

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Publi

**Health
Resou
rces
and**

Bureau of Health Professions

Servi

ces Administration

Rock

ville MD 20857

MAY 19 1992

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

Subject: Forbearance for HEAL Borrowers Due to May 1992 Civil Disturbances in Los Angeles or Other U.S. Cities
Lender Policy Memorandum 92-7

This policy memorandum is to notify HEAL lenders and holders that the Department is authorizing forbearance on a case-by-case basis for any HEAL borrower whose livelihood was adversely affected by the May 1992 civil disturbances in Los Angeles or other U. S. cities. Any such period is to be considered as a forbearance authorized by the Secretary and would be in addition to the 2-year period of forbearance which lenders and holders can grant under 42 CFR 60.37 without prior approval from the Secretary. As in any forbearance, interest will continue to accrue and be compounded in accordance with the terms of the HEAL promissory note.

To qualify for this forbearance, the HEAL borrower must provide the lender or holder with certified evidence that his/her livelihood has been affected by unemployment or destruction of their health professions practice which rendered him/her unemployed. This forbearance may be granted for up to 6 months at a time, at the lender's or holder's discretion, but may not exceed 12 months. When granting such a forbearance, the lender or holder is to instruct the borrower that he or she must provide documentation of his or her continued unemployment status at 6 month intervals and must also notify the lender or holder immediately upon re-employment.

We hope this information is helpful. Please contact Ms. Terri Ehrenfeld of the HEAL Branch at (301) 443-1540 if you have any questions or need our assistance.

Sincerely yours,

Michael Heningburg
Director
Division of Student Assistance