

DEPARTMENT OF HEALTH & HUMAN SERVICES

Bureau of Health Professions
Administration

Public Health Service
Health Resources and
Services

Rockville MD 20857

SEP- 1 1992

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

Subject: Forbearance for HEAL Borrowers Due To
Catastrophic Destruction Caused By Hurricane
Andrew In Southern Florida And Louisiana
Lender Policy Memorandum 92-9

This policy memorandum is to notify HEAL lenders and holders that the Department is authorizing forbearance on a case-by-case basis for any HEAL borrower whose livelihood was adversely affected by the August 23-25, Hurricane Andrew in Southern Florida and Louisiana. 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 certified evidence that his/her livelihood has been affected by unemployment or destruction of their health professions practice which rendered him/her unemployed. This forbearance may be granted for up to 6 months at a time, at the lender's or holder's discretion, but may not exceed 18 months. 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 unemployment status at 6 month intervals and must also notify the lender or holder immediately upon re-employment.

We hope this information is helpful. Please contact Ms. Terri Ehrenfeld of the HEAL Branch at (301) 443-1540, if you have any questions or need our assistance.

Sincerely yours

Michael Heningburg
Director
Division of Student Assistance