

June 8, 2000

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

**Subject: Preclaims Assistance Requests
Lender Policy Memorandum L-2000-8**

Section 60.35(b) of the HEAL regulations states that "When a borrower is 90 days delinquent in making a payment, the lender or holder must immediately request preclaim assistance from the Public Health Service." Preclaims assistance requests also occur at 120 days and 150 days delinquent.

The intent of preclaims assistance is for lenders/holders/servicers to acquire the Department's assistance in resolving a borrower's delinquency prior to submitting a claim request to the Department. It is not the intent of the Department to penalize the lender/holder/servicer on the submission of the request a few days prior to the designated date or a few days later.

Therefore, the HEAL Program will allow a lender/holder/servicer to make weekly requests for preclaims assistance. Each request must be submitted to the Department within a range of plus or minus 5 days from the designated 90, 120, or 150 day requirement in the HEAL regulations. With weekly submissions for preclaims assistance we can be certain that a request will be submitted to the Department at or about the time designated in the HEAL regulations, which is sufficient to satisfy the regulatory requirement.

This policy interpretation can be used by auditors conducting the Biennial Audits and/or Exceptional Performer Audits required by statute.

Should you have questions concerning this matter, please contact Ms. Terri Ehrenfeld of the HEAL Program at (301) 443-1540.

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