

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

**Public Health Service  
Health Resources and  
Services Administration  
Rockville MD 20857**

Bureau of Health Professions

**MAY 18 1994**

To: Schools and Lenders/Holders Participating in the  
Health Education Assistance Loan (HEAL) Program

Subject: HEAL-to-HEAL Loan Consolidation -- Announcement  
Lender Policy Memorandum L-94-12  
School Policy Memorandum S-94-11

The Health Professions Education Extension Amendments of 1992, Public Law 102-408, Section 706(e) authorized HEAL-to-HEAL Loan Consolidation. The HEAL Program is announcing that the Iowa Student Loan Liquidity Corporation (ISLLC) has implemented a HEAL-to-HEAL loan consolidation program.

We now have four lenders participating in this program. They are Household Bank, f.s.b., Salt Lake City, Utah; Iowa Student Loan Liquidity Corporation, Des Moines, Iowa; Mellon Bank, N.A., Harrisburg, Pennsylvania; and the Student Loan Marketing Association (Sallie Mae), Merrifield, Virginia.

Iowa Student Loan Liquidity Corp.

ISLLC is currently accepting applications for its HEALhelp loan consolidation program. As with other consolidation lenders, HEALhelp borrowers may consolidate their HEAL loans into one loan with a single monthly payment. The ISLLC's HEALhelp consolidation loan interest rate over-the-life of the loan, is variable and indexed to the average of 91-day U.S. Treasury Bills, for the preceding quarter plus 2.175%. This rate will not be rounded to the next higher one-eighth of 1 percent, saving the borrower more in interest.

ISLLC's HEALhelp program offers four repayment plans. They are an equal payment plan, an interest only plan, an interest plus plan, and an income contingent plan.

Information regarding the ISLLC program can be obtained by writing to HEALhelp, P.O. Box 9285, Des Moines, IA 50309 or by contacting their HEAL Consolidation Department at 1-800-243-7552.

Mellon Bank -- Update

Mellon Bank has lowered its interest rate to 2.45 percent over the average of the 91-day Treasury Bills for the preceding quarter. This new rate will be effective January 1, 1995, the day after the 4.9 percent introductory rate ends. This rate will be offered to all HEALthy Alliance borrowers, including borrowers who have already consolidated.

Information regarding Mellon's program can be obtained by contacting their HEALthy Alliance Consolidation Program at 1-800-421-4817.

Please contact the HEAL Branch at (301) 443-1540 if you have any questions concerning the above information.

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