DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Health Resources and
Services Administration
Rockville MD 20857

Bureau of Health Professions

MAR 2 1988

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

Subject: Instructions for Combined Payment Plan (CPP) Transactions - HEAL Policy Memorandum 88-1

Our administrative memorandum of October 29, 1987 addressed the implementation of the Combined Payment Plan statute (section 485A of the Higher Education Act, as amended by the Higher Education Amendments of 1986 (Pub.L. 99-498)), for HEAL loans.

To report CPP transactions (reissued loans) lenders must complete a Loan Transfer Statement (HRSA 507). We have attached an instruction sheet to assist you to complete this form for CPP transactions.

As a reminder lenders who obtained a Certificate of Comprehensive Insurance must submit their CPP borrower application and promissory note to the HEAL Office for approval before CPP transaction can occur. If a borrower includes a Consolidation Loan in the Plan, the application for that loan can be used in lieu of a CPP application. However, you must forward a copy of the Consolidation Plan application to the HEAL Office for our review and approval.

Further questions regarding operational aspects of the Combined Payment Plan should be directed to Mr. Norman Brooks or Mr. Carl Schmieg of the HEAL Branch at (301) 443-1540.

Sincerely yours,

Michael Heningburg
Director
Division of Student Assistance

Attachments

LOAN TRANSFER STATEMENT for Combined
ayment Plan (CPP) Transactions
.ealth Education Assistance Loan Program
Public Health Service

The Loan Transfer Statement is used by lenders to notify the HEAL Office of the reissuance of loans under a Combined Payment Plan (CPP).

Preparing the Loan Transfer Statement

FOLLOW THE INSTRUCTIONS PROVIDED BELOW. DISREGARD THE INSTRUCTION ON THE LOAN TRANSFER STATEMENT.

Reference documents:

- o Section 485A of the Higher Education Act, as amended by the Higher Education Amendments of 1986 (Pub. L. 99-498)
- o HEAL Policy Memorandum 87-4-HEAL Combined Payment Plan (October 29, 1987)
- o Copy of the borrower's CPP application
- o Copy of the borrower's HEAL application(s)
- o Original Promissory Note(s)
- o CPP Promissory Note

Definitions:

- o Combined Payment Plan - a repayment plan which enables borrowers to combine HEAL loans, or one or more HEAL loans with a Consolidation Loan.
- o Consolidation Loan - any combination of eligible student loans administered by the Department of Education or the Public Health Service (Health Professions Student Loan).
- o CPP Buyer - The lender identified by a HEAL borrower to administer his/her CPP.
- o Seller - The lender who originated (or holds) the loan(s) which a borrower wants to combine.
- o Eligible Lender - Lender who has obtained a Certificate of Comprehensive Insurance needed for CPP transactions.

Filling out the form:

- o Transaction Date - Enter the effective date of the transaction.
- o CPP Lender Code (Buyer) - Enter the 6-digit lender identification code designated for your lending institution (number begins with a "5") (see exhibit).
- o Loan Date - Enter the month, day and year. This date shows when the loan was disbursed. On a loan with more than one disbursement, show the date of the first disbursement ONLY.
- o Borrower's Name - Enter last name, first name, and middle initial. If the borrower's name has changed since the Promissory Note(s) was signed, fill in the former name in parentheses.

  Example: Jones, Mary S.(Smith, Mary A.)
- o Amount Transferred - Enter the original total loan amount shown on the borrower's Promissory Note.

WARNING: Any person who knowingly makes a false statement or misrepresentation in a HEAL transaction, bribes or attempts to bribe a Federal official, fraudulently obtains a HEAL loan, or commits any other illegal action in connection with a HEAL loan is subject to a fine or imprisionment under Federal statue.

Processing:

The CCP Lender (Buyer) completes the Loan Transfer Statement. Enters the borrower's name and Social Security Number, the Loan Date, and the Amount Transferred. You must complete the Buyer portion of the form, and enter the Seller's name, address, and lender code number. Also enter the date the transaction occurred (Transaction date). Send the PHS copy to the HEAL Office (Application Processing and Analysis Staff) within 30 days after the transaction occurred. It is not necessary for you to obtain the signature of the Seller.

