

# GET THE FACTS: FEDERAL DIRECT LOANS

**FEDERAL DIRECT LOANS** are guaranteed to students who have completed a FAFSA Application and meet other eligibility criteria. Students must be enrolled in a degree-seeking program and registered at least half-time in courses that count toward their [Course Program of Study \(CPOS\)](#) each semester they wish to receive loans. Learn more about the two different types of federal direct student loans offered.

*Interest rates noted below are estimated at this time. Actual interest rates for 2024-2025 are scheduled to be announced in May.*

LOAN TYPE	INTEREST RATE	ORIGINATION FEE	IMPORTANT LOAN DETAILS
Direct Subsidized	Fixed Rate 2024-2025 TBD (2023-2024 = 5.5%)	1.057%	<ul style="list-style-type: none"> <li>Awarded based on financial need as determined by the FAFSA.</li> <li>Available to undergraduate and eligible post-baccalaureate certification students.</li> <li>Interest-free while the enrolled at least 6 credits per semester and other specified deferment periods.</li> </ul>
Direct Unsubsidized	Fixed Rate TBD (2023-2024 = 5.5%) <i>Undergraduate/Post-Bacc Certification Students</i>  Fixed Rate TBD (2023-2024 = 7.05%) <i>Graduate/Doctoral Students</i>	1.057%	<ul style="list-style-type: none"> <li>Awarded based on financial need as determined by the FAFSA.</li> <li>Available to undergraduate, graduate, and doctoral students.</li> <li>Students can choose to make interest payments while in school or defer them even up to 6 months after they graduate.</li> </ul>

The **Interest Rate** is the proportion of a loan that is charged as interest to the borrower, typically expressed as an annual percentage of the loan outstanding. The interest rates above are estimates for loans disbursed between July 1, 2024 – June 30, 2025 only. *Interest rates are subject to change each year as of July 1.*

Both loan types charge an **Origination Fee**, which is charged by the federal government to cover their cost of processing the loans. *Origination fees are subject to change October 1 of each year and only applicable to undisbursed loans.*

**Repayment** is deferred while the student is enrolled at least half-time in courses that count toward their program of study. *Repayment begins 6 months after the student leaves school or ceases to be enrolled in at least half-time as defined by their program.*

## ANNUAL LOAN LIMITS FOR SUBSIDIZED AND UNSUBSIDIZED FEDERAL DIRECT LOANS

The type of loan and the amount that a student will be offered is based on individual eligibility. This includes factors such as your degree type, grade level (total credits earned), as well as your dependency status and financial need determined by the FAFSA. Refer to the chart below for more on annual loan amounts and your potential eligibility.

Annual Loan Limits by Grade Level / Credits Earned	Dependent Undergraduate <i>or</i> Post-Baccalaureate Certification Students	Dependent Undergraduate Students ( <i>Only</i> ) with a Parent PLUS Loan Denial *	Independent Undergraduate <i>or</i> Post-Baccalaureate Certification Students	Graduate, Doctoral Degree Students
First-Year 0 - 29.9 credits	<b>\$5,500</b> Up to \$3,500 may be subsidized depending on need	<b>\$9,500</b> Up to \$3,500 may be subsidized depending on need	<b>\$9,500</b> Up to \$3,500 may be subsidized depending on need	<b>\$20,500</b> Unsubsidized Loans Only
Second-Year 30-59.9 credits	<b>\$6,500</b> Up to \$4,500 may be subsidized depending on need	<b>\$10,500</b> Up to \$4,500 may be subsidized depending on need	<b>\$10,500</b> Up to \$4,500 may be subsidized depending on need	<b>\$20,500</b> Unsubsidized Loans Only
Third-Year & Beyond 60 + credits	<b>\$7,500</b> Up to \$5,500 may be subsidized depending on need	<b>\$12,500</b> Up to \$5,500 may be subsidized depending on need	<b>\$12,500</b> Up to \$5,500 may be subsidized depending on need	<b>\$20,500</b> Unsubsidized Loans Only

## AGGREGATE FEDERAL DIRECT LOAN LIMITS

An aggregate loan limit refers to the maximum amount of money a student can borrow throughout their education. The aggregate limits for federal student loans are based on the student's degree program and whether they are considered dependent or independent.

Aggregate Total Lifetime Loan Limits	Dependent Undergraduate <i>or</i> Post-Baccalaureate Certification Students	Dependent Undergraduate Students ( <i>Only</i> ) with a Parent PLUS Loan Denial *	Independent Undergraduate <i>or</i> Post-Baccalaureate Certification Students	Graduate, Doctoral Degree Students
First-Year 0 - 29.9 credits	<b>\$31,000</b> Up to \$23,000 may be subsidized depending on need	<b>\$57,500</b> Up to \$3,500 may be subsidized depending on need	<b>\$57,500</b> Up to \$3,500 may be subsidized depending on need	<b>\$138,500</b> Unsubsidized Loans Only