

DEPARTMENT OF HEALTH & HUMAN SERVICES

APR 28 1998

To: Lenders, Holders, and Servicers Participating in the Health Education Assistance

Loan (HEAL) Program

Subject: Required Documents for Unable to Serve Claims
Lender Policy Memorandum L-1998- 10

HEAL regulation §60.40(c)(1)(iii)(B) requires lenders to submit a collection history when submitting a default claim for reimbursement. Lender Policy Memorandum L-89-11 specifies the documents to be submitted as part of a collection history if a loan is litigated and a judgment is obtained. However, in an unable to serve claim, even though litigation is initiated, a judgment is not obtained because the complaint and summons cannot be served on the borrower. The purpose of this policy memorandum is to clarify the specific documents required as part of the collection history for all unable to serve claims. A tender or holder must include the following documents with any unable to serve claim package:

(1) A copy of the complaint filed; (2) A copy of the summons to be served; and (3) At least one proof of return of service document signed and dated by the official attempting to serve. This document must also state the time, place, and date of attempt to serve as well as the name of the borrower(s) being served and the reason(s) why the borrower(s) could not be served. Three attempts to serve are required for accounts \$ 10,000 or greater; one attempt for accounts below \$ 10,000. Fewer than three attempts are acceptable if attempted service is conducted by officers of the court (public service).

The issuance of this policy memorandum should not be taken to imply, implicitly or explicitly, that the documentation requirements for unable to serve claims are currently any less or different than those specified above. In fact, current documentation requirements for unable to serve claims are the same as those specified above. The purpose of this memorandum is to clarify and re-state these requirements.

If you have any questions regarding this memorandum, please contact Dr. Ram B. Jain, Chief, HEAL Program Operations at (301) 443-1540 or at Rjain@HRSA.DHHS.GOV.

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