

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Health Resources and
Services Administration
Rockville MD 20857'

Bureau of Health Professions

MAY 11 1989

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

SUBJECT: Lender's Report on HEAL Loans Outstanding (HRSA-512, Rev.
12/88), Section V -- HEAL Lender Policy Memorandum 89-5

In accordance with the instructions accompanying HRSA Form 512, Revised 12/88, Lender's Report on HEAL Loans Outstanding, Section V must be completed beginning with the quarterly reporting period July 1, 1989 through September 30, 1989. Since Section V, Part 2, "Health Loans Paid In Full" is a factor in deriving default and claims rates and assists in lowering these rates, it was our intention to recreate a historical record by lender on these loans so that more accurate rates could be reported to the Department, the Office of Management and Budget, and to the Congress.

After sending an advance copy of the form to all eligible reporting lenders, a large number of responses were received concerning lenders inability to recapture past data on paid-in-full information. Therefore, we will not require lenders to recreate historical data for paid-in-full loans prior to July 1, 1989. Paid-in-full data is to be reported beginning with the July 1, 1989 through September 30, 1989 reporting period. It is expected that lenders will be able to supply actual paid-in-full amounts by discipline on a cumulative basis on all future reports.

The "unpaid outstanding balance" of all loans by discipline should be reflected as appropriate in Section 1, 11, 111, or IV. Payments on these loans should be reflected in Section V, Part 1. When loans are paid-in-full, record the total principal and interest that is paid-in-full in Section V, Part 2 and reduce Section I, II, III, or IV accordingly, and Section V, Part 1.

We appreciate your assistance and comments in implementing the new reporting requirements for the Lender Report on HEAL Loans Outstanding. Questions regarding this policy memorandum should be directed to Terri M. Ehrenfeld on (301) 443-1540.

Michael Heningburg
Director
Division of Student Assistance