

	Perkins Loans	Stafford Loans		PLUS Loans
		Subsidized	Unsubsidized	
<b>Interest Rate</b>	No interest while enrolled; fixed 5% interest during repayment.	No interest while enrolled. Fixed rate during repayment: for undergraduates, 6.0% if issued in 2008-09, 5.6% if issued in 2009-10; for graduate students, 6.8%	Fixed 6.8% interest accrues during enrollment and repayment.	Fixed 7.9% Direct PLUS Loans, 8.5% FFEL PLUS Loans
<b>Loan Limits</b>	\$5,500/year as an undergraduate, \$8,000/year as a graduate student; \$27,500 total as an undergraduate, \$60,000 total undergraduate and graduate combined.	Dependent undergraduate students: \$31,000 total (maximum \$23,000 subsidized). Independent undergraduate students (or dependent students whose parents do not qualify for PLUS): \$57,500 total (maximum \$23,000 subsidized). Maximum undergraduate+graduate/professional: \$138,500 (maximum \$65,500 subsidized) Maximum annual loan limits vary by student's academic status, dependency status, and undergraduate vs. graduate enrollment.		Cost of attendance minus other financial aid received.
<b>FY2008 Annual Loan Volume</b>	\$1.1 billion	\$30.4 billion	\$33.6 billion	\$11.4 billion
<b>Proposed Changes in President's FY2010 Budget</b>	Interest accrues during enrollment; volume increases to approximately \$6 billion/year.	None	None	None
<p><b>Sources:</b> U.S. Department of Education, "Funding Education Beyond High School: The Guide to Federal Student Aid 2009-10," <a href="http://studentaid.ed.gov/students/publications/student_guide/2009-2010/english/typesofFSA_loans.htm">http://studentaid.ed.gov/students/publications/student_guide/2009-2010/english/typesofFSA_loans.htm</a>; U.S. Department of Education, "Student Loan Volume Tables—FY 2010 President's Budget" <a href="http://www.ed.gov/about/overview/budget/studentloantables/10appendixtables/apploantables.pdf">http://www.ed.gov/about/overview/budget/studentloantables/10appendixtables/apploantables.pdf</a>; "Funding Status – Federal Perkins Loan Program," <a href="http://www.ed.gov/programs/fpl/funding.html">http://www.ed.gov/programs/fpl/funding.html</a>; "President Obama's Fiscal 2010 Budget Overview: Modernize and Expand Perkins Loans," <a href="http://www.nacacnet.org/LegislativeAction/LegislativeNews/Documents/ModernizePerkinsLoans.pdf">http://www.nacacnet.org/LegislativeAction/LegislativeNews/Documents/ModernizePerkinsLoans.pdf</a></p>				

## **The Basics: The Perkins Loan Program Today**

Currently, Perkins loans are the lowest cost federal loans available<sup>3</sup>: interest-free while students are enrolled in school, with a low-cost, 5% fixed interest rate afterwards. Repayment can be no longer than 10 years.<sup>4</sup> Perkins borrowers get a nine-month grace period before they have to start

<sup>3</sup> Perkins loans have historically been the lowest cost federal loans. However, the President's proposal for Perkins loans to accrue interest while borrowers are in school may change financial aid packaging equations, because the loss of the in-school subsidy may bring total loan costs closer to those of subsidized Stafford loans for undergraduates. Interest rates on subsidized Stafford loans are scheduled to decrease over the next two years before increasing again in the 2012-13 school year.

<sup>4</sup> There are limited exceptions that allow colleges to extend the repayment period. Student Loan Borrower Assistance. "Repayment Plans." <http://www.studentloanborrowerassistance.org/repayment/repayment-plans/#perkins>.