

FEDERAL STUDENT LOAN AMOUNTS AND TERMS FOR LOANS ISSUED IN 2015-16

This chart summarizes the interest rates, loan limits, and other terms for federal student loans issued from July 1, 2015 through June 30, 2016.

Basic Eligibility Requirements	U.S. citizens or permanent residents, enrolled at least half time in a qualified program at a participating school, not in default on a prior federal student loan, and not previously convicted of a drug offense while receiving federal financial aid. Total aid, including student loans, cannot exceed the school's total cost of attendance (tuition and fees, room and board, transportation, personal and miscellaneous expenses). FAFSA required.		
Stafford Loans	Types	Subsidized Stafford Loan: Available only to undergraduate students on the basis of financial need. No credit check required. The federal government covers the interest on these loans while borrowers are enrolled at least half time and for six months after they are no longer enrolled at least half time. Monthly payments are not required until six months after leaving school.	
		Unsubsidized Stafford Loan: Available to undergraduate and graduate students <i>regardless of financial need</i> . No credit check required. Interest is charged throughout the life of the loan. Monthly payments are not required until six months after leaving school.	
	Annual Loan Limits	Dependent undergraduates (most students under the age of 24): \$5,500 as freshmen (including up to \$3,500 subsidized); \$6,500 as sophomores (including up to \$4,500 subsidized); \$7,500 as juniors and seniors (including up to \$5,500 subsidized).	
		Independent undergraduates (students age 24 or older) and dependent students whose parents are unable to obtain PLUS Loans: \$9,500 as freshmen (including up to \$3,500 subsidized); \$10,500 as sophomores (including up to \$4,500 subsidized); \$12,500 as juniors and seniors (including up to \$5,500 subsidized).	
		Graduate students: \$20,500 (or \$40,500 for certain medical training).	
	Aggregate Loan Limits	Dependent students: \$31,000. Independent undergraduates and dependent students whose parents are unable to obtain PLUS Loans: \$57,500. Graduate and professional students: \$138,500 (or \$224,000 for certain medical training) including undergraduate borrowing.	
	Interest Rates	The interest rate for undergraduate Stafford loans, both subsidized and unsubsidized, is 4.29%. Rates are fixed for the life of the loan. (See page 2 for how interest rates are determined.)	
		The interest rate for unsubsidized Stafford loans made to graduate students is 5.84%. Rates are fixed for the life of the loan. (See page 2 for how interest rates are determined.)	
Fee	1.073% if first disbursed on or after October 1, 2014 and before October 1, 2015; 1.068% if first disbursed on or after October 1, 2015 and before October 1, 2016.		
Eligibility Period for Subsidized Loans	New borrowers are only eligible to receive subsidized Stafford loans for a time period that is 150% of the published length of their program. After that, borrowers are not eligible to receive additional subsidized loans and may become responsible for interest that accrues on their existing loans. Borrowers with any federal loans from before July 1, 2013 are not affected. For more information on the maximum eligibility period, please see studentaid.ed.gov .		
PLUS Loans	Types	Parent PLUS: Loans to parents of dependent students to help pay for undergraduate education. Parents are responsible for all principal and interest.	
		Grad PLUS: Additional loans to graduate and professional degree students to help cover education expenses.	
	Additional Eligibility Requirements	Available regardless of financial need to parents of dependent students (Parent PLUS) and to graduate and professional students (Grad PLUS). Credit check required. The credit requirement can be met by a cosigner. May require a separate application in addition to the FAFSA.	
	Loan Limit	Total cost of attendance minus other financial aid. No aggregate maximum.	
	Interest Rate	6.84% (See page 2 for how interest rates are determined.)	
Fee	4.292% if first disbursed on or after October 1, 2014 and before October 1, 2015; 4.272% if first disbursed on or after October 1, 2015 and before October 1, 2016.		

How Interest Rates are Determined	Fixed-Rate Loans	All Stafford and PLUS loans originated since July 1, 2006 have fixed rates. Since 2013, fixed rates for new loans are set each year based on the 10-year Treasury note following the May auction (2.237% for 2015-16) plus a set margin of 2.05 percentage points for undergraduate Stafford, 3.60 points for graduate Stafford, and 4.60 points for PLUS loans. Although rates for new loans are set each year, rates are fixed for the life of the loan.
	Variable-Rate Loans	For older Stafford and PLUS loans with variable rates, interest rates change annually on July 1, based on the last 91-day T-bill auction in May.
During Repayment	Rate Reduction for Automatic Electronic Payments	Borrowers can receive a 0.25% interest rate reduction if they sign up for auto debit payments online.
	Deferments for Unemployment or Economic Hardship	Borrowers may defer payments for up to three years. For Parent PLUS, Grad PLUS, and unsubsidized Stafford Loans, interest continues to accrue. For more about other repayment options, see studentaid.ed.gov .
	Income-Driven Repayment Plans	There are several income-driven repayment plans that can help keep payments manageable for borrowers with relatively high debt compared to their income: Income-Based Repayment (IBR), Pay As You Earn, and Income Contingent Repayment (ICR). Borrowers who make payments based on their income can receive a discharge of their remaining student debt after 20 or 25 years of payments. For more information about these plans and to estimate monthly loan payments, see studentaid.ed.gov/idr and IBRinfo.org .
	Public Service and Teacher Loan Forgiveness	Public Service Loan Forgiveness is available after 10 years of qualifying payments and employment, only for Direct Loans (excluding Parent PLUS). The Teacher Loan Forgiveness Program (Stafford only) is available for loans in both the Direct and FFEL programs. All federal loans issued since July 1, 2010 are Direct Loans. Teachers with Perkins loans may be eligible for a loan cancellation if they meet certain requirements. More information for teachers can be found at studentaid.ed.gov .
	Loan Consolidation	Borrowers with Direct and/or FFEL loans can convert them into a Direct Consolidation loan. There is no fee. Depending on the borrower's total debt, repayment periods can vary from 10 to 30 years. For more information, see studentaid.ed.gov . To apply online, go to studentloans.gov .

For more information about federal student aid, please visit the Department of Education's website at studentaid.ed.gov. For an HTML version of this fact sheet and to learn more about student debt issues, see our [Project on Student Debt](#).