

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

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

TO:

June 27, 1996

Lenders Participating in the Health Education Assistance Loan (**HEAL**) Program

Subject: New HEAL lender contracts and initial insurance authority allocations for
the period of July 1, 1996 - September 30, 1996
Lender Policy Memorandum L-96-13

On July 1 a new lender contract cycle will begin and extend for 12 months through June 30, 1997. As we pointed out in our March 6, 1996 policy memorandum, two new lenders will join the group of lenders that are currently participating.

Each lender will receive an initial insurance authority allocation July 1, 1996. The total amount of all allocations is the amount of fiscal year (FY) 1996 insurance authority that has not been disbursed (approximately \$40 million) minus a limited amount of reserve held by the Department. To maintain the integrity of the allocation methodology and assure an equitable distribution, allocations are being made by discipline. A lender will receive an initial allocation based on the dollar amount of disbursements it had scheduled for the period July 1 through September 30, 1996 plus the amount of applications in process reported to the Department and the proportion of a discipline's disbursements it made during the prior 9-month contract period. For example if a lender has \$1 million of dental disbursements scheduled and applications in process for the period of July 1 - September 30, 1996 and accounted for 43 percent of all disbursements made to dental students during the prior 9-month period, that lender would receive a \$1 million allocation for dentistry plus 43 percent of the available discipline allocation for dentistry for the period of July 1 - September 30, 1996. New lenders will receive an allocation by discipline to get started. **It is important to remember that initial allocations serve only as a starting point. Lenders that are receiving applications and scheduling disbursements may request additional insurance authority from the Department as needed.** Allocations will be provided if insurance authority is available either by shifting allocations among lenders or by using the Department's reserve of unallocated insurance authority. Attached is a listing of lenders and the disciplines that they will serve.

Stephen J. Boehlert
Associate Division Director, HEAL
Division of Student Assistance

Page 2

Allocations for FY 1997, which begins October 1, 1996 will be based on congressional appropriation action which is currently underway. Absent HEAL reauthorization, our best estimate at this time is that \$140 million will be available for continuing borrowers in FY 1997. We will keep the lending community apprised of insurance authority availability especially through September 30, 1996. We will notify you if and when FY 1996 insurance authority is fully disbursed. **Again, only continuing HEAL borrowers are eligible – disbursements cannot be made to first-time HEAL borrowers.**

Thank you for your support while the HEAL program awaits congressional action on reauthorization. During this uncertain time, it is our goal to provide you with prompt and effective service. Please contact Ms. Terri Ehrenfeld of the HEAL Branch at (301) 443-1540 if you have any questions.

Attachment

HEALTH EDUCATION ASSISTANCE LOAN (HEAL) PROGRAM

FY 1996/1997 PARTICIPATING LENDERS

PRIORITY LENDING			
<u>LENDER</u>	<u>DISCIPLINE</u>	<u>GEOGRAPHIC REGION</u>	
<u>INTEREST RATES AND COMPOUNDING</u>			
Bank One, Indianapolis, N. A. + 1.95%	Allopathy	All	In School = T-Bill
C/O SLMA Loan Servicing Center HEAL Originations 1002 Arthur Drive Lynn Haven, FL 32444 Phone: Bank One 1-800-288-6150	Osteopathy Dentistry Podiatry Chiropractic Veterinary Public Health Clinical Psych Health Admin Optometry Pharmacy	Compounding - None In Deferment = T-Bill + 1.95% Compounding - None In Grace = T-Bill + 1.95% Compounding - At End In Repayment T-Bill + 1.95%	
Chase Manhattan Bank, N.A. + 1.85%	Allopathy	All	In School = T-Bill
c/o Education Finance Ctr., Inc. 5100 Lemon Street, Suite 200 Tampa, FL 33609 Phone: 1-800-228-7605	Osteopathy Dentistry Podiatry Chiropractic Veterinary Public Health Clinical Psych Health Admin Optometry Pharmacy	Compounding - None In Deferment = T-Bill + 1.85% Compounding - None In Grace = T-Bill + 1.85% Compounding - At End In Repayment = T-Bill + 1.85%	
Dartmouth Educational T-Bill + 0.25%	Allopathy	Dartmouth Med. College only	In School =
Loan Corporation North Main Street, McNutt Hall Hanover, NH 03755 Phone: (603) 646-3291	Compounding - At End In Deferment -T-Bill + 0.25% Compounding - At End In Grace = T-Bill + 0.25% Compounding - At End		

In Repayment - T-Bill + 1.25%

Household Bank, f.s.b.
c/o PHEAA Loan Servicing Center
P.O. Box 8176
Harrisburg, PA 17105-8176

Phone: 1-800-233-0542

Osteopathy

Dentistry

Podiatry

Chiropractic

Veterinary

Optometry

Pharmacy

Phone: 1-800-233-0542

All

In School = T-Bill + 1.59%

Compounding - Biennial,

In Deferment = T-Bill + 1.59%

Compounding - Biennial

In Grace = T-Bill + 1.59%

Compounding - At End

In Repayment = T-Bill + 1.59%

PRIORITY LENDING

<u>LENDER</u>	<u>DISCIPLINE</u>	<u>GEOGRAPHIC REGION</u>	<u>INTEREST RATES AND COMPOUNDING</u>
Kirksville College of Ost. Med. SOO West Jefferson Street Kirksville, MO 63501 Phone: 1-800-626-5166 x202S 1-800-428-3376 x2028	Osteopathy osteopathic schools	All students attending Compounding - None In Deferment = T-Bill + 1.90% Compounding - None In Grace = T-Bill + 1.90% Compounding - At End In Repayment = T-Bill + 1.90%	In School = T-Bill + 1.90%
Mellon Bank c/o PHEAA Loan Servicing Center P.O. Box 8176 Harrisburg, PA 17105-8176 Chiropractic Phone: 1-800-369-6941 Public Health Clinical Psych Health Admin Optometry Pharmacy	Allopathy Osteopathy Dentistry Podiatry Veterinary	All In Grace = T-Bill + 1.70% In Repayment = T-Bill + 1.70%	In School = T-Bill + 2.50% Compounding - None In Deferment = T-Bill + 1.70% Compounding - None Compounding - At End
Ohio College of Podiatric Med MEDFUNDS 10515 Carnegie Avenue Cleveland, OH 44106 Phone: 1-800-665-1016	Allopathy Osteopathy Dentistry Podiatry Chiropractic Veterinary Public-Health Clinical Psych Health-Admin Optometry Pharmacy	All Compounding - None In Grace = T-Bill + 1.75% Compounding - At End In Repayment = T-Bill + 1.85%	In School = T-Bill + 1.75% In Deferment = T-Bill + 1.75%

PRIORITY LENDING

<u>LENDER</u> <u>COMPOUNDING</u>	<u>DISCIPLINE</u>	<u>GEOGRAPHIC REGION</u>	<u>INTEREST RATES AND</u>
---	--------------------------	---------------------------------	----------------------------------

Pennsylvania Higher Education
Assistance Agency
P.O. Box 81-76 -
Harrisburg, PA 17105-8176

Phone: 1-800-360-6941

Allopathy
Osteopathy
Dentistry
Podiatry
Veterinary
Public Health
Clinical Psych
Health-Admin
Optometry
Pharmacy

PA residents attending
any school in country
and all students
attending PA schools

In School = T-Bill 1.95%
Compounding - None
In Deferment = T-Bill + 1.95%
Compounding - None
In Grace = T-Bill + 1.95%
Compounding At End
In Repayment =T- Bill + 1.95%

Compounding - At. End
Phone: 1-800-974-5505