

HEALTH EDUCATION ASSISTANCE LOAN



REFINANCING LOAN APPLICATION/ PROMISSORY NOTE

Title VII, Part A, Subpart 1,
Public Health Service Act
(42 U.S.C. 292-292o)

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH RESOURCES AND SERVICES ADMINISTRATION
Bureau of Health Professions
Rockville, Maryland 20857

PUBLIC REPORTING BURDEN STATEMENT

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0915-0227. The time required to complete this information collection is estimated to average 12 minutes for the borrower and 30 minutes for the lender per response, including time to review instructions, search existing data resources, gather the data needed, and complete and review the information collected.

EQUAL CREDIT OPPORTUNITY ACT NOTICE

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to contract in accordance with applicable State law), because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agencies that administer compliance with this law are listed below.

- A. Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551
- B. Office of the Comptroller of the Currency
490 L'Enfant Plaza East, S.W.
Washington, D.C. 20219
- C. Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429
- D. Federal Home Loan Bank Board
101 Indiana Avenue, N.W.
Washington, D.C. 20552
- E. National Credit Union Administration
2025 M Street, N.W.
Washington, D.C. 20456
- F. Federal Trade Commission
6th Street and Pennsylvania Avenue, N.W.
Washington, D.C. 20580

PRIVACY ACT NOTIFICATION STATEMENT

The Privacy Act of 1974 (5 U.S.C. 552a) requires that an agency provide the following notification to each individual whom it asks to supply information. The following information is contained in the system of records 09-15-0044, entitled "Health Education Assistance Loan Program (HEAL) loan control master file, HHS/HRSA/BHPr." Some information may be maintained in the records system 09-15-0045, entitled "Health Resources and Services Administration Loan Repayment/Debt Management Record Systems, HHS/HRSA/OA."

1. The authority for collecting the requested information is found in Title VII, Part A, Subpart I of the Public Health Service Act, (42 U.S.C. 292o).
2. The principal purposes of this information are as follows:
 - to verify the identity of the applicant;
 - to determine program eligibility and benefits;

- to permit servicing of the loan; and
 - in the event it is necessary, to locate missing borrowers and collect on delinquent or defaulted loans.
3. The disclosure of this information may be made to the following:
 - a. to the educational institutions in which the borrower was enrolled or was accepted for enrollment;
 - b. to guarantee agencies;
 - c. to contractors which assist the Public Health Service in the administration of the HEAL Program;
 - d. to other Federal agencies, the Office of Management and Budget, the Department of the Treasury, consumer reporting agencies, debt collection bureaus, and other private and public parties.

The purpose of such disclosures is to locate delinquent borrowers; to determine borrowers' creditworthiness and their ability to repay their debts; and to aid in the collection of debts owed under the HEAL Program. Disclosure of records will consist of the individual's name, social security account number, and other information necessary to establish the identity of the individual, the amount, status, and history of the claim, and the agency or program under which the claim arose. The information may be furnished during the life of the loan to holders of this and other loans made to the borrower under the HEAL Program.

Section 3(c) of the Privacy Act (5 U.S.C. 552a) requires that an agency keep an accounting of disclosures of individually identified information from a system of records to all third parties outside of the Department of Health Human Services. Upon an individual's written request to the System Manager, an agency must make the accounting of such disclosures available to the subject individual.

Section 7(b) of the Privacy Act of 1974 (5 U.S.C. 552a Note) requires that where any Federal, State, or local government agency requests an individual to disclose his or her social security account number (SSN), that the individual must also be advised whether that disclosure is mandatory or voluntary, by what statutory or other authority the SSN is solicited, and what uses will be made of it. Disclosure of the applicant's SSN is mandatory for participation in the HEAL Refinancing Program as provided for by Section 4 of the Debt Collection Act of 1982 (26 U.S.C. 6103 note). Applicants are advised that failure to provide his/her SSN will result in the denial of the individual to participate in the HEAL Refinancing Program. The SSN will be used to verify the identity of the applicant and as an account number (identifier) throughout the life of the loan to record necessary data accurately. As an identifier, the SSN is used in such program activities as; determining program eligibility; certifying school attendance; determining eligibility for deferment of repayment; determining eligibility for disability or death claims, and for tracing and collecting in cases of delinquent or defaulted loans.

