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**Program Authority:** 20 U.S.C. 9212.

Dated: January 22, 2013.

**Johan Uvin,**

*Deputy Assistant Secretary for Policy and Strategic Initiatives.*

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**BILLING CODE 4000-01-P**

**DEPARTMENT OF EDUCATION**

**Annual Notice of Interest Rates of Federal Student Loans Made Under the William D. Ford Federal Direct Loan Program**

**AGENCY:** Federal Student Aid, Department of Education.

**ACTION:** Notice.

Catalog of Federal Domestic Assistance (CFDA) Number: 84.268.

**DATES:** This notice is effective January 25, 2013.

**SUMMARY:** In accordance with by section 455(b)(9) of the Higher Education Act of 1965, as amended, the Chief Operating Officer for Federal Student Aid announces the interest rates for the period July 1, 2012, through June 30, 2013, for loans made under the William D. Ford Federal Direct Loan (Direct Loan) Program. The Chief Operating Officer takes this action to give notice of Direct Loan interest rates to the public.

**FOR FURTHER INFORMATION CONTACT:** Ian Foss, U.S. Department of Education, 830 First Street NE., room 114I1, Washington, DC 20202. Telephone: (202) 377-3681 or by email: [ian.foss@ed.gov](mailto:ian.foss@ed.gov).

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**SUPPLEMENTARY INFORMATION:** Section 455(b) of the Higher Education Act of 1965, as amended (HEA) (20 U.S.C. 1087e(b)), provides formulas for determining the interest rates charged to borrowers for loans made under the Direct Loan Program including: Federal Direct Subsidized Stafford Loans (Direct Subsidized Loans); Federal Direct Unsubsidized Stafford Loans (Direct Unsubsidized Loans); Federal Direct PLUS Loans (Direct PLUS Loans); and Federal Direct Consolidation Loans (Direct Consolidation Loans).

The Direct Loan Program includes loans with variable interest rates and loans with fixed interest rates. Most loans made under the Direct Loan Program before July 1, 2006, have variable interest rates that change each year. In most cases, the variable interest rate formula that applies to a particular loan depends on the date of the first disbursement of the loan. The variable rates are determined annually and are effective for each 12-month period beginning July 1 of one year and ending June 30 of the following year.

Under section 455(b) of the HEA, Direct Loans first disbursed on or after July 1, 2006, have a fixed interest rate.

In the case of some Direct Consolidation Loans, the interest rate is determined by the date on which the Direct Consolidation Loan application was received. Direct Consolidation Loans for which the application was received on or after February 1, 1999, have a fixed interest rate. This fixed rate is based on the weighted average of the loans that are consolidated, rounded up to the nearest higher 1/8 of one percent up to a maximum rate of 8.25 percent.

Under section 455(b) of the HEA, the Direct Loan variable interest rates are based on formulas that use the bond equivalent rates of the 91-day Treasury bills auctioned at the final auction held

before June 1 of each year, plus a statutory add-on percentage. These formulas apply to all Direct Subsidized Loans and Direct Unsubsidized Loans; Direct Consolidation Loans for which the application was received on or after July 1, 1998, and before February 1, 1999; and Direct PLUS Loans disbursed on or after July 1, 1998. In each case, the calculated rate is capped by a maximum interest rate. The bond equivalent rate of the 91-day Treasury bills auctioned on May 29, 2012, which is used to calculate the interest rates on these loans, is 0.086 percent, which is rounded to 0.09 percent.

In addition, under section 455(b)(4) of the HEA, the interest rate for Direct PLUS Loans that were first disbursed on or after July 1, 1994, and before July 1, 1998, is based on the weekly average of the one-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System on the last day of the calendar week ending on or before June 26 of each year, plus a statutory add-on percentage. The calculated rate is capped by a maximum interest rate. The weekly average of the one-year constant maturity Treasury yield published on June 22, 2012, which is used to calculate the interest rate on these loans, is 0.19 percent.

This notice includes five charts containing specific information on the calculation of the interest rates for loans made under the Direct Loan Program.

Chart 1 contains information on the interest rates for variable-rate Direct Subsidized and Direct Unsubsidized Loans.

Chart 2 contains information on the interest rates for variable-rate Direct PLUS Loans.

Chart 3 contains information on the interest rates for variable-rate Direct Subsidized Consolidation Loans and Direct Unsubsidized Consolidation Loans.

Chart 4 contains information on the interest rates for variable-rate Direct PLUS Consolidation Loans.

Chart 5 contains information on the interest rates for fixed-rate Direct Subsidized, Direct Unsubsidized, and Direct PLUS Loans.

