

QUARTERLY SPECIAL ALLOWANCE RATES MEMO

Data as of Dec. 31, 2020

DATE: Jan. 8, 2021

SUBJECT: Federal Family Education Loan Program Calculation of Quarterly Special Allowance Rates for the Quarter Ending Dec. 31, 2020

OVERVIEW: The Department of Education is required under section 438 of the *Higher Education Act* to calculate and issue the quarterly Special Allowance rates for the three categories listed below

COMMERCIAL PAPER RATE

The Commercial Paper rate is “the average of the bond equivalent rates of the quotes of the 3-month commercial paper (financial) rates in effect for each of the days in such quarter as reported by the Federal Reserve in Publication H-15 (or its successor) for such 3-month period.” For the quarter ending Dec. 31, 2020, the average rate used to compute special allowance is 0.15%.

LIBOR RATE

The LIBOR rate is “the average of the bond equivalent rates of the quotes of the 1-month London InterBank Offered Rate (LIBOR) in effect for each of the days in such quarter as compiled and released by the British Bankers Association.” For the quarter ending Dec. 31, 2020, the average rate used to compute special allowance is 0.15%.

TREASURY BILL RATE

The Treasury Bill rate is “the average of the bond equivalent rates of the 13-week Treasury bills as published by the Department of the Treasury.” For the quarter ending Dec. 31, 2020, the average of the rates is 0.09%.

ATTACHMENTS

Attachments A, B, C, and D contain the quarterly special allowance rates computed pursuant to section 438.

Accounting Operations Division

Finance Directorate

Attachments A, B, C, and D for Quarter Ending Dec. 31, 2020

Attachment A – Regular Special Allowance Rates

Attachment A Includes:

Stafford loans (subsidized and unsubsidized), PLUS loans, SLS loans, and Consolidation loans made or purchased with taxable funds.

Stafford (subsidized and unsubsidized), PLUS (fixed-rate; includes student-borrower component of the PLUS Program), and Consolidation loans:
made prior to 10/1/1981.

Category “SA”

Formula: (0.09%) plus (3.5%) less (applicable interest rate), rounded up to the nearest 1/8th of 1% = annual special allowance rate.

For IBR the SAP factor for the 3-month period factor is 0.009063.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
7%	0.00	0.000000
9%	0.00	0.000000

Note: The Special Allowance at Annual Rate and Special Allowance for 3-month Period figures are shown as decimals throughout this memo, e.g., 0.5% (one-half of one percent) is shown as 0.005, 1.5% (one and one-half percent) is shown as 0.015, etc.

Attachment A – Regular Special Allowance Rates (cont.)

Stafford (subsidized only) and PLUS (fixed-rate, includes student borrower component of the PLUS program) loans:

- made on or after 10/1/1981, but prior to 10/17/1986.
- made on or after 10/17/1986, but prior to 11/16/1986, for periods of enrollment beginning prior to 11/16/1986.

Consolidation loans:

- made on or after 10/1/1981, but prior to 11/16/1986.

Category “SB”

Formula: (0.9%) plus (3.5%) less (applicable interest rate) = annual special allowance rate.

For IBR the SAP factor for the 3-month period factor is 0.008975.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
7%	0.00	0.00
8%	0.00	0.00
9%	0.00	0.00
12%	0.00	0.00
14%	0.00	0.00

Attachment A – Regular Special Allowance Rates (cont.)

Stafford loans:

- (subsidized) made on or after 10/17/1986, but prior to 11/16/1986, for periods of enrollment beginning on or after 11/16/1986.
- (subsidized) made on or after 11/16/1986, but prior to 10/1/1992.
- (unsubsidized, made pursuant to 428H of the Act) made prior to 10/1/1992 for periods of enrollment beginning on or after 10/1/1992.

PLUS/SLS loans:

- (fixed-rate) made on or after 10/17/1986, but prior to 11/16/1986, for periods of enrollment beginning on or after 11/16/1986.
- (fixed-rate) made on or after 11/16/1986, but prior to 7/1/1987.
- (variable-rate) made on or after 7/1/1987, but prior to 10/1/1992, *only* if the variable-rate for each July 1 - June 30 period reaches the statutory maximum of 12%. [Category “SD VAR”](#)

Consolidation loans:

- made on or after 11/16/1986, but prior to 10/1/1992.

Category “SD”

Formula: (0.9%) plus (3.25%) less (applicable interest rate) = annual special allowance rate.

For IBR the SAP factor for the 3-month period factor is 0.008350.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
3.23% ^{1,2,3}	0.001100	0.000275
3.38% ⁴	0.00	0.00
7%	0.00	0.00
8%	0.00	0.00
9%	0.00	0.00
10%	0.00	0.00
11%	0.00	0.00
12%	0.00	0.00

Note: Fixed-rate Stafford loans that were subject to the "windfall profits" provisions of 427A(i)(3) or 427A(i)(1) of the Act and that have been converted to a variable rate. Reference 427A(i)(7)(D) of the Act.