FINANCIAL PRIVACY ACT

Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3412), the Public Health Service will have access to financial records in your student loan file maintained by the lender in connection with the administration of the HEAL Program.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH AND RESOURCES SERVICES ADMINISTRATION
BUREAU OF HEALTH PROFESSIONS

FEDERAL HEAL REFINANCING LOAN APPLICATION AND/OR PROMISSORY NOTE

WARNING: Any person who knowingly makes a false statement or misrepresentation in a HEAL transaction, bribes or attempts to bribe a Federal official, fraudulently obtains a HEAL loan or commits any other illegal action in connection with a Federal HEAL loan is subject to a fine or imprisonment under Federal statute.

SECTION I--TO BE COMPLETED BY APPLICANT

1a. NAME (Last) (First) (M.I.)	2. SOCIAL SECURITY ACCOUNT NUMBER (SSN) _____
1b. OTHER NAME USED (Last) (First) (M.I.)	3. DATE OF BIRTH (Month/Day/Year)
4. CURRENT ADDRESS (Number) (Street) (Apartment number)	5a. DAYTIME TELEPHONE (Area Code - Number) ()
(City) (State) (Zip Code)	5b. EVENING TELEPHONE (Area Code - Number) ()
6a. (circle one) Graduated Y N Withdrew Y N	7. DRIVER'S LICENSE NUMBER (State)
6b. GRADUATION/WITHDRAWAL DATE (Month/Day/Year)	

8. EMPLOYER INFORMATION

Name of Company/Organization: _____

Street Address: _____

City, State, ZIP Code: _____

Telephone (Area Code - Number): () _____

9. REFERENCES: You must provide two separate references with different U.S. addresses. The **first** reference must be nearest relative other than spouse or spouse's parents not living in the same household, and the **second** reference must be the spouse, or if not married, a living relative, or if neither, a life-long friend.

Name	a. _____	b. _____
Permanent Address	_____	_____
City, State, ZIP code	_____	_____
Telephone: (Area Code - Number)	() _____	() _____

SECTION II--TO BE COMPLETED BY APPLICANT

BORROWER AUTHORIZATION:

I hereby authorize my current Federal HEAL lenders/holders to release Federal HEAL Loan information requested by the Refinancing Lender or its agent, for purposes of verifying student loan information in order that I may consolidate my Federal HEAL loans into a Federal HEAL Refinancing loan. I also authorize the Refinancing Lender, its Agent, or any subsequent holder to check my credit history and to discuss my credit history with my lenders and to share any information concerning my Federal HEAL loans that my Refinancing Lender requests in connection with such loan consolidation. A copy of this authorization may be deemed to be an original.

By my signature below, I also certify that I have (1) graduated or withdrawn from an eligible Federal HEAL school and (2) no refinanced loan application is pending with another lender.

