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TO: Directors of Financial Aid
Public and Private/Independent Institutions of Higher Education

FROM: DeChà Reid
Director, Financial Aid Services

DATE: April 24, 2018

RE: Clarification Regarding CAL Interest Rate Change

A notification was sent out April 20, 2018, announcing that effective **May 14, 2018**, the CAL program will carry a fixed interest rate of 5.30 percent.

In that notification, we indicated that all CAL certification processing should be discontinued until May 14th, thus giving the impression that no CAL certifications would be accepted before then. We apologize for the confusion this may have caused.

Since the interest rate assigned to a CAL is based on the date that the loan is certified by the institution, you may wish to discuss with your applicants whether they would prefer to wait for the lower interest rate. Some applicants may need funds right away, and thus they may need you to certify the application prior to May 14th. Others may be comfortable waiting for you to certify the application on or after May 14th to take advantage of the lower interest rate.

On the HHLoans website, we have provided borrowers with the following guidance:

- "Effective May 14, 2018, the College Access Loan (CAL) will carry a fixed interest rate of 5.30 percent. We recommend submitting your application on or after May 14, 2018, to ensure you receive the lower interest rate."

To recap:

- Applications certified prior to May 14, 2018, will carry an interest rate of 6.60 percent.
- Applications certified on or after May 14, 2018, will carry an interest rate of 5.30 percent.

If you have questions or need further clarification, please contact Financial Aid Services at (844) 792-2640 or [CONTACT US](#). (Select the "Student Loan-School Info Request" option in the drop-down selection under **Contact Reason**.)

cc: Ken Martin, Assistant Commissioner
Charles W. Puls, Deputy Assistant Commissioner
Presidents and Chancellors of Institutions of Higher Education