

Bureau of Health Professions

JUL 13 1987

To: Lenders Participating in the Health Education Assistance Loan(HEAL) Program

Subjects: Servicing/Collecting HEAL Loans Prior to Requesting Preclaims
Assistance - HEAL Lenders 87-2

Sections 60.34 (b), (c), and (d), and 60.35 (&)(1) of the HEAL, regulations require the implementation of certain processes before and during the 90-day period prior to submitting a request for preclaims assistance on a loan in delinquent status. They are as follows:

- Contact borrower to establish the terms of repayment prior to the beginning of the repayment period.
- Submit repayment schedule to borrower.
- Contact delinquent borrower within 15 working days of the date payment was due by letter.
- Attempt to contact delinquent borrower, endorser or other individuals named on borrower's application at least twice before submitting preclaims assistance request.

- Notify national consumer credit reporting agency regarding account overdue by more than 60 days.

- Request preclaim assistance when the borrower is 90 days delinquent.

In the future, evidence that these requirements have been carried out must be submitted with a request for preclaims assistance. Please use the above check list for this purpose.

We appreciate your cooperation in this matter.

Michael Heningburg
Director
Division of Student Assistance