

Date: [Insert Date]

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

Subject: Notification of Interest Rate Change - Loan Account #[Insert Loan Number]

Dear [Borrower Name],

This letter is to formally notify you of a change to the interest rate applied to your educational loan. As per the terms of your loan agreement, interest rates are subject to periodic adjustments based on market fluctuations and index changes.

New Loan Details:

- **Previous Interest Rate:** [Insert Old Rate]%
- **New Interest Rate:** [Insert New Rate]%
- **Effective Date:** [Insert Effective Date]
- **New Monthly Payment Amount:** [Insert Amount]

The new monthly payment will be reflected in your next billing statement starting on [Insert Billing Date]. If you are currently enrolled in automatic payments, the system will update automatically to reflect the new amount.

If you have any questions regarding how this rate was calculated or wish to discuss repayment options, please contact our customer service department at [Insert Phone Number] or visit our website at [Insert Website].

Thank you for your continued partnership in financing your education.

Sincerely,

[Sender Name/Department]

[Financial Institution Name]

[Contact Information]