Interest Rate Reduction
Frequently Asked Questions

Q. I received a communication that my PA Forward interest rate was lowered. Is that because of the coronavirus (COVID-19)?
   A. No. Your interest rate was not reduced due to the coronavirus. The decision to lower our interest rates was made prior to the declaration of a national emergency due to COVID-19. The rate reduction is effective March 19, 2020. PHEAA was able to give you a permanent rate reduction due to rates moving lower from the time we set the rates on the loans to the time we did our bond financing.

   Additionally, our rate reduction is not the result of the recent federal government action on federally held loans. Because it is not connected to federal government actions due to COVID-19, the interest rate reduction on your PA Forward loan will not expire at the end of the national emergency.

   **Note:** Rates for new applications received after May 31, 2020 are subject to change.

Q. Is this rate reduction temporary?
   A. No. This is a permanent rate reduction effective March 19, 2020 for applicable loans.

Q. I recently applied for a PA Forward Student Loan. Do I qualify for this rate reduction?
   A. This PA Forward rate reduction also applies to new applications received between March 19 and May 31, 2020.

Q. Does this rate reduction impact my interest rate rewards?
   A. No. Borrowers are still eligible for the 0.50% Graduation and 0.25% Direct Debit interest rate rewards we offer, which are in addition to this rate reduction.

Q. I have a PA Forward Refinance Loan; will I be getting an interest rate reduction?
   A. No. This rate reduction only applies to PA Forward Undergraduate, Graduate, and Parent Loans.

Q. Do I have to follow up, call, or apply for this interest rate reduction?
   A. No. You do not need to take any action for this reduction to be applied to your loan. PHEAA is providing you written notification that an interest rate reduction has been applied to your eligible loans.

Q. Which loan programs are eligible for the 0.98% interest rate reduction?
   A. Only the PA Forward Undergraduate, Graduate and Parent Loans are eligible for the reduction.

Q. What about future PA Forward loans I may apply for?
   A. Currently, the interest rate reduction is applied to all existing PA Forward Undergraduate, Graduate and Parent Loans as well as new applications received on or after March 19, 2020 for these programs.

   **Note:** Rates for new applications received after May 31, 2020 are subject to change.

* Borrowers of Undergraduate and Graduate loans only.