You are only required to provide the school with their copy if the borrower is still enrolled.

If you have any questions concerning use of the Loan Transfer Statement for CPP loans, contact the HEAL Operations Staff or the Application Processing and Analysis Staff at (301) 443-1540 or write to:

HEAL Branch-DSA-BHPr Rm 8-39
Public Health Service
5600 Fishers Lane
Rockville, MD 20857

HEALTH EDUCATION ASSISTANCE LOAN PROGRAM

LOAN TRANSFER STATEMENT
(Authority: 42 U.S.C. 294-294l)

FORM APPROVED
O.M.B. NO. 0915-0035
EXP. DATE: 4-30-90

The undersigned institution hereby certify that each transaction conforms with regulations, and agree that all documents, files, and accounts pertaining to each loan shall be subject to audit by the Department of Health and Human Services or other interested agencies of the Federal Government.

SELLER

NAME OF LENDING INSTITUTION(SELLER)	LENDER CODE(SELLER)
Hartford First National Bank	892345
MAILING ADDRESS OF SELLER: 2030 First Avenue, Hartford, CT 45708	TRANSACTION DATE(Month, Day, Year): December 31, 1987
TITLE OF OFFICER	SIGNATURE AND DATE

BUYER

NAME OF LENDING INSTITUTION(BUYER)	LENDER CODE(BUYER)
Allentown State Bank	502999
MAILING ADDRESS OF BUYER: 3420 Hamilton Street, Allentown, PA 18039	
TITLE OF OFFICER: Student Loan Officer	SIGNATURE AND DATE: Helen C. Brown December 1, 1987

SOCIAL SECURITY NO	LOAN DATE (month, day, year)	BORROWER'S NAME (last, first, and middle initial)	AMOUNT TRANSFERRED
198-23-5643	3-20-80	Synder, Jane R.	$15,000
198-23-5643	4-30-83	Synder, Jane R.	$ 7,000

ADDRESS OF BUYER: 3420 Hamilton Street, Allentown, PA 18039	
TITLE OF OFFICER: Student Loan Officer	SIGNATURE AND DATE: Helen C. Brown December 1, 1987

SOCIAL SECURITY NO	LOAN DATE (month, day, year)	BORROWER'S NAME (last, first, and middle initial)	AMOUNT TRANSFERRED
198-23-5643	9-3--81	Synder, Jane R	$10,000
198-23-5643	10-21-82	Synder, Jane R.	$5,000

HEALTH EDUCATION ASSISTANCE LOAN PROGRAM

LOAN TRANSFER STATEMENT
(Authority: 42 U.S.C. 294-2941)

FORM APPROVED
O.M.B. No. 0915-0034
Exp. Date: 10-31-90

dersigned institution hereby certify that each transaction conforms with regulations, and agree that all documents, files, and accounts pertain
loan shall be subject to audit by the Department of Health and Human Services or other interested agencies of the Federal Government.

SELLER

NAME OF LENDING INSTITUTION(SELLER)	LENDER CODE(SELLER)
MAILING ADDRESS OF SELLER	TRANSACTION DATE(Month, Day, Year)
TITLE OF OFFICER	SIGNATURE AND DATE

BUYER

NAME OF LENDING INSTITUTION(BUYER)	LENDER CODE(BUYER)
MAILING ADDRESS OF BUYER	
TITLE OF OFFICER	SIGNATURE AND DATE

SOCIAL SECURITY NO	LOAN DATE (month, day, year)	BORROWER'S NAME (last, first, and middle initial)	AMOUNT TRANSFERRED
		TOTAL AMOUNT	

WARNING: Any person who knowingly makes a false statement or misrepresentation in a HEAL transaction, bribes, or attempts to bribe a Federal official, fraudulently obtains a HEAL loan or commits any other illegal action in connection with a HEAL loan is subject to a fine or imprisonment under Federal statute.

NO LOAN TRANSFER WILL BE CONSIDERED VALID UNLESS THIS FORM IS COMPLETED AND SUBMITTED TO THE PUBLIC HEALTH SERVICE.
2 USC 294-2941)