.4 Severity of the recruiting problem.
- F.5 Salary levels reported in published salary surveys for comparable non-Federal positions.
- F.6 Importance/criticality of the position to be filled and the effect on the Agency if it is not filled, or if there is a delay in filling it.
- F.7 Current salary of the candidate.
- F.8 Salary documented in a competing job offer.
- F.9 Disparity in cost of living between the candidate’s current residence and the proposed duty station.
- F.10 Projected cost of further recruitment effort if the candidate does not accept the position.
- F.11 Budget availability.