

## **Department of Health and Human Services**

### **Public Health Service**

Bureau of Health Professions  
Health Resources and Services Administration  
Rockville, MD 20867

September 30, 1994

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

**Subject: Maximum HEAL Interest Rates for the Quarter Ending December 31, 1994**  
**Lender Policy Memorandum L-94-21**  
**School Policy Memorandum S-94-18**

Section 60.13(a) (4) of the HEAL Regulations requires the Secretary of Health and Human Services to announce the maximum quarterly interest rate in effect for HEAL loans.

- For loans made before January 27, 1981, the variable interest rate is 8 1/4 percent.
- For variable rate loans executed on or after January 27, 1981 through October 21, 1985, the interest rate is 8 1/4 percent.
- For fixed rate loans executed during the period October 1, 1994 through December 31, 1994, and for variable rate loans executed on or after October 22, 1985, the interest rate is 7 3/4 percent.

The average bond equivalency rate for 91-day U.S. Treasury Bills during the period July 1, 1994 through September 30, 1994 was 4.63 percent.

We have enclosed HEAL quarterly interest rates since the inception of the program for your information.

If you have any questions regarding the interest or Treasury Bill rates, please do not hesitate to contact Ms. Anna Gatling or Ms. Jennifer Dozier at (301) 443-1540.

Sincerely yours,

Stephen J. Boehlert  
Chief, HEAL Branch  
Division of Student Assistance

Attachments

HEAL Variable Interest Rates  
**HEALTH EDUCATION ASSISTANCE LOAN (HEAL) PROGRAM**  
**Division of Student Assistance**  
October 1, 1994

<b>Rates for Quarter Ending</b>	<b>Loans Made Prior to 1/27/81</b>	<b>Loans Made on or after 1/27/81</b>	<b>Loans Made on or After 10/22/85</b>
December 31, 1978	11 1/8%	N.A.	N.A.
March 31, 1979	12 5/8%	N.A.	N.A.
June 30, 1979	13 1/4%	N.A.	N.A.
September 30, 1979	11%	N.A.	N.A.
December 31, 1979	11 1/8%	N.A.	N.A.
March 31, 1980	12 5/8%	N.A.	N.A.
June 30, 1980	13 1/4%	N.A.	N.A.
September 30, 1980	11%	N.A.	N.A.
December 31, 1980	11 1/8%	N.A.	N.A.
March 31, 1981	12 5/8%	18%	N.A.
June 30, 1981	13 1/4%	18 5/8%	N.A.
September 30, 1981	11%	19 1/4%	N.A.
December 31, 1981	11 1/8%	19 1/2%	N.A.
March 31, 1982	12 5/8%	16%	N.A.
June 30, 1982	13 1/4%	17 1/8%	N.A.
September 30, 1982	11%	16 1/2%	N.A.
December 31, 1982	11 1/8%	13 3/8%	N.A.
March 31, 1983	11 3/4%	11 3/4%	N.A.
June 30, 1983	12%	12%	N.A.
September 30, 1983	12 3/8%	12 3/8%	N.A.
December 31, 1983	11 7/8%	13 1/8%	N.A.
March 31, 1984	11 3/4%	12 3/4%	N.A.
June 30, 1984	12%	13 1/8%	N.A.
September 30, 1984	12 3/8%	13 3/4%	N.A.
December 31, 1984	11 7/8%	14 3/8%	N.A.
March 31, 1985	11 3/4%	12 3/4%	N.A.
June 30, 1985	12%	12%	N.A.
September 30, 1985	11 3/8%	11 3/8%	N.A.
December 31, 1985	10 7/8%	10 7/8%	10 3/8%
March 31, 1986	11%	11%	10 1/2%
June 30, 1986	10 5/8%	10 5/8%	10 1/8%
September 30, 1986	9 7/8%	9 7/8%	9 3/8%
December 31, 1986	9 1/4%	9 1/4%	8 3/4%
March 31, 1987	9 1/8%	9 1/8%	8 5/8%
June 30, 1987	9 1/4%	9 1/4%	8 3/4%
September 30, 1987	9 1/2%	9 1/2%	9%
December 31, 1987	9 7/8%	9 7/8%	9 3/8%

<b>Rates for Quarter Ending</b>	<b>Loans Made Prior to 1/27/81</b>	<b>Loans Made on or after 1/27/81</b>	<b>Loans Made on or After 10/22/85</b>
March 31, 1988	9 3/4 %	9 3/4 %	9 1/4%
June 30, 1988	9 1/2%	9 1/2%	9 %
September 30, 1988	10%	10%	9 1/2%
December 31, 1988	10 3/4%	10 3/4%	10 1/4%
March 31, 1989	11 1/2%	11 1/2%	11%
June 30, 1989	12 3/8%	12 3/8%	11 7/8%
September 30, 1989	12 1/4%	12 1/4%	11 3/4%
December 31, 1989	11 5/8%	11 5/8%	11 1/8%
March 31, 1990	11 1/2%	11 1/2%	11%
June 30, 1990	11 5/8%	11 5/8%	11 1/8 %
September 30, 1990	11 5/8%	11 5/8%	11 1/8%
December 31, 1990	11 1/4%	11 1/4%	10 3/4 %
March 31, 1991	10 3/4%	10 3/4%	10 1/4%
June 30, 1991	9 3/4%	9 3/4%	9 1/4%
September 30, 1991	9 3/8%	9 3/8%	8 7/8%
December 31, 1991	9 1/8%	9 1/8%	8 5/8%
March 31, 1992	8 1/4%	8 1/4%	7 3/4%
June 30, 1992	7 5/8%	7 5/8%	7 1/8%
September 30, 1992	7 3/8%	7 3/8%	6 7/8%
December 31, 1992	6 3/4%	6 3/4%	6 1/4%
March 31, 1993	6 3/4%	6 3/4%	6 1/4%
June 30, 1993	6 5/8%	6 5/8%	6 1/8%
September 30, 1993	6 5/8%	6 5/8%	6 1/8%
December 31, 1993	6 5/8%	6 5/8%	6 1/8%
March 31, 1994	6 3/4%	6 3/4%	6 1/4%
June 30, 1994	6 7/8%	6 7/8%	6 3/8%
September 30, 1994	7 3/4%	7 3/4%	7 1/4%
Decmber 31, 1994	8 1/4%	8 1/4%	7 3/4%

Legislation Amended - 12% annual interest cap repealed – quarterly interest rate on loans made on or after 1/27/81, became a floating rate based on 91-day T-Bill rate plus 3 1/2%

Legislation Amended - Variable interest rate calculation amended - Quarterly interest rate on loans made on or after 10/22/85 is based on loans made on a floating rate of the average 91-day T-Bill rate plus 3%.