

**BUREAU OF HEALTH PROFESSIONS**

Date: April 22, 2002  
To: Health Professions and Nursing Schools  
Subject: Campus Based Policy Memorandum 2002-1

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

This policy memorandum was developed to inform the schools about changes to the write-off requirements. Over the past year and a half, the write-off group has looked at the write-off process as a whole and the documentation required during submission. Based on review of requirements and input received from schools, the following changes have been made.

Submission Time-Frame - Schools now have 60 days, instead of 30, to submit their case to HHS for review after the documented determination of uncollectibility.

Entrance/Exit Interview Documentation - Documentation will only be required if the borrower has made less than 1 full year of payments. Otherwise, documentation must be provided or notation made in the history log.

Grace Period Contacts - Evidence of the 2 required grace period contacts will be waived if the borrower has made at least 1 full year of payments. If less than one year, copies of letters or notations in the history log must be provided to document two grace period contacts.

Deferments - A school now has the option to use the National Student Clearinghouse, in lieu of a paper deferment form. The school must provide documentation to support the verification of the student's participation in a deferrable activity or copies of an approved deferment form.

Regular Billing - History log will provide documentation of regular billing. Evidence of regular billing will be waived if the borrower has made 1 full year of payments. However, history log must show late notices were provided from the time the borrower defaulted.

Collection Agent - It will no longer be required that schools provide a copy of the letter documenting when the case was submitted and returned to the school or a copy of the close-out statements. HHS will look for notations of such activities in the history log.

Credit Bureau - Notation in the history log of the date sent to Credit Bureau will suffice. Copies of the Credit Bureau report or placement letter are not required.

Litigation - HHS will look for any combination of the following information to determine compliance: history log notation of determination, placement letter, or copy of the judgement received.

All other steps of due diligence will retain their previous requirements, e.g. copies of the promissory notes must still be provided. Our intention is to make the write-off process easier by requiring less paper during the submission process. If you have any comments or questions regarding this policy memorandum, please contact one of the following individuals:

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