

Department of Health and Human Services

Public Health Service

Bureau of Health Professions
Health Resources and Services Administration
Rockville, MD 20857

April 5, 1993

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

**Subject: HEAL Application and Manifest Data Editing Criteria
HEAL Lender Policy Memorandum 93-8**

1. The HEAL program is revising the calculation of the academic year loan amount ceilings as described in the HEAL Application Editing Criteria I Lender Policy Memorandum 92-5, dated May 8, 1992, based on a concern by schools and lenders that the current methodology does not recognize academic years which are approximately nine-months, as "complete" academic years. Therefore, in order to accommodate these institutions and remedy this situation, the following calculation should be used:

Determine the number of days in an academic year by calculating the difference between the "Academic Year From" and the "Academic Year To" fields. That number is divided by 30 to determine the number of months. The remaining days are prorated on a half month basis, such that 15 days or less is rounded to the next lower month and 16 days or more is rounded to the next higher month. For example, 7 months and 10 days would be calculated as 7 months, and 7 months and 20 days would be calculated as 8 months. In the instance where the number of months is equal to or greater than 8 (240 days) and equal to or less than 9 (270 days), the borrower is given credit for a full 9-month allocation. This allocation would be \$20,000 or \$12,500 depending on the borrower's discipline as described in the Editing Criteria. If the number of months is greater than 9, the allocation would continue to be calculated as described above. Please refer to the attached chart to determine the maximum loan amount allowed based on length of academic year.

2. Section 708(c) of the Health Professions Education Extension Amendment of 1992 provides that, lenders shall reduce by 50 percent the risk-based premium to eligible borrowers, if a credit-worthy cosigner cosigns a HEAL loan. In order that the HEAL program may account for all loans with cosigners and reduced insurance premiums, it is requested that lenders use the enclosed revised HEAL application tape

specifications. If the borrower has a cosigner, column 322 of the tape specifications should indicate a "Y", otherwise it should remain blank. There are no other changes to the tape specifications.

We have also modified error numbers 44 and 23 of the Application and Manifest Editing Criteria, respectively to accommodate new insurance premium calculations that are now based on the school's risk category, as well as the disbursement amount. The current error messages refer only to an 8 percent insurance premium calculation. Attached are replacements for pages 7, 9, 12, and 15 of the HEAL Lender Policy Memorandum 92-5 that reflect this text modification.

If you have any questions regarding this policy memorandum, or need a copy of HEAL Lender Policy Memorandum 92-5, please call Ms. Jennifer Dozier of the HEAL Branch on (301) 443-1540.

Michael Heningburg
Director
Division of Student Assistance

Enclosures

HEAL Manifest Disbursement Data Editing Criteria

(A) Field Name	(B) Format	(C) Data Type	(D) Additional Data Validation Criteria	(E) Possible Error Messages	(F) Application Item Number	(G) Tape Layout Column	(H) Field Length
Installment Date 1st	YYMMDD	Numeric	The <u>installment date 1st</u> cannot be earlier than 15 days prior to the Academic Year – From (item 22). <u>The Installment Date – 1st</u> cannot be more than 60 days after the Academic Year –To (item 22), If this item is being submitted by a Standard Contract Lender, do not enter a value in this field. This information will be captured from the manifest.	1,2,42,43	35a	329-334	6
Installment Premium	Dollars and cents	Numeric	The insurance Premium Amount is calculated based on the principal Installment Amount – 1 st (item 34a) and the school's risk category. The amount will be either 6 percent or 8 percent of the installment amount. Enter the amount in dollars and cents with no decimal pint. For example, \$123.45 is entered on the pate format as 12345. If this loan is being submitted by a Standard Contract Lender, do not enter a value in this field. This information will be captured from the manifest.	1,2,44	36	336-341	6
Current Action Date	YMMDD	Numeric	If this transaction is a first installment, (Sequence Number (item 1E) is "1") this Date must be the same as Disbursement Number 1 Date (item 4A). For all installments, the <u>Current Action Date</u> cannot be earlier than the Disbursement number 1 Date (item 4A). The <u>Current Action Date</u> cannot be more than 60 days after the Academic Year – To on the original insured application. The <u>Current Action Date</u> cannot be in the same month as any previous installment date for this loan.	1,2,15,16,17,18	4B	58-63	6

