

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Bureau of Health Professions

MAR 23 1994

**Public Health Service**

**Health Resources and  
Services Administration  
Rockville MD 20857**

TO: Consolidation lenders participating in the  
HEAL-to-HEAL Consolidation program

SUBJECT: Process for handling HEAL consolidation applications  
from borrowers who have submitted applications to  
other consolidation lenders.  
Lender Policy Memorandum L-94-9

The purpose of this memorandum is to outline the process for handling HEAL consolidation applications for borrowers who have previously submitted applications with other eligible entities.

After discussing various approaches with all consolidation entities, we feel the following outlines the process if a borrower has previously applied to another consolidation lender:

- a. HEAL Program will inform the subsequent lender that the borrower has previously applied for loan consolidation with another entity.
- b. This lender must send a letter and form to the borrower requesting confirmation of withdrawal in writing (see attached) . Applications will not be processed any further until lender receives the completed form from the borrower. Verbal confirmation is insufficient evidence of borrower withdrawal of an application from a lender. The borrower has applied in writing and is obligated to withdraw in writing to avoid confusion and misunderstandings.
- c. Upon receipt of the form (as described above) from the borrower, the lender will either proceed with the consolidation process and forward a copy of the form to other prior consolidation lenders or cease the application process depending on the borrower's response.

It is our intention to increase the probability that only one entity completes the consolidation of a borrower's loans. While at the same time giving borrowers a choice of selecting consolidation lenders.

If you have any questions regarding this process please contact Ms. Terri Ehrenfeld of the HEAL Branch at (301) 443-1540. Thank you.

Stephen J. Boehlert  
Chief, HEAL Branch  
Division of Student Assistance

Attachments

Date

Borrower Information  
Address

Social Security Number

Dear Applicant:

With regard to your application for HEAL Consolidation through Lender Name, we have been notified by the United States Department of Health and Human Services (HHS) that you have also applied for HEAL Consolidation through the following entities:

List Lender Names

As disclosed to you in the HEAL Consolidation application materials, you may only apply to one consolidation lender at a time and may only apply to a second lender if your application to the initial lender has been denied or withdrawn by you, Please advise us of the status of your application with the above entities by: 1) completing the enclosed form; and 2) returning the enclosed form in the postage paid envelope provided.

Once your response has been received, we will proceed with processing your application for HEAL Consolidation, as appropriate.

Sincerely,

Lender Name  
HEAL Loan Consolidation Department

Enclosure

