

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
BUREAU OF STUDENT FINANCIAL ASSISTANCE
WASHINGTON, D.C. 20202

To: Administrators of Student Aid at

Health Professions Schools

Reporting of the Net Cost of Education on the HEAL Application

In reviewing applications for the HEAL Program, we have become aware that a number of schools have been reporting the Net Cost of Education, Section II Item 22, in an erroneous and/or inconsistent manner. The Net Cost of Education should equal the difference between the Estimated Cost of Education and the Financial Aid Awarded. Section 126.51 (a) of the HEAL Regulations states that "A school must accurately and completely fill out its portion of a student's loan application."

The following are the most common errors found in Items 20, 21 and 22 of the HEAL Application:

- o Net Cost of Education reported (Item 22) is greater than the difference between Estimated Cost of Education (Item 20) and Financial Aid Awarded (Item 21).

The totals for Items 20 and 21 are reported, but the individual categories within those items e.g. tuition and fees or educational loans are not reported.

- o Amounts reported for tuition and fees at a given institution vary substantially for students in the same discipline.

It is the responsibility of the Financial Aid Administrators to insure that the information reported in Items 20, 21 and 22 meets the requirements stipulated in Section 126.51 (a) of the HEAL Regulations as stated above.

Erroneous and/or inconsistent information provided the lender in Items 20, 21 and 22 of the HEAL Application may result in a loan approval by the lender for an amount which exceeds the borrower's need. This would not be in compliance with HEAL Regulations and could result in the Commissioner's taking action to limit, suspend, or terminate the school's participation in the HEAL Program.

For future questions, please contact the HEAL Program staff at 202-245-2201.

Sincerely yours,

Norman B. Brooks
Chief
Health Loan Branch
Division of Policy
and Program Development

cc: Lenders