SIGNATURE OF APPLICANT FOR SECTIONS I AND II.	DATE
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CERTIFICATIONS

BORROWER'S RIGHTS

1. The lender (holder) cannot change the terms of my HEAL loan without my consent.
2. The lender must provide me with a copy of the completed promissory note when the loan is made. The lender (holder) must return the note to me when the loan is paid in full.
3. The holder will advance funds on my behalf to all creditors who currently hold HEAL loans named on this Note. The funds so advanced will be disbursed to the holder of the loans designated in the promissory note to pay off these loans on my behalf. ***I further understand that the amount of this REFINANCED LOAN will equal the sum of the amounts which my creditors verify are the pay-off balances on these loans. This amount may be more or less than the estimated total balance indicated above. If verified total balance on loans to be refinanced exceeds the estimate by \$2,000 or 5 percent, whichever is lower, the holder will issue a new promissory note.*** If the amount the Refinancing lender advances to my holder(s) exceeds the amount needed to pay off my balance(s), I understand that the holder will refund the excess to the consolidating lender for application against the outstanding principal balance of my refinancing loan. If the amount the refinancing lender advances to my holder(s) is less than the amount needed to pay off my balance(s), I agree to either pay off the remaining balance or to take such actions as the refinancing lender deems appropriate to authorize the refinancing lender to include the remaining amount in an addendum to this Note.
4. The lender (holder) will provide me with a repayment schedule before the repayment period begins.
5. If the loan is sold from one lender to another lender, or if the loan is serviced by a party other than the lender, the holder must notify me within 30 days of the transaction and I must be sent a notification which spells out my obligations to the new holder.
6. In accordance with the repayment section of this promissory note, I have a right to a 9-month "grace period" before repayment, which begins after I have completed school attendance, up to 4 years of internship and residency in an accredited program, or up to 2 years of a fellowship training program or full-time educational activity approved by the Secretary for this purpose, regardless of the date this loan is made.
7. I have a right to deferment of principal and interest repayments if certain conditions exist. Under deferment I am not required to make payments on the loan principal or interest for a period of time. However, interest continues to accrue during any deferment period. To receive a deferment, including a deferral of the onset of the repayment period (See Section 60.11(a) of the HEAL regulations.) I must, prior to the onset of the activity and annually thereafter, submit to the holder of the note evidence of my status in the deferment activity and evidence that verifies deferment eligibility of the activity. It is my responsibility to provide the holder with all required information regarding the requested deferment.
8. I have a right to prepay the whole or any portion of the loan at any time without a penalty.
9. If I contact the holder of my loan at least 30 but not more than 60 days before the commencement of my repayment period to establish the precise terms of repayment, I may select a monthly repayment schedule with substantially equal installments, a monthly repayment schedule with graduated installments that increase in amount over the repayment period, or a monthly repayment schedule with payments that are based on my debt-to-income ratio during the first 5 years of repayment.
10. My loan obligation will be cancelled in the event of my death or permanent and total disability, as deemed by the Secretary, in accordance with applicable Federal statutes and regulations.
11. "Forbearance" means an extension of time for making loan payments or the acceptance of smaller payments than were previously scheduled to prevent me from defaulting on my payment obligations. I have the right to be granted forbearance whenever I am temporarily unable to make scheduled payments of my HEAL loan and I continue to repay the loan in an amount commensurate with my ability to repay the loan unless the Secretary determines that my default is inevitable and the forbearance will be ineffective in preventing default. A lender (holder) must exercise forbearance with terms that are consistent with the 33-year limitation on the length of repayment if the lender (holder) and the borrower agree in writing to the new terms. Each forbearance period may not exceed 6 months and the total period of forbearance (with or without interruption) granted to me must not exceed 2 years unless an extension is granted by the Secretary.
12. The lender (holder) must notify me in writing of the balance owed for principal, interest, and any other charges or fees owed to the lender (holder), at least every 6 months from the time my loan was disbursed to me.

