

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Health Service

Public

Bureau of Health Professions

12/30/1996

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

Subject: Maximum HEAL Interest Rates for the Quarter Ending  
March 31, 1997.  
Lender Policy Memorandum L-1997-1  
School Policy Memorandum S-1997-2

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 5/8 percent.**

For variable rate loans executed on or after January 27, 1981 through October 21, 1985,  
the interest rate is **8 5/8 percent.**

For fixed rate loans executed during the period January 1, 1997 through March 31, 1997,  
and for variable rate loans executed on or after October 22, 1985, the interest rate is  
**8 1/8 percent.**

The average bond equivalency rate for 91-day U.S. Treasury Bills during the period  
October 1, 1996 through December 31, 1996 was **5.11 percent.**

We have enclosed HEAL quarterly interest rates for the last four quarters. Interest rates since the inception of the program are available upon request.

If you have any questions regarding the interest or Treasury Bill rates, please do not hesitate to contact Ms. Sarah Moore at (301) 443-0603 or Mrs. Anna E. Gatling at (301) 443-1023.

Sincerely Yours,

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Stephen J.

Associate  
Director, **HEAL**  
Division of  
Student Assistance

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

<u>Rates for</u> <u>Made</u> <u>Quarter Ending</u>	<u>Loans Made</u> <u>Prior to</u> <u>01/27/1981</u>	<u>Loans Made</u> <u>On or After</u> <u>01/27/1981*</u>	<u>Loans</u> <u>On or Aft</u>
<u>10/22/1985**</u>			
March 31, 1997	8 5/8%	8 5/8 %	8 1/8%
December 31, 1996	8 7/8%	8 7/8 %	8 3/8%
September 30, 1996	8 3/4%	8 3/4 %	8 1/4%
June 30, 1996	8 5/8%	8 5/8 %	8 1/8 %

\* Legislation Amended - 12 percent annual interest cap repealed - quarterly interest rate on loans made on or after 01/27/1981, became a floating rate based on 91-day T-Bill rate plus 3 1/2 percent.

\*\*Legislation Amended - Variable interest rate calculation amended - quarterly interest rate on loans made on or after 10/22/1985 is based on loans made on a floating rate of the average 91-day T-Bill rate plus 3 percent.