

## HLS PREFERRED LENDER SELECTION PROCESS

2025-2026

### Summary

For the academic year 2025-2026 Harvard Law School (HLS) sought to obtain attractive private student loan options for students, with a priority being competitive interest rates. To that end HLS posted a request for information (RFI) to the Massachusetts Association of Student Financial Aid Administrators (MASFAA) listserv and distributed the RFI to lending institutions who expressed interest in reviewing our request. Terms requested in the HLS RFI included:

- Low interest rate (targeting 2% below the Federal Graduate PLUS rate)
- No credit scoring (i.e., interest rate should not vary based on credit score)
- Loan terms and conditions as close as possible to the Federal loans
- 10-year repayment term
- Available to international students with no cosigner required

The RFI indicated that, in order to achieve reduced rates for HLS students, HLS would consider risk share agreements.

A committee formed to evaluate responses to the RFI. The committee consisted of members of HLS and University administration (members listed in Appendix 1.)

Following the issuance of the RFI, nine submissions from lenders were received (listed in Appendix 2.)

### Evaluation of Lender Responses

In evaluating the responses that addressed the RFI's basic parameters, HLS sought to identify offers that met the RFI criteria, and that minimize interest rates and fees for HLS students, without creating unrealistic financial exposure for HLS. The following proposals were deemed by the committee to be better than the others:

- Domestic students
  - Harvard FCU offered to lend to domestic HLS students at a fixed, preliminary rate of the ten-year treasury bill +3.5%, indicating that their final rate proposal would be based on the results of the May 2025 Federal Treasury auction. After the auction, Harvard FCU then submitted a final rate of 7.75% for domestic students. This was the second lowest rate offered to domestic students among those not tied to credit.
  - CASL offered to lend to domestic HLS students at a fixed interest rate with no fees. At the time of the RFI, CASL submitted a preliminary rate of the ten-year treasury bill +3.0%, also based on the results of the May 2025 Federal Treasury auction. After the auction, CASL submitted a final rate of 7.34% for domestic students, which, with the autopay discount, would lead to an up-front rate of 7.02% APR. This was the lowest interest rate not tied to credit score.
- International Students
  - Harvard FCU offered to lend to international HLS students without U.S. cosigners at a fixed interest rate equal to 7.75%, the second lowest rate offered to international students not tied to credit. This was the rate determined after the May 2025 Federal Treasury auction.
  - CASL offered to lend to international HLS students without U.S. cosigners at a fixed interest rate equal to 7.34% with no fees, the lowest rate offered to international students not tied to credit. This was the rate determined after the May 2025 Federal Treasury auction, and is further reduced by the autopay discount to an up-front rate of 7.02% APR.

In evaluating lender responses, the Committee also reviewed the other terms and conditions offered by lenders. These included: eligibility, fees, days to default, loan size limit, borrower benefits, term for repayment, deferral and forbearance, servicing standards, and death & disability cancellation. The Committee judged that, with respect to these criteria, the offerings by CASL and Harvard FCU (the two lenders that the Committee viewed most favorably in terms of interest rates with no credit scoring and risk share structure,) were broadly similar to each other.

## **Conclusion**

Appreciating that certain lenders may offer lower rates for domestic students with favorable credit scores, the committee decided to link to the webpage containing the lenders from Harvard University's separate, neutral lender list, so that particularly creditworthy students can take advantage of these rates.

However, based on all of the criteria discussed above, the committee selected **CASL** and **Harvard FCU**, both for domestic and international students, as its Preferred Lenders for the 2025-2026 academic year. University senior management reviewed the committee's selection.

## **Appendix 1 – Selection committee members**

- Natasha Onken – Assistant Dean for Student Financial Services, Harvard Law School
- Henry Rea – Associate Director for Program Development and External Relations, Harvard Law School
- Eric Sacca – University Bursar & Director of Student Financial Services, Harvard University
- Sarah Trautz – Director of Admissions and Financial Aid, Graduate Program, Harvard Law School

## **Appendix 2 – List of lending institutions that replied to the Harvard Law School Request for Information**

- Ascent Funding
- College Ave Student Loans (CASL)
- Harvard Federal Credit Union (Harvard FCU)
- Kentucky Higher Education Student Loan Corporation (KHESLC)
- Massachusetts Educational Finance Authority (MEFA)
- MPower Financing
- PNC Bank
- Sallie Mae
- Vermont Student Assistance Corporation (VSAC)