**HEAL Manifest Disbursement Data
Editing Criteria**

(I) Field Name	(J) Format	(K) Data Type	(L) Additional Data Validation Criteria	(M) Possible Error Messages	(N) Application Item Number	(O) Tape Layout Column	(P) Field Length
Amount Disbursed	Whole Dollars	Numeric	The <u>Amount Disbursed</u> cannot cause the borrower to exceed the Academic Year or aggregate loan limits for this course of study. The <u>Amount Disbursed</u> cannot exceed the Total Amount Lender Approves on the original insured application when added to previous disbursements for this loan. <u>Amount Disbursed</u> cannot cause the lender to exceed the current year allocation.	1,2,19,20,21,22	5	65-69	5
Amount of Insurance Premiums	Dollars and Cents	Numeric	The <u>Insurance Premium Amount</u> is calculated based on the Amount Disbursed (item 5) and school's risk category. The amount will be either 6 percent or 8 percent of the amount disbursed. Enter the amount in dollars and cents with no decimal point. For example, "\$123.45" is entered on the tape format as "12345".	1,2,23	6	71-76	6

**APPENDIX A - CONTINUED
APPLICATION EDITS**

POSSIBLE ERROR MESSAGES - COLUMN E

Error Number	Error Messages
32	Total Amount Lender Approves is less than Installment Amount - 1ST (item 34a).
33	Total Amount Lender Approves causes borrower to exceed loan limits for this academic year.
34	Total Amount Lender Approves causes borrower to exceed aggregate loan limits.
35	Lender does not have an agreement with HEAL.
36	Lender does not have an allocation for the current year .
37	Installment Amount - 1ST causes borrower to exceed loan limits for this academic year .
38	Installment Amount - 1ST causes borrower to exceed aggregate loan limits.
39	Installment Amount - 1ST is not less than the Total Amount Lender Approved (item 32).
40	The Installment Date - 1ST - (item 35) is in first half of the loan period based on Loan Period - From (item 22) and Loan Period - To (item 22) and the Installment Amount - 1ST is not less than Total Amount Lender Approves (item 32). This loan needs more than 1 disbursement .
41	Installment Amount - 1ST causes lender to exceed current year allocation .
42	Installment Date - 1ST is earlier than 15 days prior to Academic Year - From (item 22).
43	Installment Date - 1ST is more than 60 days after the Academic Year - To (Item 22) .
44	Insurance premium Amount is not correct given the Principal Installment Amount - 1st (item 34a) and the school's risk category.
45	Disbursement would exceed FY insurance authority limit.

**APPENDIX B – CONTINUED
LENDER MANIFEST EDITS**

POSSIBLE ERROR MESSAGES – COLUMN E

Error Number	Error Messages
15	Sequence Number (item 1E) is -1- and Current Action Date is not equal to the Disbursement Number 1 Date (item 4A).
16	Current Action Date is earlier than Disbursement Number 1 Date (item 4A).
17	Current Action Date is more than 60 days after the end of the Academic Year - To (item 22 on the original application) .
18	Current Action Date is in the same month as a prior disbursement date for this loan.
19	Amount Disbursed causes the borrower to exceed the academic year loan limits.
20	Amount Disbursed causes the borrower to exceed the aggregate loan limit.
21	Amount Disbursed plus previous disbursements for this loan exceeds the Total Amount Lender Approves (item 32 on the original application).
22	Amount Disbursed causes the Lender to exceed the current year allocation.
23	Amount of Insurance Premium is not correct given the Amount Disbursed (item 5) and the school's risk category