**CHART 1—VARIABLE-RATE DIRECT SUBSIDIZED AND DIRECT UNSUBSIDIZED LOANS**

Cohort		Max. rate (percent)	Index rate	Margin		Total rate	
First disbursed on or after	First disbursed before		91-Day T-Bill rate (percent)	In-school, grace, deferment (percent)	All other periods (percent)	In-school, grace, deferment (percent)	All other periods (percent)
7/1/1994 .....	7/1/1995	8.25	0.09	3.10	3.10	3.19	3.19

CHART 1—VARIABLE-RATE DIRECT SUBSIDIZED AND DIRECT UNSUBSIDIZED LOANS—Continued

Cohort		Max. rate (percent)	Index rate	Margin		Total rate	
First disbursed on or after	First disbursed before		91-Day T-Bill rate (percent)	In-school, grace, deferment (percent)	All other periods (percent)	In-school, grace, deferment (percent)	All other periods (percent)
7/1/1995 .....	7/1/1998	8.25	0.09	2.50	3.10	2.59	3.19
7/1/1998 .....	10/1/2006	8.25	0.09	1.70	2.30	1.79	2.39

CHART 2 —VARIABLE-RATE DIRECT PLUS LOANS

Cohort		Max. rate (percent)	Index rate		Margin (percent)	Total rate (percent)
First disbursed on or after	First disbursed before		91-Day T-Bill rate (percent)	1-Year constant treasury maturity (percent)		
7/1/1994 .....	7/1/1998	9.00	.....	0.19	3.10	3.29
7/1/1998 .....	10/1/2006	8.25	0.09	.....	3.10	3.19

In the remaining Charts 3 through 5, an asterisk following a date in a cohort field indicates that the trigger for the rate to apply is an application for a Direct Consolidation Loan being

received either “on or after” or “before” the date in the cohort field. For example, the fourth row in Chart 3 describes the interest rate for Direct Subsidized and Unsubsidized

Consolidation Loans for which the application was received before October 1, 1998, and that were first disbursed on or after October 1, 1998.

CHART 3—VARIABLE-RATE DIRECT SUBSIDIZED AND DIRECT UNSUBSIDIZED CONSOLIDATION LOANS

Cohort		Max. rate (percent)	Index rate	Margin		Total rate	
First disbursed on or after	First disbursed before		91-Day T-Bill rate (percent)	In-school, grace, deferment (percent)	All other periods (percent)	In-school, grace, deferment (percent)	All other periods
7/1/1994 .....	7/1/1995	8.25	0.09	3.10	3.10	3.19	3.19
7/1/1995 .....	7/1/1998	8.25	0.09	2.50	3.10	2.59	3.19
7/1/1998 .....	10/1/1998	8.25	0.09	1.70	2.30	1.79	2.39
10/1/1998 .....	10/1/1998*	8.25	0.09	1.70	2.30	1.79	2.39
10/1/1998* .....	2/1/1999*	8.25	0.09	2.30	2.30	2.39	2.39

CHART 4—VARIABLE-RATE DIRECT PLUS CONSOLIDATION LOANS

Cohort		Max. rate (percent)	Index rate		Margin		Total rate	
First disbursed on or after	First disbursed before		91-Day T-Bill rate (percent)	1-Year constant treasury maturity (percent)	In-school, grace, deferment (percent)	All other periods (percent)	In-school, grace, deferment (percent)	All other periods (percent)
7/1/1994 .....	7/1/1998	9.00	.....	0.19	3.10	3.10	3.29	3.29
7/1/1998 .....	10/1/1998	9.00	0.09	.....	3.10	3.10	3.19	3.19
10/1/1998 .....	10/1/1998*	9.00	0.09	.....	3.10	3.10	3.19	3.19
10/1/1998* .....	2/1/1999*	8.25	0.09	.....	2.30	2.30	2.39	2.39

CHART 5—FIXED-RATE DIRECT SUBSIDIZED, DIRECT UNSUBSIDIZED, AND DIRECT PLUS LOANS

Loan type	Student grade level	First disbursed on or after	First disbursed before	Rate
Subsidized .....	Undergraduate Students .....	7/1/2006	7/1/2008	6.80
Subsidized .....	Undergraduate Students .....	7/1/2008	7/1/2009	6.00
Subsidized .....	Undergraduate Students .....	7/1/2009	7/1/2010	5.60
Subsidized .....	Undergraduate Students .....	7/1/2010	7/1/2011	4.50
Subsidized .....	Undergraduate Students .....	7/1/2011	7/1/2013	3.40
Subsidized .....	Graduate/Professional Students .....	7/1/2006	7/1/2012	6.80
Unsubsidized .....	All Students .....	7/1/2006	7/1/2013	6.80
PLUS .....	Parents and Graduate/Professional Students.	7/1/2006	7/1/2013	7.90

CHART 5—FIXED-RATE DIRECT SUBSIDIZED, DIRECT UNSUBSIDIZED, AND DIRECT PLUS LOANS—Continued

Loan type	Student grade level	First disbursed on or after	First disbursed before	Rate
Consolidation .....	All .....	2/1/1999	7/1/2013	Weighted average of rates on the loans included in the consolidation, rounded to 1/8 of 1 percent, up to 8.25 percent.

