

DEC 14 1995

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

Subject: Application and Disbursement Processing for Multiple Disbursements  
and Partial Government Shutdowns  
Lender Policy Memorandum L-96-3  
School Policy Memorandum S-96-2

This memorandum addresses two issues regarding the processing of Health Education Assistance Loan (HEAL) applications and disbursements. It establishes policy regarding multiple disbursements and disbursement submissions during partial government shutdowns as follows:

#### Multiple Disbursements

HEAL Lender Policy Memorandum #89-7 and School Policy Memorandum # 15 states that the "HEAL program will not allow two disbursements to the same borrower during a single month." As a matter of policy, two disbursements may not occur in the same month whether or not a borrower has completed one or more applications. In situations where the loan period is greater than one-half of the academic year, HEAL loans are to be disbursed in more than one disbursement. The first disbursement should cover a borrower's expenses for the first half of the academic year while the second disbursement covers the second half. In the case of trimesters, third disbursements will cover the third trimester. In situations where the loan period is less than one-half of the academic year, one loan having one disbursement is permissible.

#### Partial Government Shutdowns

Tapes received during any period of government shutdown will be date stamped with the date of the first day of the shutdown. These tapes will be processed and returned to the lenders once our offices have reopened. Consistent with existing policy, a tender has the normal 75 days from the date of disbursement to correct and resubmit any records that did not pass edit. However, if records fail due to late submission (Error # 104) and these records were initially submitted during the shutdown period, then the lender will have a time extension to resubmit the disbursements. This extension will be determined by either the error report received date plus the total number of working days the government was shutdown or 75 days from the disbursement date plus the total number of working days the government was shutdown (whichever extension provides the greater length of time).

For example, assume a government shutdown occurred November 14 -17, 1995. If a tape was received by the HEAL branch on November 15, the tape would be dated as received on November 14. This tape would be processed and returned to the lender to correct and resubmit any errors. If the error report was dated November 21, a lender would have until either November 27 (takes into account 2 weekend days) or 79 days from the date of the disbursement to resubmit. The 79 days was figured by adding the four government shutdown days to the 75 day time period.

To receive the time extension, a lender must provide a copy of the error report indicating that the data were received by the HEAL branch during the shutdown. Any data resubmitted for this reason must be on a separate tape or disk. If this documentation is not provided, the disbursements will not be insured. Please send the documentation to the attention of Laura Bailey or Denise Hugueley.

If you have questions regarding either issue discussed in this policy memorandum, please contact either Laura Bailey or Denise Hugueley at (301) 443-1540. Thank you.

Sincerely,

Stephen J. Boehlert  
HEAL Branch  
Division of Student Assistance