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*Program Authority: 20 U.S.C. 1071 et seq.*

**Richard Cordray,**

*Chief Operating Officer, Federal Student Aid.*

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**BILLING CODE 4000-01-P**

## DEPARTMENT OF EDUCATION

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

**AGENCY:** Federal Student Aid, Department of Education.

**ACTION:** Notice.

**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 Loans) made under the William D. Ford Federal Direct Loan (Direct Loan) Program, Assistance Listing Number 84.268, with first disbursement dates on or after July 1, 2021, and before July 1, 2022.

**FOR FURTHER INFORMATION CONTACT:** Travis Sturlaugson, U.S. Department of Education, 830 First Street NE, 11th Floor, Washington, DC 20202. Telephone: (202) 377-4174 or by email: [travis.sturlaugson@ed.gov](mailto: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 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. 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 that are determined annually and are in effect during the period from July 1 of one year through June 30 of the following year.

This notice announces the fixed interest rates for Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans with first disbursement dates on or after July 1, 2021, and before July 1, 2022, and provides interest rate information for other fixed-rate Direct Loans. Interest rate information for variable-rate Direct

Loans is announced in a separate **Federal Register** notice.

### Fixed-Rate Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans First Disbursed on or After July 1, 2013

Section 455(b) of the Higher Education Act of 1965, as amended (HEA) (20 U.S.C. 1087e(b)) includes formulas for determining the interest rates for all Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans first disbursed on or after July 1, 2013. The interest rate for these loans is a fixed rate that is determined annually for all loans first disbursed during any 12-month period beginning on July 1 and ending on June 30. The rate is equal to the high yield of the 10-year Treasury notes auctioned at the final auction held before June 1 of that 12-month period, plus a statutory add-on percentage that varies depending on the loan type and, for Direct Unsubsidized Loans, whether the loan was made to an undergraduate or graduate student. The calculated interest rate may not exceed a maximum rate specified in the HEA. If the interest rate formula results in a rate that exceeds the statutory maximum rate, the rate is the statutory maximum rate. Loans first disbursed during different 12-month periods that begin on July 1 and end on June 30 may have different interest rates, but the rate determined for any loan is a fixed interest rate for the life of the loan.

On May 12, 2021, the United States Treasury Department held a 10-year Treasury note auction that resulted in a high yield of 1.684 percent.

Chart 1 shows the fixed interest rates for Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans first disbursed on or after July 1, 2021, and before July 1, 2022.

**CHART 1—DIRECT SUBSIDIZED LOANS, DIRECT UNSUBSIDIZED LOANS, AND DIRECT PLUS LOANS FIRST DISBURSED ON OR AFTER 07/01/2021 AND BEFORE 07/01/2022**

Loan type	Borrower type	10-year treasury note high yield 05/12/2021 (%)	Add-on (%)	Maximum rate (%)	Fixed interest rate (%)
Direct Subsidized Loans ....	Undergraduate students .....	1.684	2.05	8.25	3.73
Direct Unsubsidized Loans .....	.....	.....	.....	.....	.....
Direct Unsubsidized Loans <sup>1</sup> .....	Graduate and professional students .....	1.684	3.60	9.50	5.28
Direct PLUS Loans .....	Parents of dependent undergraduate students. Graduate and professional students.	1.684	4.60	10.50	6.28

<sup>1</sup> Graduate and professional students are not eligible to receive Direct Subsidized Loans.

For reference, Chart 2 compares the fixed interest rates for Direct Subsidized

Loans, Direct Unsubsidized Loans, and Direct PLUS Loans first disbursed

during the period July 1, 2021, through June 30, 2022, with the fixed interest

rates for loans first disbursed during each previous 12-month period from July 1, 2013, through June 30, 2021.

