

Department of Health & Human Services
Bureau of Health Professions

Public Health Service
Health Resources and Services
Administration
Rockville, MD 20852

September 26, 2012

TO: Holders and Servicers Participating in the Health Education Assistance Loan (HEAL) Program

FROM: Director, Division of Student Loans and Scholarships

**SUBJECT: Maximum HEAL Interest Rates for the Quarter Ending December 31, 2012
Lender Policy Memorandum L-2012-4**

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 ***3 5/8 percent***.

For variable rate loans executed on or after January 27, 1981 through October 21, 1985, the interest rate is ***3 5/8 percent***.

For variable rate loans executed on or after October 22, 1985, the interest rate is ***3 1/8 percent***.

The average bond equivalency rate for 91-day U.S. Treasury Bills during the period July 1, 2012 through September 30, 2012 was ***.103 percent***.

We have attached the 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 HEAL interest or Treasury Bill rates, please do not hesitate to contact Ms. Carolyn Robinson at (301) 443-3760.

Sarah L. Richards

Attachment

HEAL Variable Interest Rates

HEALTH EDUCATION ASSISTANCE LOAN (HEAL) PROGRAM

Division of Student Loans and Scholarships

<u>Rates for Quarter Ending</u>	<u>Loans Made Prior to 01/27/1981</u>	<u>Loans Made On or After 01/27/1981*</u>	<u>Loans Made On or After 10/22/1985**</u>
December 31, 2012	3 5/8%	3 5/8%	3 1/8%
September 30, 2012	3 5/8 %	3 5/8 %	3 1/8%
June 30, 2012	3 5/8%	3 5/8%	3 1/8 %
March 31, 2012	3 5/8 %	3 5/8 %	3 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*Legislation Amended - 12 percent annual interest cap repealed - quarterly interest rate on loans made on or after 01/27/1981 became a floating rate based on 91 -day T-Bill rate plus 3 1/2 percent.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.