

DEPARTMENT OF HEALTH & HUMAN SERVICES

Bureau of Health Professions

Public Health Service
Health Resources and
Services Administration
Rockville MD 20857
6/30/97.

To: Lenders and Schools Participating in the Health Education Assistance Loan (**HEAL**)
Program
Subject: Maximum **HEAL** Interest Rates for the Quarter Ending September 30, 1997.
Lender Policy Memorandum L- 1997-6
School Policy Memorandum S-1 997-9

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 3/4 percent**

For variable rate loans executed on or before January 27, 1981 through October 21,
1985, the interest rate is **8 3/4 percent**

For fixed rate loans executed during the period July 1, 1997 through September 30,
1997, and for variable rate loans executed on or after October 22, 1985, the interest
rate is **8 1/4 percent**.

The average bond equivalency rate for 91-day U. S. Treasury Bills during the period April 1, 1997
through June 30, 1997 was **5.21 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.

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

Attachment

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

Rates for Quarter Made <u>Ending</u> After	Loans Made Prior to	Loans Made On or After	Loans On or
	<u>1/27/81</u> <u>10/22/85**</u>	<u>1/27/81*</u>	
September 30, 1997 1/4%	8 3/4%	8 3/4%	8
June 30, 1997 1/4%	8 3/4%	8 3/4%	8
March 31, 1997 1/8%	8 5/8%	8 5/8%	8
December 31, 1996 3/8%	8 7/8%	8 7/8%	8

* Legislation Amended -- 12% annual interest cap repealed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%**.