

FEDERAL STUDENT LOAN BASICS

Did you complete the Free Application for Federal Student Aid (FAFSA®)? If your answer is yes, you may have received federal student loans as part of your financial aid award package. These student loans are provided by the government — not private lenders — to help students and their families pay for college. Here’s a breakdown of the different federal student loan options available. Compare these details to find the best fit for your needs.

Interest rates shown are for federal loans disbursed from July 1, 2021 through June 30, 2022. Fees shown are for federal loans disbursed from October 1, 2020 through September 30, 2022. Discover® Student Loans offers private loans, not federal loans, and is not affiliated with FAFSA or the Department of Education.

TYPE OF LOAN	DIRECT SUBSIDIZED LOANS	DIRECT UNSUBSIDIZED LOANS	DIRECT PARENT AND GRAD PLUS LOANS
BORROWER	▶ Student	▶ Student	▶ Parents of undergraduate students ▶ Graduate students
QUALIFICATION	▶ For undergraduate students ▶ Based on financial need ▶ Determined by family income	▶ For undergraduate and graduate students ▶ Not based on financial need	▶ For parents of dependent undergraduate students ▶ For graduate and professional students ▶ Must pass a credit check
INTEREST RATE	▶ 3.73% fixed	▶ 3.73% fixed for undergraduates ▶ 5.28% fixed for graduates	▶ 6.28% fixed
FEES	▶ 1.057%	▶ 1.057%	▶ 4.228%
REPAYMENT TERMS	▶ Government pays the interest while in school ▶ Repayment begins six months after graduation (or if enrollment falls below half-time) ▶ Plans range from 10 to 25 years	▶ Government does not pay the interest while in school ▶ Repayment begins six months after graduation (or if enrollment falls below half-time) ▶ Plans range from 10 to 25 years	▶ Government does not pay the interest while in school ▶ Parents can request an in-school deferment to postpone repayment until six months after their student graduates (or if enrollment falls below half-time) ▶ Grad students begin repaying six months after graduation (or if enrollment falls below half-time)
LOAN AMOUNT	▶ \$3,500 as a freshman ▶ \$4,500 as a sophomore ▶ \$5,500 as a junior, senior and any remaining undergraduate years	▶ Amounts vary for dependent and independent students ▶ See StudentAid.ed.gov for details and aggregate limits	▶ Annual cost of attendance minus other financial aid