

HEAL Refinancing Assists Chiropractors with Loan Repayment

Editorial Staff

Health Education Assistance Loan (HEAL) refinancing, a federal government initiative, can save eligible chiropractors thousands of dollars in finance charges, assist chiropractors in repaying their HEAL loans in a timely manner, reduce paperwork, and save time.

Available from a variety of lenders nationwide (see accompanying list), HEAL refinancing allows chiropractors with more than one HEAL loan to consolidate their HEAL loans into a single new loan, typically with a lower interest rate, which means lower monthly payments and an extended repayment period. HEAL refinancing helps decrease the burden of repayment for chiropractors who borrowed to earn a chiropractic degree. It's very easy to do, and it's free.

"Since we helped chiropractors finance their education, we want to make sure the loans are repaid on time and in full," said Michael Heningburg, director of the Division of Student Assistance, which administers the HEAL program. "HEAL refinancing offers chiropractors an excellent opportunity to gain control of their educational debt, and when coupled with accelerated payments, it can save the borrower thousands of dollars."

HEAL refinancing has been endorsed by the American Chiropractic Association and the Association of Chiropractic Colleges as a good strategy for chiropractors who want to reduce their monthly obligations, extend their repayment period, or just save money. Chiropractors who borrowed HEAL loans to finance their education should check out the advantages, which include:

- lower interest rates for nearly all who took loans before 1992;
- numerous repayment options, such as graduated and income contingent repayment;
- convenience of one check per month to one lender instead of two, three, or more;
- an extended repayment period, which reduces monthly payments; and
- a new one-year deferment option for most chiropractors.

The HEAL program has also launched a refinancing calculator on the World Wide Web to help borrowers determine the effects refinancing would have on their loan portfolio. Borrowers enter current loan balances and interest rates and the calculator compares payment amounts and length of repayment, based on current loan terms, with payment options offered by each refinancing lender. The calculator can be found at <http://www.hrsa.dhhs.gov/refinance>. Specific questions regarding refinancing can be sent via e-mail to refinance-hrsa.dhhs.gov.

For chiropractors heading toward default, refinancing can mean more than saving money. It can prevent embarrassment and rescue the most cherished asset of the private practitioner -- reputation. In addition to considering HEAL refinancing, chiropractors who are having difficulty

repaying their HEAL loans should contact their loan holder(s) for information regarding other repayment options, including graduated repayment, income contingent repayment, and forbearance.

"We want everyone who can benefit from HEAL refinancing to take advantage of it," says Mr. Heningburg. "It helps the chiropractor, who saves money or gains additional time to repay. It helps the federal government by assisting borrowers in avoiding default."

This information is current as of July 1998 and is subject to change without notice.

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