

**CHART 4—DIRECT CONSOLIDATION LOANS MADE BASED ON APPLICATIONS RECEIVED ON OR AFTER 02/01/1999—
Continued**

Application received	Interest rate (%)	Maximum interest rate (%)
On/after 02/01/1999 and before 07/01/2013.	(same as above)	8.25%

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Program Authority: 20 U.S.C. 1087, *et seq.*

Mark A. Brown,
Chief Operating Officer, Federal Student Aid.
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DEPARTMENT OF EDUCATION

Annual Notice of Interest Rates for Variable-Rate Federal Student Loans Made Under the William D. Ford Federal Direct Loan Program

AGENCY: Federal Student Aid, Department of Education.

ACTION: Notice.

Catalog of Federal Domestic Assistance (CFDA) Number: 84.268.

SUMMARY: The Chief Operating Officer for Federal Student Aid announces the interest rates for Federal Direct Stafford/Ford Loans (Direct Subsidized Loans), Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans), and Federal Direct PLUS Loans (Direct PLUS Loan) with first disbursement dates before July 1, 2006, and for Federal Direct Consolidation Loans (Direct Consolidation Loans) for

which the application was received before February 1, 1999. The rates announced in this notice are in effect for the period July 1, 2020, through June 30, 2021.

FOR FURTHER INFORMATION CONTACT:

Travis Sturlaugson, U.S. Department of Education, 830 First Street NE, 11th Floor, Washington, DC 20202.
Telephone: (202) 377-4174. Email: travis.sturlaugson@ed.gov.

If you use a telecommunications device for the deaf (TDD) or a text telephone (TTY), call the Federal Relay Service (FRS), toll free, at 1-800-877-8339.

SUPPLEMENTARY INFORMATION: Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans, and Direct Consolidation Loans (collectively referred to as “Direct Loans”) may have either fixed or variable interest rates, depending on when the loan was first disbursed or, in the case of a Direct Consolidation Loan, when the application for the loan was received. Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans first disbursed before July 1, 2006, and Direct Consolidation Loans for which the application was received before February 1, 1999, have variable interest rates. For these loans, a new rate is determined annually and is in effect during the period from July 1 of one year through June 30 of the following year.

Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans first disbursed on or after July 1, 2006, and Direct Consolidation Loans for which the application was received on or after February 1, 1999, have fixed interest rates that apply for the life of the loan.

This notice announces the interest rates for variable-rate Direct Loans that will apply during the period from July 1, 2020, through June 30, 2021. Interest rate information for fixed-rate Direct Loans is announced in a separate notice published in the **Federal Register**.

Interest rates for variable-rate Direct Loans are determined in accordance with formulas specified in section 455(b) of the Higher Education Act of 1965, as amended (HEA) (20 U.S.C. 1087e(b)). The formulas vary depending

on loan type and when the loan was first disbursed or, for certain Direct Consolidation Loans, when the application for the loan was received. The HEA specifies a maximum interest rate for these loan types. If the interest rate formula results in a rate that exceeds the statutory maximum rate, the rate is the statutory maximum rate.

Variable-Rate Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans

For Direct Subsidized Loans and Direct Unsubsidized Loans with first disbursement dates before July 1, 2006, and for Direct PLUS Loans with first disbursement dates on or after July 1, 1998, and before July 1, 2006, the interest rate is equal to the lesser of—

- (1) The bond equivalent rate of 91-day Treasury bills auctioned at the final auction held before the June 1 immediately preceding the 12-month period to which the interest rate applies, plus a statutory add-on percentage; or
- (2) 8.25 percent (for Direct Subsidized Loans and Direct Unsubsidized Loans) or 9.00 percent (for Direct PLUS Loans).

For Direct Subsidized Loans and Direct Unsubsidized Loans with first disbursement dates on or after July 1, 1995, and before July 1, 2006, the statutory add-on percentage varies depending on whether the loan is in an in-school, grace, or deferment status, or in any other status. For all other loans, the statutory add-on percentage is the same during any status.

The bond equivalent rate of 91-day Treasury bills auctioned on May 26, 2020, is 0.132 percent, rounded to 0.13 percent.