- 1) Fixed-rate 7% Stafford loans (1992 Amendments). [Category “SD FVAR7”](#)
- 2) (a) Fixed-rate 8% Stafford loans, and (b) 8/10% Stafford loans (prior to the 49th month of repayment) (1992 Amendments). [Category “SD FVAR8”](#)
- 3) (a) Fixed-rate 9% Stafford loans, and (b) 8/10% Stafford loans (on or after the 49th month of repayment) (1992 Amendments). (a) [Category “SD FVAR9”](#) (b) [Category “SD FVARX”](#)
- 4) Fixed-rate 8/10% Stafford loans (on or after the 49th month of repayment) (1986 Amendments). [Category “SD FVAR10”](#)

Attachment A – Regular Special Allowance Rates (cont.)

Stafford loans:

- (subsidized) made on or after 10/1/1992, but prior to 7/1/1995.
- (unsubsidized) made on or after 10/1/1992, but prior to 7/1/1995, for periods of enrollment beginning on or after 10/1/1992.
- (subsidized and unsubsidized) made on or after 7/1/1995 but prior to 7/1/1998, except during the in-school, grace, and deferment periods.

PLUS/SLS loans:

- (variable-rate) made on or after 10/1/1992 but prior to 7/1/1994, *only* if the variable-rate for each July 1 - June 30 period reaches the statutory maximum of 11% (SLS) or 10% (PLUS). **Category “SE”**

PLUS loans:

- (variable-rate) made on or after 7/1/1994 but prior to 7/1/1998. **Category “SG”**
- (variable-rate) made on or after 7/1/1998 but prior to 1/1/2000 (special allowance shall not be paid unless the calculated interest rate exceeds the 9% cap). **Category “SH”**

Consolidation loans:

- made on or after 10/1/1992 but prior to 10/1/1998.

Formula: (0.9%) plus (3.1%) less (applicable interest rate) = annual special allowance rate.

For IBR the SAP factor for the 3-month period factor is 0.007975.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
3%	0.001900	0.000475
4%	0.00	0.00
5%	0.00	0.00
3.23% ^{5,6,7,8}	0.00	0.00

5) Fixed-rate 7% Stafford Loans (1992 Amendments). **Category “SE FVAR7”**

6) (a) Fixed-rate 8% Stafford loans, and (b) 8/10% Stafford loans (prior to the 49th month of repayment) that were subject to the “windfall profits” provisions of 427A(i)(3) of the Act and that have been converted to a variable rate (1992 Amendments). **Category “SE FVAR8”**

7) (a) *All* Stafford loans made for periods of enrollment that either begin on or after 7/1/1994 or include that date for which the first disbursement is made on or after 7/1/1994 but prior to 7/1/1995, (b) Stafford loans for which the first disbursement is made on or after 7/1/1995 and before 7/1/1998, except during the in-school, grace, and deferment periods, and (c) consolidation loans for which the loan application was received on or after 11/13/1997 and prior to 10/1/1998. **Category “SG EVAR”**

8) (a) Stafford loans, made to new borrowers, for which the first disbursement is made on or after 10/1/1992 but prior to 7/1/1994, (b) fixed-rate 9% Stafford loans that were subject to the “windfall profits” provisions of 427A(i)(3) of the Act and that have been converted to a variable rate; see 427A(i)(7)(D) of the Act and (c) 8/10% Stafford loans (on or after the 49th month of repayment) that were subject to the “windfall profits” provisions of 427A(i)(3) of the Act and that have been converted to a variable rate (1992 Amendments). (a) **Category “SE EVAR”** (b) **Category “SE FVAR9”** (c) **Category “SE FVAR10”**

Attachment A – Regular Special Allowance Rates (cont.)

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
3.27% ⁹	0.00	0.00
6% ¹⁰	0.00	0.00
7%	0.00	0.00
8%	0.00	0.00
9%	0.00	0.00
10%	0.00	0.00
11%	0.00	0.00
12%	0.00	0.00
14%	0.00	0.00

Note: Fixed-rate Stafford loans that were subject to the "windfall profits" provisions of 427A(i)(3) of the Act and that have been converted to a variable rate. Reference 427A(i)(7)(D) of the Act.

9) PLUS loans made on or after 7/1/1994 but prior to 7/1/1998. [Category "SG EVAR"](#)

10) The 6% interest and special allowance rates only apply to Consolidations loans made on or after 7/1/1994.

Attachment A – Regular Special Allowance Rates (cont.)

Stafford loans (subsidized and unsubsidized):

- made on or after 7/1/1995 but prior to 7/1/1998, only during the in-school, grace, and deferment periods.

Category “SH EVAR”

Formula: (0.09%) plus (2.5%) less (applicable interest rate) = annual special allowance rate.

For IBR the SAP factor for the 3-month period factor is 0.006475.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
2.63%	0.00	0.00

Stafford loans (subsidized and unsubsidized):

- made on or after 7/1/1998 but prior to 1/1/2000, only during the in-school, grace, and deferment periods.

Category “SJ EVAR”

Formula: (0.09%) plus (2.2%) less (applicable interest rate) = annual special allowance rate.

