

- Interest rates on Federal Direct Loans are set according to a formula based on an auction of 10-year Treasury notes under section 455(b)(7) of the Higher Education Act (HEA).
- On May 8, 2025, the Treasury Department held a 10-year Treasury note auction that resulted in a high yield of 4.34%. Each rate is the sum of this index plus an add-on that varies depending on the type of loan and whether the borrower is an undergraduate or graduate/professional student.

Loan Type	Borrower Type	Index 10-year Treasury note	Add-On	Fixed Interest Rate
Direct Subsidized Loans	Undergraduate Students	4.34%	2.05%	6.39%
Direct Unsubsidized Loans	Undergraduate Students	4.34%	2.05%	6.39%
Direct Unsubsidized Loans	Graduate/Professional Students	4.34%	3.60%	7.94%
Direct PLUS Loans	Parents of Dependent Undergraduate Students and Graduate/Professional Students	4.34%	4.60%	8.94%

Origination Fees

For any loan disbursement for a loan where the first disbursement is/will be...	The origination fee percentage for Direct Subsidized Loans and Direct Unsubsidized Loans is...	The origination fee percentage for Direct PLUS Loans is...
On or after October 1, 2020, and before October 1, 2026	1.057%	4.228%