

Federal Direct Loan Origination Fees for FY 2017 & FY 2018

Because the Budget Control Act of 2011 (the sequester law) remains in effect, the U.S. Department of Education has provided information regarding sequester-required changes to the Direct Loan fees where the first disbursement of a Direct Loan is on or after October 1, 2017.

Federal Direct Student Loans have loan fees that are a percentage of the total loan amount. The loan fee is deducted proportionately from each loan disbursement you receive. This means the money you receive will be less than the amount you actually borrow. You're responsible for repaying the entire amount you borrowed and not just the amount you received.

The chart below shows the loan fees for the Direct Stafford Loan and Direct PLUS.

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, 2016 and before October 1, 2017	1.069	4.276
On or after October 1, 2017 and before October 1, 2018	1.066	4.264

Source: U.S. Department of Education/FSA Office

<https://ifap.ed.gov/eannouncements/061917FY18SequesterRequiredChangesTitleIVStudentAidPrograms.html>