

Bureau of Health Professions

Date: May 22, 2000

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

Subject: Guidance on the Use of the National Student Loan Clearinghouse for
School Deferment
Lender Policy Memorandum L-2000-7

HEAL loan Servicers have asked for guidance on using the National Student Loan Clearinghouse to place a HEAL borrower in a deferment for attending school. The HEAL Program will allow HEAL loan Servicers to use the Clearinghouse information to place a borrower into a school deferment provided the Servicer notifies the borrower by letter that he/she has been placed into deferment as a result of school enrollment information obtained from the Clearinghouse. Further, the loan Servicer must inform the borrower that if it is not the borrower's choice to remain in deferment, the borrower must contact the Servicer. No further documentation such as forms, or a borrower signature needs to be collected from the borrower. The Servicer must, however, place a copy of the Clearinghouse report and the notification letter to the borrower in the borrower's file.

Should you have questions concerning this matter, please contact Ms. Denise Sorrell of the HEAL Program at (301) 443-1540.

Stephen J. Boehlert
Associate Division Director, HEAL
Division of Student Assistance