**Note:** Under the Budget Control Act of 2011 (Pub. L. 112–25) and effective for loan periods beginning on or after July 1, 2012, graduate and professional students are no longer eligible for Direct Subsidized Loans.

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**Program Authority:** 20 U.S.C. 1087 et seq.

Dated: January 18, 2013.

**James W. Runcie,**

*Chief Operating Officer, Federal Student Aid.*

[FR Doc. 2013–01421 Filed 1–24–13; 8:45 am]

**BILLING CODE 4000–01–P**

## DEPARTMENT OF EDUCATION

### Annual Notice of Interest Rates of Federal Student Loans Made Under the Federal Family Education Loan Program

**AGENCY:** Federal Student Aid, Department of Education.

**ACTION:** Notice.

*Catalog of Federal Domestic Assistance (CFDA) Number: 84.032.*

**SUMMARY:** In accordance with section 427A of the Higher Education Act of 1965, as amended, the Chief Operating Officer for Federal Student Aid announces the interest rates for the period July 1, 2012, through June 30, 2013, for certain loans made under the Federal Family Education Loan (FFEL) Program. The Chief Operating Officer

takes this action to give notice of FFEL Program loan interest rates to the public.

**DATES:** This notice is effective January 25, 2013.

**FOR FURTHER INFORMATION CONTACT:** Ian Foss, U.S. Department of Education, 830 First Street NE., room 114I1, Washington, DC 20202. Telephone: (202) 377–3681 or by email: [ian.foss@ed.gov](mailto:ian.foss@ed.gov).

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**SUPPLEMENTARY INFORMATION:** Section 427A of the Higher Education Act of 1965, as amended (HEA) (20 U.S.C. Section 1077a), provides formulas for determining the interest rates charged to borrowers on loans made under the Federal Family Education Loan (FFEL) Program, including Federal Subsidized and Unsubsidized Stafford Loans, Federal PLUS Loans, and Federal Consolidation Loans.

The FFEL Program includes loans with variable interest rates and loans with fixed interest rates. Most loans made under the FFEL Program before July 1, 2006, have variable interest rates that change each year. In most cases, the variable interest rate formula that applies to a particular loan usually depends on the date of the first disbursement of the loan. The variable rates are determined annually and are effective for each 12-month period beginning July 1 of one year and ending June 30 of the following year.

Under section 427A(k) of the HEA, FFEL Program loans first disbursed on or after July 1, 2006, have a fixed interest rate.

In the case of some Federal Consolidation Loans, the interest rate is determined by the date on which the Federal Consolidation Loan application was received. Federal Consolidation Loans for which the application was received on or after October 1, 1998, have a fixed interest rate. This fixed rate

is based on the weighted average of the loans that are consolidated, rounded up to the nearest higher 1/8 of one percent up to a maximum rate of 8.25 percent.

FFEL variable interest rates are based on formulas that use the bond equivalent rate of the 91-day Treasury bills auctioned at the final auction held before June 1 of each year plus a statutorily established add-on. These formulas apply to all Federal Subsidized and Unsubsidized Stafford Loans first disbursed before October 1, 1992, that have been converted to variable rate loans; all Federal Subsidized and Unsubsidized Stafford Loans first disbursed on or after October 1, 1992, and before July 1, 2006; Federal PLUS Loans first disbursed on or after July 1, 1998, and before July 1, 2006; and Federal Consolidation Loans for which the Federal Consolidation Loan application was received on or after November 13, 1997, and before October 1, 1998. In each case, the calculated rate is capped by a maximum interest rate. The bond equivalent rate of the 91-day Treasury bills auctioned on May 29, 2012, which is used to calculate the interest rates on these loans, is 0.086 percent, which is rounded to 0.09 percent.

For Federal PLUS loans first disbursed before July 1, 1998, the interest rate is based on the weekly average of the one-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System on the last day of the calendar week ending on or before June 26 of each year, plus a statutory add-on percentage. The calculated rate is capped by a maximum interest rate. The weekly average of the one-year constant maturity Treasury yield published on June 22, 2012, which is used to calculate the interest rate on these loans, is 0.19 percent.

This notice includes five charts containing specific information on the calculation of interest rates for loans made under the FFEL Program:

Chart 1 contains information on the interest rates for Federal Subsidized and Unsubsidized Stafford Loans that were made as fixed-rate loans, but were subsequently converted to variable-rate loans.