

**Interest Rates on Direct and FFEL Loans
Effective October 1, 1998**

The interest rates listed in the tables below apply to student and parent loans first disbursed on or after October 1, 1998, and to consolidation loans for which applications are received on or after October 1, 1998.

Direct Loan Program Loans

Loan Type	During	Bond Equivalent Rate	Additional Sum	Maximum Rate	Effective Rate
Student (Subsidized and Unsubsidized)	In-school, grace, and deferment periods	5.16%	1.7%	8.25%	6.86%
	All other periods	5.16%	2.3%	8.25%	7.46%
PLUS	All periods	5.16%	3.1%	9.00%	8.26%
Consolidation (Applications received on or after 10/1/1998 but before 2/1/1999)	All periods	5.16%	2.3%	8.25%	7.46%
Consolidation (Applications received on or after 2/1/1999)	All periods	Weighted average of the interest rates on the loans consolidated, rounded up to the nearest one-eighth of one percent.		8.25%	Weighted average or maximum rate, whichever is lower.

FFEL Program Loans

Loan Type	During	Bond Equivalent Rate	Additional Sum	Maximum Rate	Effective Rate
Student (Subsidized and Unsubsidized)	In-school, grace, and deferment periods	5.16%	1.7%	8.25%	6.86%
	All other periods	5.16%	2.3%	8.25%	7.46%
PLUS	All periods	5.16%	3.1%	9.00%	8.26%
Consolidation (Applications received on or after 10/1/1998)	All periods	Weighted average of the interest rates on the loans consolidated, rounded to the nearest higher 1/8th of one percent.		8.25%	Weighted average or maximum rate, whichever is lower.