BORROWER'S RESPONSIBILITIES

1. I understand that there is no interest subsidy on a HEAL loan and that I must pay all interest on the loan. If I do not make payments on time or if I default, the total amount to be repaid will be increased by late charges and may be increased by additional interest costs, attorney's fees, court costs and other collection costs.
2. I must immediately notify the lender (holder) in writing if any of the following occurs to me before the loan is repaid in full: a. change of address, b. name change (e.g., maiden name to married name), c. failure to begin any activity eligible for deferment status, or d. cessation of participation in an activity eligible for deferment status.
3. I must notify the lender (holder) of any occurrence which may affect my eligibility to receive or to continue to receive a deferment of principal and interest payments.
4. To receive a deferment, including a deferral of the onset of the repayment period (See Section 60.11(a) of the HEAL regulations.), I must, prior to the onset of the activity and annually thereafter, submit to the holder of the note evidence of my status in the deferment activity and evidence that verifies deferment eligibility of the activity. It is my responsibility to provide the holder with all required information or other information regarding the requested deferment.
5. I understand that this loan must be repaid in accordance with my repayment schedule. If my account becomes overdue by more than 60 days, the lender (holder) must notify an appropriate consumer credit reporting agency of this, which may significantly and adversely affect my credit rating. The lender (holder) must also use collection agents and utilize other collection activities (including litigation) if my account becomes overdue.
6. If I do not make payments when due, my loan may be declared in default. If I default, the Federal Government will take over my loan and I will then owe the Government. The Federal Government will actively pursue me for repayment of the debt, including the use of collection agents and reporting my default to consumer credit reporting agencies or the Internal Revenue Service for purpose of locating me or for income tax refund offset, and referral to the Department of Justice for litigation. I may be the subject of court action to force me to pay. The Secretary shall also cause to be reduced Federal reimbursements or payments for health services under any Federal law to borrowers who are practicing their professions and have defaulted on their loans, and may make other administrative offsets, including salary offsets for Federal employees. The Government may also report any written off debt to the Internal Revenue Service as taxable income, and may undertake any other debt collection procedures in accordance with the Claims Collection Regulations (45 CFR Part 30).
7. Under current law, I do not have the right to have my loan discharged in bankruptcy during the first 7 years of the repayment period. This prohibition against the discharge of a HEAL loan applies to bankruptcy under any chapter of the Bankruptcy Act, including Chapter 13. I may have a HEAL loan discharged in bankruptcy after the first 7 years of the repayment period only, excluding any periods of forbearance and deferment, upon a finding by the Bankruptcy Court that the non-discharge of such debt would be unconscionable and upon the condition that the Secretary shall not have waived his or her rights to reduce any Federal reimbursements or Federal payments for health services under any Federal law in amounts up to the balance of the loan. Any changes in the HEAL statute regarding the discharge of a HEAL loan in bankruptcy will apply to this loan.

PROMISSORY NOTE: TO BE COMPLETED BY REFINANCING LENDER

This Promissory Note represents a consolidation of all of my Federal HEAL loans, as identified below. The word "Note" refers to this Promissory Note. In this Note, the words "I", "me" or "my" refer to the Borrower whose signature appears on the last page of this Note. The word "Lender" refers to the Refinancing Lender or any subsequent holder to whom this Note is assigned. "Loan" refers to the Federal HEAL Refinancing Loan which the Lender is making to me.

PROMISE TO PAY

I, _____, the borrower, promise to pay to _____, the Refinancing lender
Name of borrower Name, City, and State of Refinancing Lender

or the subsequent holder of this Note, such Principal Amount as is advanced on my behalf, plus interest on the principal sum as set out below, and to pay authorized late charges, all reasonable attorney's fees, and other costs and charges that are permitted by Federal regulations and are necessary for the collection of any amount not paid when due. ***I understand that the amount of my loan will be based on the pay-off balances of loans Refinanced as provided by the creditors of such loans and may exceed the estimate of such pay-off balances.***

LOAN INFORMATION: This Note represents a consolidation of all HEAL loans, as identified below:

Holder / Lender (Name & Address)	Servicer	Original Principal Amount of Loan	Approximate Current Balance
GRAND TOTAL (including any loans listed on Addendum Sheet)			

NOTE: If additional lines are needed use addendum and attach to this promissory note.

The Lender and I further understand and agree that:

NOTIFICATION

I must immediately notify the lender (in this Note, the term "lender" includes a subsequent holder of the Note) in writing if any of the following occurs to me before the loan is repaid in full: 1) change of address, 2) name change (e.g., maiden name to married name), 3) failure to begin any activity eligible for deferment status, or 4) cessation of participation in an activity eligible for deferment status.

