

Date: February 11, 1998

To: Schools Participating in the Health Professions Student Loan, Primary Care Loan, Loans for Disadvantaged Students and Nursing Student Loan Programs

Subject: Write-offs Campus Based Policy Memorandum 98-1

Please forward this memorandum to the financial aid administrators and fiscal officers responsible for administering the Division of Student Assistance/Department of Health and Human Services (HHS) campus-based loan programs.

This clarifies the Department's definition of final determination of uncollectibility of a loan and the requirement for submission of write-offs within 30 days of determination of uncollectibility. Final determination is made when a loan is considered uncollectible based on the earliest of the following: (1) when due diligence has been completed and the prospects of future collections are not promising, (2) when the statute of limitations has expired or, (3) when the ten-year repayment period has expired. When a loan is determined uncollectible, a school is required to document the date of the final determination as a part of the borrower's record. If no documentation is provided stating the final determination date of uncollectibility, we will use the date provided on the back of the Due Diligence Checklist or the last date of activity performed on the loan (internal or external), whichever date is closer to submission of the write-off materials. Cases submitted after the 30 days will be returned to the school and the school must reimburse the fund for the full amount of principal, interest and penalty charges that remain uncollectible on these loans.

When requesting write-off review, an authorized official must certify, for each borrower account submitted, that the documentation provided is true, complete, and correct to the best of his or her knowledge. The "Due Diligence Check List" contains a paragraph with the language for this requirement. If you do not use the check list when submitting documentation for write-off review, then your package must contain written certification, signed by an authorized official, guaranteeing all submitted documentation is true, complete, and correct.

Attached for your information is the Due Diligence Check List developed to assist schools in identifying and assembling appropriate documentation when requesting a write-off review. Schools are strongly encouraged to use the Check List for submitting loans for write-off or, at a minimum, follow its format. More information on write-offs may be found in the Student Financial Aid Guidelines, Book 3, Part II - Collections. Write-off materials should be sent to:

Division of Student Assistance  
Office for Campus Based Programs  
Write-Off Review  
5600 Fishers Lane, Room 8-34  
Rockville, MD 20857

We appreciate your continued diligence in administering and managing all of the HHS campus based loan programs. Questions regarding this memorandum should be directed to Erika Verbeck. Ms. Verbeck is hearing impaired and unable to speak with you on the telephone; therefore, please contact her via e-mail at [everbeck@hrsa.gov](mailto:everbeck@hrsa.gov) or fax on (301) 443-0846.