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**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, 2023, and before July 1, 2024.

**FOR FURTHER INFORMATION CONTACT:** Travis Sturlaugson, U.S. Department of Education, 830 First Street, NE, Washington, DC 20202. Telephone: 202-377-4174 or by email: [travis.sturlaugson@ed.gov](mailto:travis.sturlaugson@ed.gov).

If you are deaf, hard of hearing, or have a speech disability and wish to access telecommunications relay services, please dial 7-1-1.

**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, 2023, and before July 1, 2024, 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 10, 2023, the United States Treasury Department held a 10-year Treasury note auction that resulted in a high yield of 3.448 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, 2023, and before July 1, 2024.

CHART 1—DIRECT SUBSIDIZED LOANS, DIRECT UNSUBSIDIZED LOANS, AND DIRECT PLUS LOANS FIRST DISBURSED ON OR AFTER 07/01/2023 AND BEFORE 07/01/2024					
Loan type	Borrower type	10-year treasury note high yield 05/10/2023 (%)	Add-on (%)	Maximum rate (%)	Fixed interest rate (%)
Direct Subsidized Loans Direct Unsubsidized Loans	Undergraduate students	3.448	2.05	8.25	5.50
Direct Unsubsidized Loans <sup>1</sup>	Graduate and professional students	3.448	3.60	9.50	7.05
Direct PLUS Loans	Parents of dependent undergraduate students Graduate and professional students	3.448	4.60	10.50	8.05

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, 2023, through June 30, 2024, with the fixed interest rates for loans first disbursed during each previous 12-month period from July 1, 2013, through June 30, 2023.

CHART 2—DIRECT SUBSIDIZED LOANS, DIRECT UNSUBSIDIZED LOANS, AND DIRECT PLUS LOANS FIRST DISBURSED ON OR AFTER 07/01/2013 AND BEFORE 07/01/2024					
First disbursed		Fixed interest rates (%)			Federal Register Notice
On/after	Before	Direct Subsidized Loans	Direct Unsubsidized Loans	Direct PLUS Loans	

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

		Direct Unsubsidized Loans  (undergraduate students)	(graduate or professional students)		
07/01/2023	07/01/2024	5.50	7.05	8.05	N/A
07/01/2022	07/01/2023	4.99	6.54	7.54	87 FR 50326 (August 16, 2022)
07/01/2021	07/01/2022	3.73	5.28	6.28	86 FR 44003 (August 11, 2021)
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

### 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

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<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.

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 section 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,*  
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