

DEPARTMENT OF HEALTH & HUMAN SERVICES
Bureau of Health Professions

Public Health Service
Health Resources and Services

Administration
Rockville MD 20857

AUG 29 1990

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

SUBJECT: Forbearance for Reservists Called to Active Duty
Lender Policy Memorandum #90-7

This policy memorandum is to notify HEAL lenders and holders that the Department is authorizing forbearance for any HEAL borrower who is a member of the military reserves and is called to active duty as a result of the current Middle East crisis. Any such period is to be considered as a forbearance authorized by the Secretary, and would be in addition to the 2-year period of forbearance which lenders and holders can grant under 42 CFR 60.37 without prior approval from the Secretary. As in any forbearance, interest will continue to accrue and be compounded in accordance with the terms of the HEAL promissory note.

To qualify for this forbearance, the HEAL borrower must provide the lender or holder with a copy of the military orders calling him or her to active duty. This forbearance may be granted for up to 6 months at a time, but may not extend beyond the date that the borrower is released from active duty. When granting such a forbearance, the lender or holder is to instruct the borrower that he or she must provide documentation of his or her continued active duty status, if appropriate, at 6-month intervals, and also must provide documentation (i.e., a copy of the military orders) when he or she is released from active duty.

We hope this information is helpful. Please contact the HEAL Branch at 301 443-1540 if there are any questions on the memorandum.

Michael Heningburg
Director
Division of Student Assistance