**CHART 2—DIRECT SUBSIDIZED LOANS, DIRECT UNSUBSIDIZED LOANS, AND DIRECT PLUS LOANS FIRST DISBURSED ON OR AFTER 07/01/2013 AND BEFORE 07/01/2022**

First disbursed		Fixed interest rates (%)			Federal Register Notice
On/after	Before	Direct subsidized loans Direct Unsubsidized loans (undergraduate students)	Direct unsubsidized loans (graduate or professional students)	Direct PLUS loans	
07/01/2021 .....	07/01/2022	3.73	5.28	6.28	N/A
07/01/2020 .....	07/01/2021	2.75	4.30	5.30	85 FR 48229 (August 10, 2020).
07/01/2019 .....	07/01/2020	4.53	6.08	7.08	85 FR 2417 (January 15, 2020).
07/01/2018 .....	07/01/2019	5.05	6.60	7.60	83 FR 53864 (October 25, 2018).
07/01/2017 .....	07/01/2018	4.45	6.00	7.00	82 FR 29062 (June 27, 2017).
07/01/2016 .....	07/01/2017	3.76	5.31	6.31	81 FR 38159 (June 13, 2016).
07/01/2015 .....	07/01/2016	4.29	5.84	6.84	80 FR 42488 (July 17, 2015).
07/01/2014 .....	07/01/2015	4.66	6.21	7.21	79 FR 37301 (July 1, 2014).
07/01/2013 .....	07/01/2014	3.86	5.41	6.41	78 FR 59011 (September 25, 2013).

**Fixed-rate Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans First Disbursed on or After July 1, 2006, and Before July 2, 2013**

Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS

Loans first disbursed on or after July 1, 2006, and before July 1, 2013, have fixed interest rates that are specified in section 455(b) of the HEA (20 U.S.C. 1087e(b)). Chart 3 shows the interest rates for these loans.

**CHART 3—DIRECT SUBSIDIZED LOANS, DIRECT UNSUBSIDIZED LOANS, AND DIRECT PLUS LOANS FIRST DISBURSED ON OR AFTER 07/01/2006 AND BEFORE 07/01/2013**

Loan type	Borrower type	First disbursed on/after	First disbursed before	Interest rate (%)
Subsidized .....	Undergraduate students .....	07/01/2011	07/01/2013	3.40
Subsidized .....	Undergraduate students .....	07/01/2010	07/01/2011	4.50
Subsidized .....	Undergraduate students .....	07/01/2009	07/01/2010	5.60
Subsidized .....	Undergraduate students .....	07/01/2008	07/01/2009	6.00
Subsidized .....	Undergraduate students .....	07/01/2006	07/01/2008	6.80
Subsidized .....	Graduate or professional students .....	07/01/2006	07/01/2012 <sup>2</sup>	6.80
Unsubsidized .....	Undergraduate and graduate or professional students .....	07/01/2006	07/01/2013	6.80
PLUS .....	Graduate or professional students and parents of dependent undergraduate students .....	07/01/2006	07/01/2013	7.90

<sup>2</sup> Effective for loan periods beginning on or after July 1, 2012, graduate and professional students are no longer eligible to receive Direct Subsidized Loans.

**Fixed-Rate Direct Consolidation Loans**

Section 455(b) of the HEA specifies that all Direct Consolidation Loans for which the application was received on or after February 1, 1999, have a fixed interest rate that is equal to the weighted average of the interest rates on

the loans consolidated, rounded to the nearest higher one-eighth of one percent. For Direct Consolidation Loans for which the application was received on or after February 1, 1999, and before July 1, 2013, the interest rate may not exceed 8.25 percent. However, under

455(b) of the HEA the 8.25 percent interest rate cap does not apply to Direct Consolidation Loans made based on applications received on or after July 1, 2013. Chart 4 shows the interest rates for fixed-rate Direct Consolidation Loans.

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

Application received	Interest rate (%)	Maximum interest rate (%)
On/after 07/01/2013 .....	Weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of one percent..	None
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.*

**Richard Cordray,**

*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.

**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), Assistance Listing Number 84.268, 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, 2021, through June 30, 2022.

**FOR FURTHER INFORMATION CONTACT:** Travis Sturlaugson, U.S. Department of Education, 830 First Street NE, 11th floor, Washington, DC 20202. Telephone: (202) 377-4174 or by email: [travis.sturlaugson@ed.gov](mailto: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, 2021, through June 30, 2022. 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 24, 2021, is 0.015 percent, rounded to 0.02 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, 2021, is 0.09 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