

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Bureau of Health Professions

Health Resources and
Services Administration
Rockville MD 20W7

APR 28 1993

To: Lenders and Chiropractic Schools Participating in
the Health Education Assistance Loan (HEAL)
Program
Subject: Automatic 1-Year Deferment for Chiropractic
School Graduates
Lender Policy Memorandum 93-10
School Policy Memorandum #36

This memorandum is to inform Chiropractic Schools that pursuant to Section 705(a)(2)(C)(viii) of the HEAL statute, chiropractic students with HEAL loans received on or after October 13, 1992 will, upon graduation, have these loans placed in an automatic 1-year deferment to be immediately followed by a 9-month grace period prior to the commencement of repayment.

This provision was enacted as a default prevention measure to provide chiropractic graduates adequate time for securing a license and establishing a practice. We are optimistic that this will result in reduced defaults for the chiropractic discipline.

Consequently, it is important that lenders/holders are kept abreast of the enrollment/graduation status of students through the routine enrollment status notification/update process required by HEAL regulations. In addition, we request that rosters of graduates be sent to lenders/holders within 30 days after graduation in order to facilitate proper loan servicing by lenders/holders and to establish an official date-certain record of graduation with the lenders/holders. This activity should begin with the first graduates that received loans on or after October 13, 1992.

Since this new provision will apply **only** to loans that had first disbursements occurring on or after October 13, 1992, there may be many borrowers that do not fully qualify for the deferment on all of their loans. Please remember, however, that should a borrower choose HEAL-to-HEAL loan consolidation, this would entitle him/her to receive all the current statutory provisions for all of their loans, including this automatic 1-year deferment. Lenders will be

able to provide information on HEAL-to-HEAL consolidation in the near future. Borrowers may also contact their lenders/holders to receive forbearance on any loans received prior to October 13, 1992 should they otherwise qualify.

We hope this explains this new legislative provision sufficiently. Should you have any further questions, please contact Stephen J. Boehlert, Chief, HEAL Branch at (301)443-1540.

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Director,
Division of Student Assistance