

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Bureau of Health Professions

Health Resources and  
Services Administration  
Rockville MD 20857

NOV 23 1994

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

Subject: Default Claims with Judgments: Assignment and Registering of  
Judgments  
Lender Policy Memorandum L-95-2

Section 707(h)(3)(b) of Public Law 102-408, which reauthorized the **HEAL** Program, states that "any United States attorney may register such (state or local court) judgment with the Federal courts for enforcement." The Department of Justice (**DOJ**) is unable to carry out this provision of the law without the proper documents. The procedures and documentation requirements specified in this policy memorandum apply to all default claims where a judgment has been obtained, and therefore, supersede those outlined in policy memorandum number 90-5 issued July, 1990.

Once a judgment is obtained by the holder/servicer against the borrower, it is imperative that the litigating attorney (or his/her agent) register the assignment of judgment in the name of the United States of America.

We also require both an original assignment of judgment (from the holder/servicer to the United States of America) and a certified copy of the judgment. The **DOJ** must have these documents to register state and local court judgments in federal court.

These documents must be included in the claim package the holder/servicer submits to **HEAL** within 60 days from the date the judgment was issued. If these documents are not obtained by the holder/servicer within the 60 day period, a written request to the court must be performed. The holder/servicer must continue with follow-up letters to the courts every 15 days, in order to be paid for accrued interest. Continuous attempts must be documented clearly in the account history system printout submitted with the insurance claim package. Copies of the request letters sent to the courts must also be included in the insurance claim package. If these documents are not included in the insurance claim package when submitted, the claim package will be rejected and returned. Until a complete package is resubmitted, the claim will not be considered for payment.

Page 2

These procedures will become effective 30 days from the date of this memorandum. If you have any questions regarding these procedures, please contact MS. Denise A. Hugueley of the HEAL Branch at (301) 443-0693.

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