HEAL Applications Tape Specifications

Columns	Len	Field Name Description	Appl. Item #
1-30	30	Name of borrower (Last, First, MI)	1A
*32 – 51	30	Other Last Name of Borrower	1B
*53-92	40	Permanent Home Address	2
*94 – 118	25	City	2
120-121	2	State	2
123-127	5	Zip Code	2
129-134	6	Date of Birth (YYMMDD)	4
136-160	25	Place of Birth (City/State or Country)	5
162-170	9	Social Security Number (no dashes)	6
172-172	1	U.S . Citizenship (Y) or leave blank)	7A
174-174	1	U.S. National (Y) or leave blank)	7B
176-176	1	Permanent Resident (Y) or leave blank)	7C
178-178	1	Other (Y) or leave blank)	7D
180-204	25	Country of Citizenship (used only if Permanent Resident is 'Y')	7D
206-214	9	Registration Number (used only if Permanent Resident is 'Y')	8
216-216	1	Race (SKIP THIS DATA - LEAVE BLANK)	
218-218	1	Ethnicity (SKIP THIS DATA – LEAVE BLANK)	
*220-220	1	Selective Service Registration (Y or N)	10
222-226	5	Loan Amount Requested (whole dollars)	11A
228-233	6	Loan Period - From (YYMMDD)	23
235-240	6	Loan Period - To (YYMMDD)	23
242-244	3	Course of Study	12
246-246	1	First HEAL Loan (Y or N)	13
248-253	6	Total Indebtedness (whole dollars)	15

HEAL Applications Tape Specifications

Columns	Len	Field Name Description	Appl. Item #
255-255	1	Delinquent on Federal Loans (Y or N)	16A
257-257	1	Defaulted on Any Loans (Y or N)	16B
259-263	5	HEAL School ID Number	20
265-270	6	Anticipated Graduation Date (YYMMDD)	21
272-277	6	Academic Year - From (YYMMDD)	22
279-284	6	Academic Year - To (YYMMDD)	22
286-290	5	Total Cost of Education (For Current Loan Period - whole dollars)	24
292-296	5	Estimated Total Financial Resources (for Current Loan Period - whole dollars)	25
298-302	5	Total Unmet Need (whole dollars)	26
304-308	5	Amount Approved by School (whole dollars)	27
310-314	5	Amount Lender Approved (whole dollars)	32
316-321	6	Lender ID Number	33
322-322	1	Cosigner for loan (Y or Blank)	N/A
323-327	5	First Disbursement Amount (whole dollars)	34A
329-334	6	Date of First Disbursement for each Loan (YYMMDD)	35A
336-341	6	Date of First Disbursement for each Loan (YYMMDD) Insurance Premium (for 1st disbursement - no decimal point - include cents. EX : 12345 for \$123 . 45)	36

Tape Definition: DCB: (RECFM=FB,LRECL=341, BLKSIZE=3410)
Density: 1600 or 6250 BPI or cartridge, NON-LABEL Tape
*Required data but not part of data editing criteria

February 22, 1993

ACADEMIC YEAR PRORATED LOAN AMOUNT CEILINGS

\$20,000 Academic Year Maximum

Disciplines: Allopathy, Osteopathy, Dentistry, Veterinary Medicine, Optometry, Podiatry

# of Months	Eligible For
12	26,667
11	24,444
10	22,222
9	20,000
8	20,000
7	15,556
6	13,333
5	11,111
4	8,889
3	6,667
2	4,444
1	2,222

EXAMPLES:

LENGTH of ACADEMIC YEAR

MAXIMUM Amount

9 Months, 16 Days (286 days)

\$22,222

8 Months, 10 Days (250 days)

\$20,000

6 Months, 15 Days (195 days)

\$13,333

\$12,500 Academic Year Maximum

Disciplines: Public Health, Pharmacy, Chiropractic, Health Administration, Clinical Psychology

# of Months	Eligible For
12	16,667
11	15,278
10	13,889
9	12,500
8	12,500
7	9,722
6	8,333
5	6,994
4	5,556
3	4,167
2	2,778
1	1,389

EXAMPLES:

LENGTH of ACADEMIC YEAR

4 Months, 16 Days (136 days)

8 Months, 15 Days (255 days)

5 Months. 5 Days (155 days)

MAXIMUM AMOUNT

\$ 6,944

\$12,500

\$ 6,944