

# 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>INTEREST RATES AND COMPOUNDING</u>	<u>DISCIPLINE</u>	<u>GEOGRAPHIC REGION</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% c/o Education Finance Ctr., Inc. 5100 Lemon Street, Suite 200 Tampa, FL 33609  Phone: 1-800-228-7605	Allopathy  Osteopathy Dentistry Podiatry Chiropractic Veterinary Public Health Clinical Psych Health Admin Optometry Pharmacy	All  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%	In School = T-Bill
Dartmouth Educational T-Bill + 0.25% Loan Corporation North Main Street, McNutt Hall Hanover, NH 03755  Phone: (603) 646-3291	Allopathy  Compounding - At End In Deferment -T-Bill + 0.25% Compounding - At End In Grace = T-Bill + 0.25% Compounding - At End	Dartmouth Med. College only	In School =

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%



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%

<u>LENDER</u>	<u>GEOGRAPHIC REGION</u>	<u>INTEREST RATES AND COMPOUNDING</u>	<u>PRIORITY LENDING DISCIPLINE</u>
PNC Bank, N.A. In School = T-Bill + 1.59%			Allopathy
c/o PHEAA Loan Servicing Center Compounding - Biennial			Osteopathy
P.O. Box 8176 In Deferment = T-Bill + 1.59%			Dentistry
Harrisburg, PA 17105-8176 Compounding - Biennial			Veterinary
		Optometry	In Grace =
T-Bill + 1.59%			
Phone: 1-800-360-6941 (PHEAA) Compounding-At End			Pharmacy
In Repayment = T-Bill + 1.59%			
Star Bank, N.A.(trustee for All In School = T-Bill + 1.59%			Allopathy
Brazos Student Finance Corp.) Compounding - Biennial			Osteopathy
c/o Education Funding Services In Deferment = T-Bill + 1.59%			Dentistry
One Financial Place, Suite 2-2 Compounding - Biennial			Veterinary
297 North Street In Grace = T-Bill + 1.59%			Optometry
Hyannis, MA 02601 Compounding - At End			Pharmacy
In Repayment = T-Bill + 1.59%			
Phone: 1-800-252-2041 (EFS) 1-800-360-6941 (PHEAA)			
Vermont Student Assistance of Vermont only In School = T-Bill + 1.50% - Corporation			Allopathy
Compounding - None			Univ.
Champlain Mill In Deferment = T-Bill + 1.50%			
P.O. Box 2000 Compounding - None			
Winooski, VT 05404-2601 In Grace = T-Bill + 1.50%			

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