

Direct Loan Frequently Asked Questions

What are the interest rates?

For current interest rates visit www.studentaid.ed.gov/types/loans/interest-rates .

What loan fees are charged under Direct Lending?

1% for Direct Subsidized Loans and Direct Unsubsidized Loans

4% for Direct PLUS Loans

What repayment options are offered with Direct Lending?

- Standard Repayment Plan - Fixed monthly payments for up to 10 years
- Graduated Repayment Plan - Payments start lower, and then gradually increase, usually every two years for 10 years.
- Extended Repayment Plan - Fixed or graduated monthly payments for up to 25 years.
- Income Based - Maximum monthly payments will be 15 percent of discretionary income, which is the difference between your adjusted gross income and 150 percent of the poverty guideline for your family size and state of residence (other conditions may apply) for up to 25 years.
- Pay as you earn - Maximum monthly payments will be 10 percent of discretionary income, which is the difference between your adjusted gross income and 150 percent of the poverty guideline for your family size and state of residence (other conditions may apply) for up to 20 years.
- Income Contingent Repayment Plan - Payments are calculated each year and are based on your adjusted gross income, family size, and the total amount of your Direct Loans for up to 25 years.
- Income sensitive repayment plan – Monthly payments are based on annual income; payments change as income changes for up to 10 years.

Can I consolidate my Direct Loans and FFELP loans?

Yes, for more information on consolidating student loans visit the Federal Direct Consolidation Loans Information Center at <http://loanconsolidation.ed.gov/>.

What are the loan limits?

The annual and lifetime limits are:

Class	Stafford Loan Limits based on class standing		
	Subsidized/Unsubsidized Amount Combination	Additional Dependent Student	Unsubsidized /Independent Student
Freshman	\$3,500	\$2,000	\$ 6,000
Sophomore	\$4,500	\$2,000	\$ 6,000
Junior	\$5,500	\$2,000	\$ 7,000
Senior	\$5,500	\$2,000	\$ 7,000
Teacher Certification	\$5,500	N/A	\$ 7,000
Graduate (Unsub. only)	\$8,500	N/A	\$12,000

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What are the Federal Loan Aggregates?

Undergraduate Dependent Students: \$31,500 (no more than \$23,000 of which can be subsidized)

Undergraduate Independent Students: \$57,500 (no more than \$23,000 of which can be subsidized)

Graduate and Professional Students: \$138,500 (effective July 1, 2012 graduate/professional students are no longer eligible for subsidized funds)

Where can I get more information on Direct Lending?

<http://www.ed.gov/offices/OSFAP/DirectLoan/index.html>

www.studentaid.ed.gov