§ 60.8 What are the borrower's major rights and responsibilities?

(a) The borrower’s rights. (1) Once the terms of the HEAL loan have been established, the lender or holder may not change them without the borrower’s consent.

(2) The borrower must provide the borrower with a copy of the completed promissory note when the loan is made. The lender or holder must return the original note to the borrower when the loan is paid in full.

(3) A lender must disburse HEAL loan proceeds as described in §60.33(f).

(4) The lender or holder must provide the borrower with a copy of the repayment schedule before repayment begins.

(5) If the loan is sold from one lender or holder to another lender or holder, or if the loan is serviced by a party other than the lender or holder, the buyer must notify the borrower within 30 days of the transaction.

(6) The borrower does not have to begin repayment until 9 full months after leaving school or an accredited internship or residency program as described in §60.11.

(7) The borrower is entitled to deferment from repayment of the principal and interest installments during periods described in §60.12.

(8) The borrower may prepay the whole or any portion of the loan at any time without penalty.

(9) The lender or holder must allow the borrower to repay a HEAL loan according to a graduated repayment schedule.

(10) The borrower’s total loan obligation is cancelled in the event of death or total and permanent disability.

(11) To assist the borrower in avoiding default, the lender or holder may grant the borrower forbearance. Forbearance, including circumstances in which the lender or holder must grant forbearance, is more fully described in §60.37.

(12) Any borrower who received a fixed interest rate HEAL loan in excess of 12 percent per year may enter into an agreement with the lender which made this loan for the reissuance of the loan in accordance with section 739A of the Public Health Service Act.

(b) The borrower’s responsibilities. (1) The borrower must pay any insurance premium that the lender may require as more fully described in §60.14.

(2) The borrower must pay all interest charges on the loan as required by the lender or holder.

(3) The borrower must immediately notify the lender or holder in writing in the event of:

(i) Change of address;

(ii) Change of name;

(iii) Failure to enroll in a HEAL school for the period for which the loan is intended;

(iv) Transfer to another school;

(v) Withdrawal from a HEAL school or change in status to less than full-time attendance at a HEAL school;

(vi) Graduation;

(vii) Failure to enter into or interruption in an internship or residency program; or

(viii) Change of status that authorizes deferment.

(4) The borrower must repay the loan in accordance with the repayment schedule.

(5) A borrower may not have a HEAL loan discharged in bankruptcy during
§ 60.11 Terms of repayment.
(a) Commencement of repayment. (1) The borrower’s repayment period must begin the first day of the 10th month after the month he or she ceases to be a full-time student at a HEAL school.

Subpart C—The Loan
§ 60.10 How much can be borrowed?
(a) Student borrower. An eligible student may borrow an amount to be used solely for expenses, as described in §60.5(g), incurred or to be incurred over a period of up to an academic year and disbursed in accordance with §60.33(f). The maximum amount he or she may receive for that period shall be determined by the school in accordance with §60.51(f) within the following limitations:

(1) A student enrolled in a school of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, or podiatric medicine may borrow up to $80,000 under this part. The amount received may not exceed $20,000 in any academic year.

(2) A student enrolled in a school of public health, pharmacy, chiropractic, or a graduate program in health administration, clinical psychology, or allied health may borrow up to $50,000 under this part. The amount received may not exceed $12,500 per academic year.

(3) For purposes of this paragraph, an academic year means the traditional approximately 9-month September-to-June annual session. For the purpose of computing academic year equivalents for students who, during a 12-month period, attend for a longer period than the traditional academic year, the academic year will be considered to be 9 months in length.

(4) The student’s estimated cost of attendance shall not exceed the estimated cost of attendance of all students in like circumstances pursuing a similar curriculum at that school.

(b) Non-student borrower. An eligible nonstudent may borrow amounts under this authority with the following restrictions:

(1) In no case may an eligible nonstudent borrower receive a loan that is greater than the sum of the HEAL insurance premium plus the interest that is expected to accrue and must be paid on the borrower’s HEAL loans during the period for which the new loan is intended.

(2) An eligible nonstudent in the field of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, or podiatric medicine may borrow up to $80,000 under this part including loans obtained while the borrower was a student. The loan amount may not exceed $20,000 in any 12-month period.

(3) An eligible nonstudent in the field of pharmacy, public health, chiropractic, health administration, or clinical psychology may borrow up to $50,000 under this part including loans obtained while the borrower was a student. The loan amount received under this part may not exceed $12,500 in any 12-month period.