INTEREST

1. Beginning on the day the loan is disbursed, interest shall accrue. Payment of the interest accruing before the beginning of the repayment period may be postponed until the date upon which repayment of principal is required to begin or to resume. Interest which has accrued and is not paid may be added to the principal sum of this Note not more frequently than every 12 months. Beginning when the repayment period commences, interest shall accrue and be paid as set forth in the Repayment Schedule which the lender shall establish and provide to me. **The frequency with which interest that is not paid shall be added to the principal sum of this Note shall be as follows:**

2. Interest shall accrue and be payable at a yearly rate of interest which may not exceed a variable rate calculated by the Secretary of the Department of Health and Human Services for each calendar quarter and computed by determining the average of the bond equivalent rates for the ninety-one day U.S. Treasury Bills auctioned during the preceding quarter, plus three percent, rounding this figure up to the nearest one-eighth of one percent. **The rate of interest applied to this Note shall be as follows:**

3. Any change in the yearly rate of interest will affect the payment amounts, the number of payments, or the amount due at maturity.

PREPAYMENT

I may, at my option and without penalty, prepay all or any part of the principal and accrued interest at any time.

THE TERMS OF THIS NOTE ARE CONTAINED ON ALL THREE PAGES (INCLUDING AN ADDENDUM, IF APPLICABLE) OF THIS DOCUMENT.

REPAYMENT

1. Repayment shall be made in monthly installments over a repayment period which starts the first day of the tenth month after the month in which

- (A) I cease to be a full-time student at a HEAL school;
- (B) (1) I cease to be a participant in an accredited internship or residency program of not more than four years in duration, or
- (2) I complete the fourth year of an accredited internship or residency program of more than four years in duration; or
- (C) I cease to be a participant in a fellowship training program not in excess of two years or a participant in a full-time educational activity not in excess of two years which: (1) is directly related, as defined in program regulations, to the health profession for which I prepared at a HEAL school, and (2) in which I may engage during a two-year period which begins within twelve months after I complete my participation in an internship or residency program described in clause (B)(1) or clause (B)(2) of this paragraph or before I complete my participation in such an internship or residency program.

2. The repayment period shall not be less than ten years nor more than twenty-five years. Any period described under DEFERMENT and any period of FORBEARANCE shall not be included in determining the ten or twenty-five year periods. The repayment period shall not extend to a date that is more than thirty-three years from the date on which I signed this Promissory Note.

3. At least thirty but not more than sixty days before the commencement of my repayment period, I must contact the holder of my loan to establish the precise terms of repayment. My repayment schedule will require monthly payments. However, I may select a monthly repayment schedule with substantially equal installments, a monthly repayment schedule with graduated installments that increase in amount over the repayment period, or a monthly repayment schedule with payments that are based on my debt-to-income ratio during the first 5 years of repayment, if I contact the holder of my loan within the period described above. If I do not contact the holder and do not respond to contacts from the holder, the holder may establish a monthly repayment schedule with substantially equal installment payments, subject to the terms of this Note.

4. The terms and conditions of repayment shall be set forth in a separate Repayment Schedule which the lender shall establish and shall provide me prior to the beginning of the repayment period.

5. I understand that this loan must be repaid in accordance with my Repayment Schedule. If my account becomes overdue by more than sixty days, the lender must notify an appropriate consumer credit reporting agency of this, which may significantly and adversely affect my credit rating. The lender must also use collection agents and utilize other collection activities (including litigation) if my account becomes overdue.

CREDIT REPORTING AGENCY

The lender must disclose my Loan, and any other relevant information, to one or more national consumer credit reporting agencies. If I am more than sixty days past due in making a scheduled payment, the Lender will notify an appropriate consumer credit reporting agency of my past due status, which will adversely affect my credit rating, and provide the credit reporting agency any other relevant information.

LATE CHARGE

If a scheduled payment is after 30 days after the payment due date, I will be charged five cents for each dollar of the installment payment due, plus all reasonable attorney fees, and other costs and charges permitted by Federal regulations and that are necessary for the collection of any amount not paid when due.

