

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

**Bureau of Health Professions**

**FEB 9 1995**

**Public Health Service**

Health Resources and  
Services Administration

**Rockville MD 20857**

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

Subject: HEAL-to-HEAL Loan Consolidation -- Announcement  
Lender Policy Memorandum L-95-7  
School Policy Memorandum S-95-7

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 marketing this initiative as HEAL Refinancing. Since our last announcement three additional lenders are offering HEAL Refinancing for a total of eight lenders now participating in the HEAL Refinancing Program. Moreover, some participating lenders have lowered their interest rates and/or compounding terms. Please refer to the enclosure to identify lenders with new and lower rates.

Three New Lenders Enter the HEAL Refinancing Program

The three new lenders in the HEAL Refinancing program are Missouri Higher Education Loan Authority (MoHELA), PNC Bank, N.A., and Star Bank, N.A. (a trustee for Brazos Student Finance Corporation).

The MoHELA refinancing 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 2.2%. This rate will be rounded up to the next higher one-eighth of 1 percent. Interest will be capitalized annually.

The PNC Bank, N.A. refinancing 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 2.1 %. This rate will be rounded up to the next higher one-eighth of 1 percent. Interest will be capitalized once at repayment.

The Star Bank, N.A. refinancing 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 2.125 %. This rate will not be rounded to the next higher one-eighth of 1 percent. Interest will be capitalized annually.

Enclosed is a current list of the lenders participating in the HEAL Refinancing Program, their address and telephone number, and current interest rates. We encourage schools and lenders to provide this list to all eligible borrowers.

Please contact the **HEAL** Branch at (301) 443-1540 if you have any questions regarding the **HEAL** Refinancing Program.

Stephen Boehlert  
Chief, **HEAL** Branch  
Division of Student Assistance

enclosure

# HEAL REFINANCING

<b>Household Bank, f.s.b.</b>	<b>P.O. Box 95562</b> Hoffman Estates, IL 60195 1-800-777-1136	T-Bill + 2.125% over-the-life of the loan, Capitalized at repayment
<b>Iowa Student Loan Liquidity Corporation</b>	HEALhelp P.O. Box 9285 Des Moines, IA 50309-9285 1-800-243-7552	T-Bill + 2.175% over-the-life of the loan Capitalized annually
<b>Mellon Bank, N.A.</b>	HEALthy Alliance - PHEAA P.O. Box 8176 Harrisburg, PA 17105-8176 1-800-421-4817	T-Bill + 2.2% over-the-life of the loan for loans over \$25,000.00  T-Bill + 2.7% over-the-life of the loan for loans up to \$25,000.00 Both rates capitalized annually
<b>Missouri Higher Education Loan Authority (MoHELA)</b>	Big Payoff - PHEAA P.O. Box 8176 Harrisburg, PA 17105-8176 1-800-666-4352	T-Bill + 2.2% over-the-life of the loan Capitalized annually
<b>Pennsylvania Higher Education Assistance Agency (PHEAA)</b>  Note: Available only to current or previous PHEAA HEAL borrowers	Remedi - PHEAA P.O. Box 8176 Harrisburg, PA 17105-8176 1-800-343-1809	T-Bill + 2.0% for years 1 through 12; may rise to T-Bill + 2.5% for years 13 through 25 Capitalized annually
<b>PNC Bank, N.A.</b>	PNC - PHEAA P.O. Box 8176 Harrisburg, PA 17105-8176 1-800-421-4817	T-Bill + 2.1% over-the-life of the loan Capitalized at repayment
<b>Star Bank, N.A.</b> (trustee for Brazos Student Finance Corporation)	Debt Minder - PHEAA P.O. Box 8176 Harrisburg, PA 17105-8176 1-800-722-8189	T-Bill + 2.125% over-the-life of the loan Capitalized annually
<b>Student Loan Marketing Association (Sallie Mae)</b>	HEAL Relief Account P.O. Box 1304 Merrifield, VA 22116-1304 1-800-643-0040	T-Bill + 3.0% over-the-life of the loan Capitalized annually  Note: Interest rate reducing programs are being offered