

§ 60.52

(e) State that it has no reason to believe that the borrower may not be willing to repay the HEAL loan;

(f) Make reasonable determinations of the maximum loan amount approvable, based on the student's circumstances. The student applicant determines the amount he or she wishes to borrow, up to this maximum amount. Only then may the school certify an eligible application. In determining the maximum loan amount approvable, the school will calculate the difference between:

(1) The total financial resources available to the applicant for his or her costs of education for the period covered by the proposed HEAL loan, and other student aid that the applicant has received or will receive during the period covered by the proposed HEAL loan. To determine the total financial resources available to the applicant for his or her costs of education for the period covered by the proposed HEAL loan (including familial, spousal, or personal income or other financial assistance that the applicant has received or will receive), the school must consider information provided through one of the national need analysis systems or any other procedure approved by the Secretary of Education, in addition to any other information which the school has regarding the student's financial situation. The school may make adjustments to the need analysis information only when necessary to accurately reflect the applicant's actual resources, and must maintain in the borrower's record documentation to support the basis for any adjustments to the need analysis information; and

(2) The costs reasonably necessary for each student to pursue the same or similar curriculum or program within the same class year at the school for the period covered by the proposed HEAL loan, using a standard student budget. The school must maintain in its general office records the criteria used to develop each standard student budget. Adjustments to the standard student budget may be made only to the extent that they are necessary for the student to complete his or her education, and documentation must be maintained in the borrower's record to

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support the basis for any adjustments to the standard student budget.

(g) Comply with the requirements of § 60.61.

(Approved by the Office of Management and Budget under control numbers 0915-0038 and 0915-0108)

[52 FR 751, Jan. 8, 1987, as amended at 57 FR 28799, June 29, 1992]

§ 60.52 The student's loan check.

(a) When a school receives from a HEAL lender a loan disbursement check or draft payable jointly to the school and to one of its students, it must:

(1) If the school receives the instrument after the student is enrolled, obtain the student's endorsement, retain that portion of funds due the school, and disburse the remaining funds to the student.

(2) If the school receives the instrument before the student is enrolled, it must, prior to endorsing the instrument, send the instrument to the student to endorse and return to the school. The school may then retain that portion of funds then due the school but must hold the remaining funds for disbursement to the student at the time of enrollment. However, if the student is unable to meet other educational expenses due before the time of enrollment, the school may obtain the student's endorsement and disburse to the student that portion of funds required to meet these other educational expenses.

(b) If a school determines that a student does not plan to enroll, the school must return a loan disbursement check or draft to the lender within 30 days of this determination.

[48 FR 38988, Aug. 26, 1983, as amended at 52 FR 751, Jan. 8, 1987]

§ 60.53 Notification to lender or holder of change in enrollment status.

Each school must notify the holder of a HEAL loan of any change in the student's enrollment status within 30 days following the change in status. Each notice must contain the student's full name under which the loan was received, the student's current name (if different), the student's Social Security number, the date of the change in

the enrollment status, or failure to enroll as scheduled for any academic period as a full-time student, the student's latest known permanent and temporary addresses, and other information which the school may decide is necessary to identify or locate the student. If the school does not know the identity of the current holder of the HEAL loan, it must notify the HEAL Program Office of a change in the student's enrollment status. This notification is not required for vacation periods and leaves of absence or other temporary interruptions which do not exceed one academic term.

(Approved by the Office of Management and Budget under control number 0915-0108)

[52 FR 751, Jan. 8, 1987, as amended at 57 FR 28799, June 29, 1992]

§ 60.54 Payment of refunds by schools.

A participating school must pay that portion of a refund that is allocable to a HEAL loan directly to the original lender (or to a subsequent holder of the loan note, if the school has knowledge of the holder's identity). At the same time, the school must provide to the borrower written notice that it is doing so.

(Approved by the Office of Management and Budget under control number 0915-0108)

[48 FR 38988, Aug. 26, 1983, as amended at 57 FR 28799, June 26, 1992]

§ 60.55 Administrative and fiscal procedures.

Each school must establish and maintain administrative and fiscal procedures necessary to achieve the following objectives:

- (a) Proper and efficient administration of the funds received from students who have HEAL loans;
- (b) Protection of the rights of students under the HEAL program;
- (c) Protection of the United States from unreasonable risk of loss due to defaults; and
- (d) Compliance with applicable requirements for HEAL schools.

§ 60.56 Records.

(a) In addition to complying with the requirements of section 739(b) of the Act, each school must maintain an accurate, complete, and easily retriev-

able record with respect to each student who has a HEAL loan. The record must contain all of the following information:

(1) Student's name, address, academic standing and period of attendance;

(2) Name of the HEAL lender, amount of the loan, and the period for which the HEAL loan was intended;

(3) If a noncitizen, documentation of the student's alien registration status.

(4) Amount and source of other financial assistance received by the student during the period for which the HEAL loan was made;

(5) Date the school receives the HEAL check or draft and the date it either gives it to the student or returns it to the lender (if the school is not the lender);

(6) Date the school disburses the loan to a student (if the school is the lender);

(7) Date the school signs the loan check or draft (if the school is a copayee);

(8) Amount of tuition, fees and other charges paid by the student to the school for the academic period covered by the loan and the dates of payment;

(9) Photocopy of each HEAL check or draft received by the student;

(10) Documentation of each entrance interview, including the date of the entrance interview and the signature of the borrower indicating that the entrance interview was conducted;

(11) Documentation of the exit interview, including the date of the exit interview and the signature of the borrower indicating that the exit interview was conducted, or documentation of the date that the school mailed exit interview materials to the borrower if the borrower failed to report for the exit interview;

(12) A photocopy made by the school of the borrower's I-151 or I-551, if the borrower is required to possess such identification by the United States, or other documentation, if obtained by the school, to verify citizenship status and Social Security number (e.g., a certified copy of the borrower's birth certificate or a photocopy made by the school of the borrower's original Social Security card or copy issued by the Federal government);