For Direct PLUS Loans with first disbursement dates before July 1, 1998, the interest rate is equal to the lesser of—

- (1) The weekly average 1-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, for the last calendar week ending on or before the June 26 preceding the 12-month period to which the interest rate applies, plus a statutory add-on percentage; or
- (2) 9.00 percent.

The weekly average of the one-year constant maturity Treasury yield, as published by the Board of Governors of

the Federal Reserve System, for the last calendar week ending on or before June 26, 2020, is 0.17 percent.

Variable-Rate Direct Consolidation Loans

A Direct Consolidation Loan may have up to three components, depending on the types of loans that were repaid by the consolidation loan and when the application for the consolidation loan was received. The three components are called Direct Subsidized Consolidation Loans, Direct

Unsubsidized Consolidation Loans, and (only for Direct Consolidation Loans made based on applications received before July 1, 2006) Direct PLUS Consolidation Loans. In most cases the interest rates for variable-rate Direct Subsidized Consolidation Loans, Direct Unsubsidized Consolidation Loans, and Direct PLUS Consolidation Loans are determined in accordance with the same formulas that apply to Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans, respectively.

Interest Rate Charts

Charts 1 and 2 show the interest rate formulas used to determine the interest rates for all variable-rate Direct Loans and the rates that are in effect during the 12-month period from July 1, 2020, through June 30, 2021.

Chart 1 shows the interest rates for loans with rates based on the 91-day Treasury bill rate. Chart 2 shows the interest rates for loans with rates based on the weekly average of the one-year constant maturity Treasury yield.

CHART 1—DIRECT SUBSIDIZED LOANS, DIRECT UNSUBSIDIZED LOANS, DIRECT SUBSIDIZED CONSOLIDATION LOANS, DIRECT UNSUBSIDIZED CONSOLIDATION LOANS, DIRECT PLUS LOANS, AND DIRECT PLUS CONSOLIDATION LOANS

[Interest rates based on 91-day Treasury bill]

Loan type	Cohort	91-day T-bill rate 05/26/20 (%)	Add-on (%)		Maximum rate (%)	Interest rate 07/01/20 through 06/ 30/21 (%)	
Subsidized, Un- subsidized.	First disbursed on/after 07/ 01/98 and be- fore 07/01/06.	0.13	1.70 (in-school, grace, deferment).	2.30 (any other status).	8.25	1.83 (in-school, grace, deferment).	2.43 (any other status)
Subsidized Con- solidation, Un- subsidized Consolidation.	First disbursed on/after 07/ 01/98 and be- fore 10/01/98; or Application received be- fore 10/01/98 and first dis- bursed on/ after 10/01/98.	.....	.....	.....	.....	.....	.....
PLUS	First disbursed on/after 07/ 01/98 and be- fore 07/01/06.	0.13	3.10		9.00	3.23	
PLUS Consolida- tion.	First disbursed on/after 07/ 01/1998 and before 10/01/ 1998; or Ap- plication re- ceived before 10/01/98 and first disbursed on/after 10/ 01/98.	.....	.....	.....	.....	.....	.....
Subsidized, Un- subsidized, Subsidized Consolidation, Unsubsidized Consolidation.	First disbursed on/after 07/ 01/95 and be- fore 07/01/98.	0.13	2.50 (in-school, grace, deferment).	3.10 (any other status).	8.25	2.63 (in-school, grace, deferment).	3.23 (any other status)
Subsidized, Un- subsidized, Subsidized Consolidation, Unsubsidized Consolidation.	First disbursed before 07/01/ 95.	0.13	.10		8.25	3.23	
Subsidized Con- solidation, Un- subsidized Consolidation, PLUS Consoli- dation.	Application re- ceived on/ after 10/01/98 and before 02/01/99.	0.13	2.30		8.25	2.43	

CHART 2—DIRECT PLUS LOANS AND DIRECT PLUS CONSOLIDATION LOANS

[Interest rates based on weekly average of one-year constant maturity treasury yield]

Loan type	Cohort	Weekly average of 1-year constant maturity Treasury yield for last calendar week ending on or before 06/26/20 (%)	Add-on (%)	Maximum rate (%)	Interest rate 07/01/20 through 06/30/21 (%)
PLUS, PLUS Consolidation	First disbursed before 07/01/98	0.17	3.10	9.00	3.27

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Program Authority: 20 U.S.C. 1087 *et seq.*

Mark A. Brown,

Chief Operating Officer, Federal Student Aid.

