



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Bureau of Health Professions

Health Resources and  
Services Administration  
Rockville MD 20857

DEC 30 1997

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

Subject: Maximum HEAL Interest Rates for the Quarter Ending  
March 31, 1998  
Lender Policy Memorandum L-1998-4  
School Policy Memorandum S-1998-3

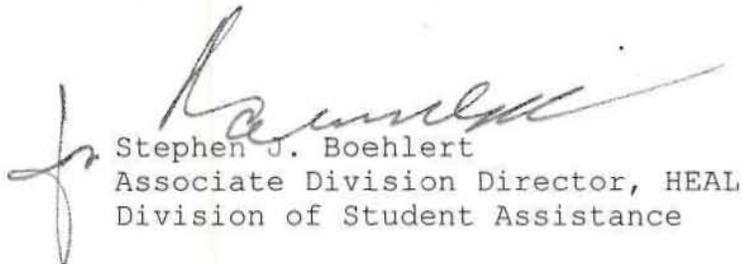
Section 60.13(a)(4) of the HEAL Regulations requires the Secretary of Health and Human Services to announce the maximum quarterly interest rate in effect for HEAL loans.

- For loans made before January 27, 1981, the variable interest rate is **8 3/4 percent**.
- For variable rate loans executed on or after January 27, 1981 through October 21, 1985, the interest rate is **8 3/4 percent**.
- For fixed rate loans executed during the period January 1, 1998 through March 31, 1998 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 October 1, 1997 through December 31, 1997 was **5.24 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 Ms. Anna E. Gatling at (301) 443-1023.

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

Attachment

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

Rates for Quarter Ending	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>
March 31, 1998	8 3/4%	8 3/4%	8 1/4%
December 31, 1997	8 3/4%	8 3/4%	8 1/4%
September 30, 1997	8 3/4%	8 3/4%	8 1/4%
June 30, 1997	8 3/4%	8 3/4%	8 1/4%

\* Legislation Amended -- 12% *annual* interest cap repealed -- quarterly interest rate on loans made on or after 1/27/81, became a floating rate based on 91-day T-Bill rate plus 3 1/2%.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%.