

DEPARTMENT OF HEALTH & HUMAN SERVICES

Bureau of Health Professions

Health Resources and  
Services Administration  
Rockville MD 20857

**AUG 9 1995**

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

Subject: Litigation Tape Submissions  
Lender Policy Memorandum L-95-17  
School Policy Memorandum S-95-15

The purpose of this policy memorandum is to introduce the HEAL "Litigation Editing Criteria" to lenders. We request that all lenders submit their litigation data on monthly tapes. This will help facilitate the litigation process for both the lenders and the HEAL program.

Litigation Editing Criteria will enable lenders to construct and institute procedures to edit litigation data prior to submitting their data to the HEAL program. We will utilize the edits defined in "Appendix A" and "Appendix B" (see attached) to check all incoming litigation data. Data that passes these edits will be accepted; those which do not will be returned. The rejected data must be corrected and re-submitted on the following month's tape. Lenders will now be explicitly aware of each edit so they may set up edit procedures to be consistent with HEAL edit criteria.

By informing lenders of our edit criteria, the litigation data process will be more efficient, streamlined, and uniform. Correct and current litigation information is imperative because it affects the accuracy of many reports such as the HEAL quarterly "Current School Litigation Activity Report" and all litigation analysis provided to schools, lenders and other constituents. Therefore, beginning **October 1, 1995**, lenders are to submit their monthly litigation data on tape.

We appreciate the effort involved in complying with these new procedures for submitting litigation data. We are committed to making the system work better and are confident we will be successful with your help and cooperation. If you have any questions, please call Ms. Denise Hugueley of the Program Administration, Compliance and Analysis Staff at (301) 443-0603.

Sincerely,

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

Attachments

**APPENDIX A  
LITIGATION EDITS**

POSSIBLE ERROR MESSAGES - COLUMN E

<u>Error Number</u>	<u>Error Messages</u>
1	Value is missing.
2	Value is invalid.
3	<u>Loan Id</u> is invalid, since the HEAL system contains no record of this Loan Id ever being issued.
4	<u>Loan Id</u> in the HEAL system is associated with another borrower's SSN (item 1) and therefore it can not be accepted for this borrower.
5	<u>Loan Id</u> in the HEAL system has already been recorded against a paid claim in the past, and therefore is not valid to be associated with a ongoing litigation.
6	<u>Holder</u> currently has no loans in the HEAL system for this borrower's SSN (item 1).
7	Litigation record with a <u>Record Sequence Number</u> of 2 or greater was received without a accompanying record sequence number 1 entry or record sequence number 1 entry failed.
8	The HEAL system contains no loans for this borrower's SSN (item 1). Holder should verify the SSN. If the SSN is correct, the Holder should coordinate with HHS to determine the correct SSN.
9	The litigation effort by the Holder (item 19) against this borrower's SSN (item 1) on this litigation date (item 5), has already been paid in the past.
10	<u>Litigation Amount</u> is greater than three hundred thousand dollars (\$300,000.00).
11	<u>Litigation End Date</u> can not be recorded without a disposition (item 10).
12	<u>Disposition</u> can not be recorded without a litigation end date (item 9).

**APPENDIX A - CONTINUED**  
**LITIGATION EDITS**

POSSIBLE ERROR MESSAGES - COLUMN E

<u>Error Number</u>	<u>Error Messages</u>
13	<u>Forbearance Begin Date</u> is not equal to or earlier than the forbearance end date (item 15).
14	<u>Disposition</u> is "F" for forbearance and no Forbearance Beg Date (item 14) is Present.
15	<u>Litigation Date</u> lender has already initiated litigation action for this borrower with matching Litigation Date.
16	<u>Litigation ID</u> lender's block number does not match in position six and seven of the Litigation ID.
17	<u>Litigation ID</u> lender's fiscal year does not correspond to the Litigation Date in positions one thru four of the Litigation ID.
18	<u>Litigation ID</u> lender's Litigation ID is a duplicate of another existing Litigation ID.

APPENDIX A - CONTINUED  
LITIGATION EDITS

POSSIBLE WARNING MESSAGES - COLUMN E

<u>Warning Number</u>	<u>Warning Messages</u>
1 months	<u>Forbearance months</u> is greater than 60 (5 years).
2 (item 19) this been	The litigation effort by the Holder against this borrower's SSN (item 1) on litigation date (item 5), had already cured.
3 Begin Date eight years).	The difference between the Forbearance Date (item 14) and the Forbearance End (item 15) is greater than One thousand hundred and twenty six (1826) days (5 years).
4 been therefore ongoing	<u>Loan Id</u> in the HEAL system has recently recorded against a paid claim, and is not valid to be associated with an litigation.
5 (item 19) this been	The litigation effort by the Holder against this borrower's SSN (item 1) on Litigation Date (item 5), has recently paid.
6	The borrower's litigation address is incomplete.