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)

 $[52~{\rm FR}~751,\,{\rm Jan.}~8,\,1987,\,{\rm as}~{\rm amended}~{\rm at}~57~{\rm FR}~28799,\,{\rm June}~29,\,1992]$

§ 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 retrievable 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