DEFERMENT

- 1. Monthly installments of principal and interest need not be paid, but interest shall accrue:
 - (A) When I am carrying a full-time course of study at a HEAL school or at an institution of higher education eligible to participate in the Federal Stafford Loan Program.
 - (B) When I am participating in a fellowship training program or full-time educational activity for not in excess of two years as described in paragraph 1 under REPAYMENT above.
 - (C) Not in excess of three years for each of the following when I am:
 - (1) a member of the Armed Forces of the United States;
 - (2) in service as a volunteer under the Peace Corps Act;
 - (3) in service as a full-time volunteer under Title I of the Domestic Volunteer Service Act of 1973; and
 - (4) a member of the National Health Service Corps;
 - (D) Not in excess of four years when I am a participant in an accredited internship or residency program. Except that this limitation of four years also includes any period of deferral of the onset of the repayment period for participation in an internship or residency program.
 - (E) Not in excess of one year, if I graduated from a school of chiropractic; and
 - (F) Not in excess of three years, when I have completed an accredited internship or residency training program in osteopathic general practice, family medicine, general internal medicine, preventive medicine, or general pediatrics, and am practicing primary care.
 - (G) Not in excess of three years, when I am providing health care services (starting 2/1/1999 or later) to Indians through any health program or facility funded in whole or part by the Indian Health Service for the benefit of Indians (Section 705(a)(2)(C) of the PHS Act).

2. To receive a deferment, including a deferral of the onset of the repayment period (see REPAYMENT), I must, prior to the onset of the activity and annually thereafter, submit to the lender evidence of my status in the deferment activity and evidence that verifies deferment eligibility of the activity. It is my responsibility to provide the lender with all required information or other information regarding the requested deferment.

DEATH/DISABILITY

If I die or am deemed totally and permanently disabled by the Secretary, my unpaid indebtedness on this Note shall be cancelled in accordance with applicable Federal statute and regulations.

FORBEARANCE

I have the right to be granted forbearance whenever I am temporarily unable to make scheduled payments on my HEAL loan and I continue to repay the loan in an amount commensurate with my ability to repay the loan unless the Secretary determines that my default is inevitable and the forbearance will be ineffective in preventing default. A lender must exercise forbearance in accordance with terms that are consistent with the thirty-three year limitation on the length of repayment if the lender and the borrower agree in writing to the new terms. Each forbearance period may not exceed six months and the total period of forbearance (with or without interruption) granted to me must not exceed two years unless an extension is granted by the Secretary. Interest will be added to the principal at the end of each 12 months of continuous forbearance or at the end of 6 months, but not sooner than 12 months from the prior capitalization.

DEFAULT

If I do not make payments when due, my loan may be declared in default. If I default, the Federal Government will take over my loan and I will then owe the Government. The Federal Government will actively pursue me for repayment of the debt, including the use of collection agents and reporting my default to consumer credit reporting agencies or to the Internal Revenue Service for purpose of locating me or for income tax refund offset, and referral to the Department of Justice for litigation. I may be the subject of court action to force me to pay. The Secretary shall also cause to be reduced Federal reimbursements or payments for health services under any Federal law to borrowers who are practicing their professions and have defaulted on their loans, and may make other administrative offsets, including salary offsets for Federal employees. The Government may also report any written off debt to the Internal Revenue Service as taxable income, and may undertake any other debt collection procedures in accordance with the Claims Collection Regulations (45 CFR Part 30).

1. In the event of my default on this loan, the entire unpaid loan including interest due and accrued shall, at the option of the holder of this Note, become immediately due and payable.

2. If I fail to make a scheduled payment, or fail to comply with any other term of this Note, the lender may: (a) refer my loan to a collection agent for further collection efforts; (b) initiate legal proceedings against me; (c) refer my loan to the Secretary for collection assistance; and (d) obtain my address from the Internal Revenue Service, through the Secretary, if the lender has no current address for me.

3. If I fail to make a scheduled payment, or fail to comply with any other term of this Note, any HEAL school or post-graduate training program I have attended may assist in the collection of my loan, including providing information concerning me to the Secretary and to past and present lenders and holders of my HEAL loans.

4. No Federal or State statute, regulation, or administrative limitation shall terminate the period within which suit may be filed, a judgment may be enforced, or an offset, garnishment, or other action may be initiated or taken by the Secretary, the Attorney General, or other administrative head of another Federal agency, for the repayment of the amount due on this Note.

