

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 status 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

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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.

(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 ap-

provable, 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 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