



August 31, 2016

Topic: Actuarial Rate change to 3.0% on new loans starting Fall 2016

In view of the persistent low interest rate environment, the MFA has revised its **actuarial rate to 3.0%** commencing with the **fall 2016 loan issue**.

This change will only impact new loans entered into in the fall of 2016 and beyond. Existing loans (loans entered into prior to fall 2016) will remain at their current actuarial rate until further notice.

If changes to existing loans also become necessary, these will be applied prospectively on an individual issue basis. Details of issues under actuarial review will be disclosed on the "Status of Loan" report.

Sample amortization schedules reflecting the new 3.0% rate and the Status of Loans report can be found on the resources page on the website: <http://mfa.bc.ca/resources/tools>.

Note: The first principal payment to be affected by the new rate will occur in 2017.