BANKRUPTCY

Under current law, I may not have my loan discharged in bankruptcy during the first seven years of the repayment period, under any chapter of the Bankruptcy Act, including Chapter 13. I may have a HEAL loan discharged in bankruptcy after the first seven years of the repayment period, excluding any periods of forbearance and deferment, only upon a finding by the Bankruptcy Court that the non-discharge of such debt would be unconscionable and upon the condition that the Secretary shall not have waived his or her rights to reduce any Federal reimbursements or Federal payments for health services under any Federal law in amounts up to the balance of the loan. Any changes in the HEAL statute regarding the discharge of a HEAL loan in bankruptcy will apply to this loan.

BORROWER'S RIGHTS

1. The lender (holder) cannot change the terms of my HEAL loan without my consent.

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

3. The holder will advance funds on my behalf to all creditors who currently hold HEAL loans named on this Note. The funds so advanced will be disbursed to the holder of the loans designated in the promissory note to pay off these loans on my behalf. ***I further understand that the amount of this REFINANCED LOAN will equal the sum of the amounts which my creditors verify are the pay-off balances on these loans. This amount may be more or less than the estimated total balance indicated above. If verified total balance on loans to be refinanced exceeds the estimate by \$2,000 or 5 percent, whichever is lower, the holder will issue a new promissory note.*** If the amount the Refinancing lender advances to my holder(s) exceeds the amount needed to pay off my balance(s), I understand that the holder will refund the excess to the consolidating lender for application against the outstanding principal balance of my refinancing loan. If the amount the refinancing lender advances to my holder(s) is less than the amount needed to pay off my balance(s), I agree to either pay off the remaining balance or to take such actions as the refinancing lender deems appropriate to authorize the refinancing lender to include the remaining amount in an addendum to this Note.

4. The lender (holder) will provide me with a repayment schedule before the repayment period begins.

5. If the loan is sold from one lender to another lender, or if the loan is serviced by a party other than the lender, the holder must notify me within 30 days of the transaction and I must be sent a notification which spells out my obligations to the new holder.

6. In accordance with the repayment section of this promissory note, I have a right to a 9-month "grace period" before repayment, which begins after I have completed school

attendance, up to 4 years of internship and residency in an accredited program, or up to 2 years of a fellowship training program or full-time educational activity approved by the Secretary for this purpose, regardless of the date this loan is made.

7. I have a right to deferment of principal and interest repayments if certain conditions exist. Under deferment I am not required to make payments on the loan principal or interest for a period of time. However, interest continues to accrue during any deferment period. To receive a deferment, including a deferral of the onset of the repayment period (See Section 60.11(a) of the HEAL regulations.) I must, prior to the onset of the activity and annually thereafter, submit to the holder of the note evidence of my status in the deferment activity and evidence that verifies deferment eligibility of the activity. It is my responsibility to provide the holder with all required information regarding the requested deferment.

8. I have a right to prepay the whole or any portion of the loan at any time without a penalty.

9. If I contact the holder of my loan at least 30 but not more than 60 days before the commencement of my repayment period to establish the precise terms of repayment, I may select a monthly repayment schedule with substantially equal installments, a monthly repayment schedule with graduated installments that increase in amount over the repayment period, or a monthly repayment schedule with payments that are based on my debt-to-income ratio during the first 5 years of repayment.

10. My loan obligation will be cancelled in the event of my death or permanent and total disability, as deemed by the Secretary, in accordance with applicable Federal statutes and regulations.

11. "Forbearance" means an extension of time for making loan payments or the acceptance of smaller payments than were previously scheduled to prevent me from defaulting on my payment obligations. I have the right to be granted forbearance whenever I am temporarily unable to make scheduled payments of my HEAL loan and I continue to repay the loan in an amount commensurate with my ability to repay the loan unless the Secretary determines that my default is inevitable and the forbearance will be ineffective in preventing default. A lender (holder) must exercise forbearance with terms that are consistent with the 33-year limitation on the length of repayment if the lender (holder) and the borrower agree in writing to the new terms. Each forbearance period may not exceed 6 months and the total period of forbearance (with or without interruption) granted to me must not exceed 2 years unless an extension is granted by the Secretary.

