

**§ 60.50**

**42 CFR Ch. I (10–1–02 Edition)**

with a written notice, sent by certified mail, specifying his or her intention to terminate the lender or holder's participation in the program and stating that the entity may request, within 30 days of the receipt of this notice, a formal hearing. If the entity requests a hearing, it must, within 90 days of the receipt of the notice, submit material, factual issues in dispute to demonstrate that there is cause for a hearing. These issues must be both substantive and relevant. The hearing will be held in the Washington, DC metropolitan area. The Secretary will deny a hearing if:

(1) The request for a hearing is untimely (i.e., fails to meet the 30-day requirement);

(2) The lender or holder does not provide a statement of material, factual issues in dispute within the 90-day required period; or

(3) The statement of factual issues in dispute is frivolous or inconsequential.

In the event that the Secretary denies a hearing, the Secretary will send a written denial, by certified mail, to the lender or holder setting forth the reasons for denial. If a hearing is denied, or if as a result of the hearing, termination is still determined to be necessary, the lender or holder will be terminated from participation in the program. An entity will be permitted to reapply for participation in the program when it demonstrates, and the Secretary agrees, that it is in compliance with all HEAL requirements.

(c) This section does not apply to a determination that a HEAL lender fails to meet the statutory definition of an "eligible lender."

(d) This section also does not apply to administrative action by the Department of Health and Human Services based on any alleged violation of:

(1) Title VI of the Civil Rights Act of 1964, which is governed by 45 CFR part 80;

(2) Title IX of the Education Amendments of 1972, which is governed by 45 CFR part 86;

(3) The Family Educational Rights and Privacy Act of 1974 (section 438 of the General Education Provisions Act, as amended), which is governed by 34 CFR part 99; or

(4) Title XI of the Right to Financial Privacy Act of 1978, Pub. L. 95-630 (12 U.S.C. 3401-3422).

(Approved by the Office of Management and Budget under control number 0915-0144)

[48 FR 38988, Aug. 26, 1983, as amended at 57 FR 28799, June 29, 1992; 58 FR 67349, Dec. 21, 1993]

**Subpart E—The School**

**§ 60.50 Which schools are eligible to be HEAL schools?**

(a) In order to participate in the HEAL program, a school must enter into a written agreement with the Secretary. In the agreement, the school promises to comply with provisions of the HEAL law and the HEAL regulations. For initial entry into this agreement and for the agreement to remain in effect, a school must satisfy the following requirements:

(1) The school must be legally authorized within a State to conduct a course of study leading to one of the following degrees:

- Doctor of Medicine
- Doctor of Osteopathic Medicine
- Doctor of Dentistry or equivalent degree
- Bachelor or Master of Science in Pharmacy or equivalent degree
- Doctor of Optometry or equivalent degree
- Doctor of Veterinary Medicine or equivalent degree
- Doctor of Podiatric Medicine or equivalent degree
- Graduate or equivalent degree in Public Health
- Doctor of Chiropractic or equivalent degree
- Doctoral degree of Clinical Psychology
- Masters or doctoral degree in Health Administration

For the purposes of this section, the term "State" includes, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands (the Republic of Palau), the Republic of the Marshall Islands, and the Federated States of Micronesia.

(2)(i) The school must be accredited by a recognized agency approved for that course of study by the Secretary of Education, as described in paragraph (a)(2)(ii) of this section, except where a

school is not eligible for accreditation solely because it is too new. A new school is eligible if the Secretary of Education determines that it can reasonably expect to be accredited before the beginning of the academic year following the normal graduation date of its first entering class. The Secretary of Education makes this determination after consulting with the appropriate accrediting agency and receiving reasonable assurance to that effect.

(ii) The approved accrediting agencies are:

(A) Liaison Committee on Medical Education.

(B) American Osteopathic Association.

(C) Commission on Dental Accreditation.

(D) Council on Education of American Veterinary Medical Association.

(E) Council on Optometric Education.

(F) Council on Podiatric Medical Education.

(G) American Council on Pharmaceutical Education.

(H) Council on Education for Public Health.

(I) Council on Chiropractic Education.

(J) Accrediting Commission on Education for Health Services Administration.

(K) Committee on Accreditation of American Psychological Association.

(b) If a HEAL school undergoes a change of controlling ownership or form of control, its agreement automatically expires at the time of that change. The school must enter into a new agreement with the Secretary in order to continue its participation in the HEAL program.

[48 FR 38988, Aug. 26, 1983, as amended at 52 FR 751, Jan. 8, 1987; 57 FR 28799, June 29, 1992]

**§ 60.51 The student loan application.**

When the student completes his or her portion of the student loan application and submits it to the school, the school must do the following:

(a) Accurately and completely fill out its portion of the HEAL application;

(b) Verify, to the best of its ability, the information provided by the student on the HEAL application, including, but not limited to, citizenship sta-

tus and Social Security number. To comply with this requirement, the school may request that the student provide a certified copy of his or her birth certificate, his or her naturalization papers, and an original Social Security card or copy issued by the Federal Government, or other documentation that the school may require. The school must assure that the applicant's I-151 or I-551 is attached to the application, if the applicant is required to possess such identification by the United States;

(c) Certify that the student is eligible to receive a HEAL loan, according to the requirements of § 60.5;

(d) Review the financial aid transcript from each institution previously attended by the applicant on at least a half-time basis to determine whether the applicant is in default on any loans or owes a refund on any grants. The school may not approve the HEAL application or disburse HEAL funds if the borrower is in default on any loans or owes a refund on any educational grants, unless satisfactory arrangements have been made between the borrower and the affected lender or school to resolve the default or the refund on the grant. If the financial aid transcript has been requested, but has not been received at the time the applicant submits his or her first HEAL application, the school may approve the application and disburse the first HEAL installment prior to receipt of the transcript. Each financial aid transcript must include at least the following data:

(1) Student's name;

(2) Amounts and sources of loans and grants previously received by the student for study at an institution of higher education;

(3) Whether the student is in default on any of these loans, or owes a refund on any grants;

(4) Certification from each institution attended by the student that the student has received no financial aid, if applicable; and

(5) From each institution attended, the signature of an official authorized by the institution to sign such transcripts on behalf of the institution.