

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

**Public Health Service**

**Bureau of Health Professions**

MAR 31 1997

**Health Resources and  
Services Administration  
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 June 30, 1997.  
Lender Policy Memorandum L-1997-4  
School Policy Memorandum S-1997-6

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 interest rate loans executed during the period April 1, 1997 through June 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 January 1, 1997 through March 31, 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.

Sincerely yours,

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

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

rate  
 1/2 %.

\* Legislation Amended – 12% annual interest cap repealed –quarterly interest on loans made on or after 1/27/81, became a floating rate based on 91-day T-Bill plus **3**

amended – quarterly interest

\*\* Legislation Amended – Variable interest rate calculation 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 %.**