

Knowing and understanding the interest rates of your federal student loans is an important step in navigating the path to financial success.

Who sets interest rates for federal student loans?

Congress sets interest rates on Direct Loans from the U.S. Department of Education through legislation that ties the rate to financial markets. Your student loan servicer does not set your student loan interest rate and cannot change it.

For Federal Direct Student Loans with a first disbursement date between July 1, 2021 and June 30, 2022, the following rates are fixed for the life of the loan:

**Direct Subsidized Loans and Direct Unsubsidized
Loans for Undergraduate Students**

3.73%

**Direct Unsubsidized Loans for Graduate and
Professional Students**

5.28%

**Direct PLUS Loans for Parents of Undergraduate Students
and Direct PLUS Loans for Graduate/Professional Students**

6.28%

