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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: June 18, 2020

RE: 2020 CAL Interest Rate Change

Effective **July 1, 2020**, the interest rate on all College Access Loans (CAL) will be **4.20%**.

Students may receive CAL funding to cover reasonable expenses only, not to exceed the cost of attendance (COA) ([19 TAC, Section 22.49](#)). When certifying a CAL, institutions are confirming that the amount of the requested loan is \$100 or greater and does not exceed the difference between the student's COA and other forms of financial assistance for which the student is eligible. The other forms of student assistance that must be considered when determining the amount of a CAL eligibility include:

- Free sources of student aid, such as gifts, grants, and scholarships; **and**
- The amount of any federal Direct Stafford loan (including subsidized and unsubsidized) that a student borrower is eligible to receive. (Eligibility for federal PLUS loans should not be considered when determining the amount of a CAL.)

The interest rate assigned to a CAL is based on the date that the institution certifies the loan. Institutions are encouraged to certify CAL applications on or after July 1, 2020 to secure the reduced rate for borrowers. Applications certified prior to July 1, 2020 will retain the current higher interest rate of 5.20%.

We have alerted borrowers of the rate change on the HHLoans website:

"Effective **July 1, 2020**, the College Access Loan (CAL) will carry a fixed interest rate of 4.20%. We recommend submitting your application **on or after July 1, 2020** to ensure that you receive the lower interest rate."

If you have questions about this change, email Financial Aid Services through the online [CONTACT US](#) portal (select "Financial Aid Question" as the Contact Reason).