

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Health Resources and
Services Administration
Rockville MD 20857

Bureau of Health Professions

JUN 21 1995

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

Subject: Strict Enforcement of 75-Day Time Limit for Insuring Disbursement Data
HEAL Lender Policy Memorandum L-95-14
HEAL School Policy Memorandum S-95-12

In order to assure efficient processing and uniformity of disbursement data submissions, the HEAL program has required that lenders and schools meet the HEAL Application and Manifest Data Editing Criteria (see HEAL policy memorandum L-95-01/S-95-01 dated October 11, 1994). This process has been extremely successful; ninety-eight percent of the data we currently receive from lenders passes our edit criteria on the first submission. We believe that this success rate is mainly attributable to the schools' submission of accurate data to the lenders and the lenders' practice of pre-screening applications and disbursements before forwarding these data to the HEAL Branch.

As a reminder, HEAL policy memorandum L-95-01/S-95-01 requires for applications and manifest data, lenders have **75 calendar days from the date of disbursement to submit correct data. If correct data on any disbursement is not received in the HEAL Branch within 75 calendar days of the date of disbursement, the disbursement will not be federally insured.** This will be strictly enforced, with no exceptions, beginning with disbursements received in the HEAL Branch on or after July 1, 1995. Any disbursements received by the HEAL Branch more than 75 days from the date of disbursement will fail the editing criteria and be indicated on the Transaction Processing Report by error number **104**. The Department will process all application/manifest data tapes and mail them within 5 working days.

To clarify the implication of this policy with respect to any subsequent claim submission, in no case will a disbursement dated on or after July 1, 1995 that is not in the HEAL database be considered for insurance reimbursement. A disbursement is entered in the database only if it has passed the data edits within 75 days of the disbursement date. Thus, the lender/holder will not be reimbursed by the United States for the dollar value of any disbursement made after July 1, 1995 that is not contained in the HEAL database at the time of claim submission. In addition, a borrower, who wishes to refinance his/her loans, will not be able to include any loan which contains an uninsured disbursement dated on or after July 1, 1995. It is not possible to consolidate less than a complete loan, therefore that loan will be excluded from the new refinanced loan. Again, we require that for any disbursement to be federally insured, it must be in our database within 75 days of the disbursement date.

If a lender's application/manifest data do not pass the editing criteria within the 75-day time limit, an offset or request for refund of any paid insurance premium must be made, within 30 days of the end of the 75-day period, to the Department of Health and Human Services/HRSA, HEAL Branch, Parklawn Building, Room 8-37, 5600 Fishers Lane, Rockville, MD 20857. An offset or refund will not be made by the United States if received later than 30 days of the end of the 75-day time period. Please include with the refund request, a copy of the "Transaction Processing Report" which identifies the record that failed the editing criteria.

If you have any questions regarding this policy memorandum, please call Ms. Jennifer Lee at (301) 443-0603. Thank you.

Stephen J. Boehlert
Chief, HEAL Branch
Division of Student Assistance