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DEPARTMENT OF EDUCATION

Annual Notice of Interest Rates for Variable-Rate Federal Student Loans Made Under the Federal Family Education Loan Program Prior to July 1, 2010

AGENCY: Federal Student Aid, Department of Education.

ACTION: Notice.

Catalog of Federal Domestic Assistance (CFDA) Number: 84.032.

SUMMARY: The Chief Operating Officer for Federal Student Aid announces the

interest rates for loans made under the Federal Family Education Loan (FFEL) Program that have variable interest rates. The rates announced in this notice are in effect for the period July 1, 2020, through June 30, 2021.

FOR FURTHER INFORMATION CONTACT:

Travis Sturlaugson, U.S. Department of Education, 830 First Street NE, 11th Floor, Washington, DC 20202. Telephone: (202) 377-4174. Email: travis.sturlaugson@ed.gov.

If you use a telecommunications device for the deaf (TDD) or a text telephone (TTY), call the Federal Relay Service (FRS), toll free, at 1-800-877-8339.

SUPPLEMENTARY INFORMATION: Section 427A of the Higher Education Act of 1965, as amended (HEA) (20 U.S.C. 1077a), provides formulas for determining the interest rates charged to borrowers on loans made under the FFEL Program, including Federal Subsidized and Unsubsidized Stafford Loans (Stafford Loans), Federal PLUS Loans (PLUS Loans), Federal Consolidation Loans (Consolidation Loans), and Federal Supplemental Loans for Students (SLS Loans). No new loans have been made under the FFEL Program since June 30, 2010.

The FFEL Program includes loans with variable interest rates that change each year and loans with fixed interest rates that remain the same for the life of the loan. For loans with a variable interest rate, the specific interest rate formula that applies to a particular loan depends on the date of the first disbursement of the loan or, in the case of a Consolidation Loan, the date the application for the loan was received. If a loan has a variable interest rate, a new rate is determined annually and is in effect during the period from July 1 of one year through June 30 of the following year.

This notice announces the interest rates for variable-rate FFEL Program loans that will be in effect during the period from July 1, 2020, through June 30, 2021. Interest rates for fixed-rate

FFEL Program loans may be found in a **Federal Register** notice published on September 15, 2015 (80 FR 55342).

For the majority of variable-rate FFEL Program loans, the annual interest rate is equal to the lesser of—

(1) The bond equivalent rate of the 91-day Treasury bills auctioned at the final auction held before June 1 of each year, plus a statutory add-on percentage; or

(2) A statutorily established maximum interest rate.

The bond equivalent rate of the 91-day Treasury bills auctioned on May 26, 2020, is 0.132 percent, rounded to 0.13 percent.

For PLUS Loans first disbursed before July 1, 1998, and for all SLS Loans, the annual interest rate is equal to the lesser of—

(1) The weekly average of the one-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, for the last calendar week ending on or before June 26 of each year, plus a statutory add-on percentage; or

(2) A statutorily established maximum interest rate.

The weekly average of the one-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, for the last calendar week ending on or before June 26, 2020, is 0.17 percent.

For Consolidation Loans that have a variable interest rate, the annual interest rate for the portion of a Consolidation Loan that repaid loans other than loans made under the Health Education Assistance Loans (HEAL) Program is equal to—

(1) The bond equivalent rate of the 91-day Treasury bill auctioned at the final auction held before June 1 of each year, plus a statutory add-on percentage; or

(2) A statutorily established maximum interest rate.

If a Consolidation Loan (whether a variable-rate loan or a fixed-rate loan) repaid loans made under the HEAL Program, the interest rate on the portion of the Consolidation Loan that repaid