

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

**Public Health Service**

Bureau of Health Professions

**Health Resources and  
Services Administration**

**JAN 11 1996**

**Rockville MD 20857**

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

Subject: Maximum HEAL Interest Rates for the Quarter Ending  
March 31, 1996  
Lender Policy Memorandum L-96-4  
School Policy Memorandum S-96-3

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 9 percent.

For variable rate loans executed on or after January 27, 1981 through October 21, 1985, the interest rate is 9 percent.

- For fixed rate loans executed during the period January 1, 1996 through March 31, 1996, and for variable rate loans executed on or after October 22, 1985, the interest rate is 8 1/2 percent.

The average bond equivalency rate for 91-day U.S. Treasury Bills during the period October 1, 1995 through December 31, 1995 was 5.43 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 Lee at (301) 443-1023.

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  
 January 11, 1996

Rates for Quarter      Loans Made   Loans Made   Loans Made  
 Ending      Prior to      On or After      On or After  
             1/27/81      1/27/81      10/22/85\*\*

December 31, 1978	11 1/8%	N.A.	N.A.
<b>March 31, 1979</b>	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.
<b>March 31, 1980</b>	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.
<b>March 31, 1981</b>	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.
<b>March 31, 1982</b>	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.
<b>March 31, 1983</b>	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.
<b>March 31, 1984</b>	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.

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Rates for Quarter Ending	Prior to 1/27/81	Loans Made On or After 1/27/81	Loans Made On or After 10/22/85**	Loans Made On or After
December 31, 1984		11 7/8%	14 3/8%	N.A.
<b>March 31, 1985</b>	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%
<b>March 31, 1986</b>	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%
<b>March 31, 1987</b>	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>March 31, 1988</b>	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%
<b>March 31, 1989</b>	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%
<b>March 31, 1990</b>	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%

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Rates for Quarter Ending	Prior to 1/27/81	Loans Made On or After 1/27/81	Loans Made On or After 10/22/85**	Loans Made On or After	Loans Made
<b>March 31, 1991</b>	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%	
<b>March 31, 1992</b>	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%	
<b>March 31, 1993</b>	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%	
<b>March 31, 1994</b>	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%	
December 31, 1994	8 1/4%	8 1/4%	7	3/4%	
<b>March 31, 1995</b>	9%	9%	8	1/2%	
June 30, 1995	9 1/2%	9 1/2%	9%		
September 30, 1995	9 3/8%	9 3/8%	8	7/8%	
December 31, 1995	9 1/8%	9 1/8%	8	5/8%	

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Rates for Quarter	Loans Made	Loans Made	Loans Made
Ending	Prior to	On or After	On or After
1/27/81	1/27/81	10/22/85**	

**March 31, 1996**    9%    9%    8 1/2%

\*      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%.