

# The Connecticut General Assembly



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## REP. LESSER & ADVOCATES APPLAUD HISTORIC STUDENT LOAN RATE CUT

*CHESLA to Offer 4.95% Fixed Interest Rate for New Student Loans*

Rep. Lesser is applauding a recent announcement by the Connecticut Higher Education Supplemental Loan Authority (CHESLA) that it will offer a fixed interest rate of 4.95% for new student loans, down from its current rate of 6.75%. This rate is also significantly lower than the upcoming Federal PLUS loan rate, which will be 6.84%, and is the lowest rate CHESLA has ever offered. CHESLA will also be increasing the maximum allowed debt-to-income ratio from 40% to 43%.

"CHESLA's decision is a huge deal and hard to overstate. We've been looking for strong action to make college more affordable. This move by CHESLA will open doors to Connecticut residents struggling to pay for college. More work will need to be done to ensure that CHESLA has the resources and capital to meet the demand. I pledge to continue to work to ensure that we meet our obligation to make affordable financing available for Connecticut students and parents," said **State Representative Matthew Lesser** (D-Middletown), House Chair of the Banking Committee.

These money-saving changes come just days after the legislative passage of House Bill 6907, which asked CHESLA to develop a plan to lower student loan interest rates and increase the maximum allowable debt-to-income ratio.

"This new student rate loan of 4.95%, a significant cut of nearly 2%, announced by CHESLA which will benefit so many students and their parents could not have come at a better time when good news is at a premium," **Rep. Roberta Willis** (D-64th District) said. "As House Chair of the Higher Education and Employment Advancement Committee, I welcomed the opportunity to introduce legislation calling upon CHESLA to develop a plan to lower interest rates, but this rate cut coming so quickly is a stunning development and my thanks to everyone who worked together to make it happen so soon."

"CHESLA's announcement of a significantly lower fixed interest rate is a huge triumph in our campaign to make college more affordable for students," said **Majority Leader Joe Aresimowicz** (D-Berlin/Southington). "While this lowered rate is a great step in lessening the burden of student debt, we will continue our efforts to further reduce that burden for Connecticut students and their families."

**Jeanette W. Weldon, Executive Director of CHESLA**, said, "We're grateful for the support of the Governor, the State Treasurer and our legislative partners who helped build on our efforts to make higher education in Connecticut more accessible. We are very pleased to be offering this historically low loan rate for the upcoming academic year and we will continue to develop innovative programs for the benefit of Connecticut students."