12. The lender (holder) must notify me in writing of the balance owed for principal, interest, and any other charges or fees owed to the lender (holder), at least every 6 months from the time my loan was disbursed to me.

BORROWER'S RESPONSIBILITIES

1. I understand that there is no interest subsidy on a HEAL loan and that I must pay all interest on the loan. If I do not make payments on time or if I default, the total amount to be repaid will be increased by late charges and may be increased by additional interest costs, attorney's fees, court costs and other collection costs.

2. I must immediately notify the lender (holder) in writing if any of the following occurs to me before the loan is repaid in full: a. change of address, b. name change (e.g., maiden name to married name), c. failure to begin any activity eligible for deferment status, or d. cessation of participation in an activity eligible for deferment status.

3. I must notify the lender (holder) of any occurrence which may affect my eligibility to receive or to continue to receive a deferment of principal and interest payments.

4. To receive a deferment, including a deferral of the onset of the repayment period (See Section 60.11(a) of the HEAL regulations.), I must, prior to the onset of the activity and annually thereafter, submit to the holder of the note evidence of my status in the deferment activity and evidence that verifies deferment eligibility of the activity. It is my responsibility to provide the holder with all required information or other information regarding the requested deferment.

5. I understand that this loan must be repaid in accordance with my repayment schedule. If my account becomes overdue by more than 60 days, the lender (holder) must notify an appropriate consumer credit reporting agency of this, which may significantly and adversely affect my credit rating. The lender (holder) must also use collection agents and utilize other collection activities (including litigation) if my account becomes overdue.

6. If I do not make payments when due, my loan may be declared in default. If I default, the Federal Government will take over my loan and I will then owe the Government. The Federal Government will actively pursue me for repayment of the debt, including the use of collection agents and reporting my default to consumer credit reporting agencies or the Internal Revenue Service for purpose of locating me or for income tax refund offset, and referral to the Department of Justice for litigation. I may be the subject of court action to force me to pay. The Secretary shall also cause to be reduced Federal reimbursements or payments for health services under any Federal law to borrowers who are practicing their professions and have defaulted on their loans, and may make other administrative offsets, including salary offsets for Federal employees. The Government may also report any written off debt to the Internal Revenue Service as taxable income, and may undertake any other debt collection procedures in accordance with the Claims Collection Regulations (45 CFR Part 30).

7. Under current law, I do not have the right to have my loan discharged in bankruptcy during the first 7 years of the repayment period. This prohibition against the discharge of a HEAL loan applies to bankruptcy under any chapter of the Bankruptcy Act, including Chapter 13. I may have a HEAL loan discharged in bankruptcy after the first 7 years of the repayment period only, excluding any periods of forbearance and deferment, upon a finding by the Bankruptcy Court that the non-discharge of such debt would be unconscionable and upon the condition that the Secretary shall not have waived his or her rights to reduce any Federal reimbursements or Federal payments for health services under any Federal law in amounts up to the balance of the loan. Any changes in the HEAL statute regarding the discharge of a HEAL loan in bankruptcy will apply to this loan.

ACKNOWLEDGMENT

I acknowledge that I have received, read and understand the provisions of this Note, as set forth on all the pages of this document.

GENERAL

The terms of this Note shall be construed according to the Law (42 U.S.C. 292-292o) and the Federal regulation (42 CFR Part 60) governing the administration of the Federal Health Education Assistance Loan (HEAL) Program, copies of which are on file with the holder of this Note.

I agree that all proceeds from this loan will be used solely to repay existing HEAL loans.

I CERTIFY that the above information is true and correct and I have read and understand my rights and responsibilities regarding the HEAL Loan under this Promissory Note.

PRINT NAME	SOCIAL SECURITY NUMBER
SIGNATURE OF BORROWER	DATE