For IBR the SAP factor for the 3-month period factor is 0.005725.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
1.83%	0.004600	0.001150

Stafford loans (subsidized and unsubsidized):

- made on or after 7/1/1998 but prior to 1/1/2000, except during the in-school, grace, and deferment periods.

Category “SK EVAR”

Formula: (0.09%) plus (2.8%) less (applicable interest rate) = annual special allowance rate.

For IBR the SAP factor for the 3-month period factor is 0.007225.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
2.43%	0.004600	0.001150

Attachment A – Regular Special Allowance Rates (cont.)

Consolidation loans:

- made on or after 10/1/1998 but prior to 1/1/2000

Formula: (0.09%) plus (3.1%) less (applicable interest rate) = special allowance rate.

Note: The interest rate for these consolidation loans is determined by taking the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher 1/8th of one percent. Therefore, due to the wide range of possible applicable interest rates, no further calculations are shown here. [Category "SL"](#)

Attachment B – Special Allowance Rates for Tax-Exempt Loans

Attachment B Includes:

Loans made or purchased with (a) funds obtained by the holder from the issuance, or refinancing of obligations originally issued prior to 10/1/1993, or (b) funds derived from default reimbursements, collections, interest, or other income resulting from loans made or purchased with such tax-exempt funds.

Tax-exempt loans, otherwise eligible for special allowance, made on or after 10/1/1981.

Formula: (0.09%) plus (3.5%) less (applicable interest rate), divided by two = annual special allowance rate, however the annual special allowance rate is not less than:

- For loans made prior to 10/1/1992, 2.5% (for 7% loans), 1.5% (for 8% loans), and 0.5% (for 9% loans).
- For loans made on or after 10/1/1992, 9.5% less the applicable interest rate.

For IBR the SAP factor for the 3-month period factor is 0.023750.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
1.83% ¹¹	0.076700	0.019175
2.43% ¹²	0.070700	0.017675
2.63% ¹³	0.068700	0.017175

11) Stafford loans made on or after 7/1/1998 but prior to 4/1/2006, only during the in-school, grace, and deferment periods. [Category "XJ EVAR"](#)

12) Stafford loans made on or after 7/1/1998 but prior to 4/1/2006, except during the in-school, grace, and deferment periods. [Category "XK EVAR"](#)

13) Stafford loans for which the first disbursement is made on or after 7/1/1995 and before 7/1/1998, only during the in-school, grace, and deferment periods. [Category "XH EVAR"](#)

Attachment B – Special Allowance Rates for Tax-Exempt Loans (cont.)

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
3.23% ^{14, 15}	0.062700	0.015675
3.38% ¹⁶	0.061200	0.015300
6% ¹⁷	0.035000	0.008750
6.8%	0.027000	0.006750
7%	0.025000	0.006250
8%	0.015000	0.003750
9%	0.005000	0.001250

14) (a) 8/10% Stafford loans (on or after the 49th month of repayment) that were subject to the "windfall profits" provisions of 427A(i)(3) of the Act and that have been converted to a variable rate, and (b) Stafford loans, made to new borrowers, for which the first disbursement is made on or after 10/1/1992 but prior to 7/1/1994. (1992 Amendments). (a) [Category "XE FVAR10"](#) (b) [Category "XE EVAR"](#)

15) (a) All Stafford loans made for periods of enrollment that either begin on or after 7/1/1994 or include that date for which the first disbursement is made on or after 7/1/1994 but prior to 7/1/1995, (b) Stafford loans for which the first disbursement is made on or after 7/1/1995 and before 7/1/1998, except during the in-school, grace, and deferment periods, and (c) all PLUS loans made on or after 1/1/2000 but prior to 4/1/2006. (a) [Category "XG EVAR"](#) (b) [Category "XG EVAR"](#) (c) [Category "XQ EVAR"](#)

16) Fixed-rate 8/10% Stafford loans that were subject to the "windfall profits" provisions of 427A(i)(1) of the Act and that have been converted to a variable rate: reference 427A(i)(7)(D) of the Act (1986 Amendments). [Category "XB FVAR10"](#)

17) The 6% interest rates and special allowance rates apply to Consolidation loans made on or after 7/1/1994 with tax-exempt funds.

Attachment C –Special Allowance Rates Based on Commercial Paper Rates

Attachment C Includes:

Loans made on or after 1/1/2000 for which the special allowance is calculated.

Stafford loans (subsidized and unsubsidized):

- made on or after 1/1/2000 but prior to 4/1/2006, only during the in-school, grace, and deferment periods.
- made on or after 4/1/2006 and prior to 10/1/2007, only during the in-school, grace, and deferment periods, and which are subject to the repayment of excess interest as required under the *Higher Education Reconciliation Act* (HERA).

Formula: (0.15%) plus (1.74%) less (applicable interest rate) = annual special allowance rate.

For IBR the SAP factor for the 3-month period factor is 0.004725.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
1.83% ¹⁸	0.000600	0.000150
1.83% ¹⁹	0.000600	0.000150
6.80% ²⁰	(0.049100)	(0.012275)

18) Stafford loans made on or after 1/1/2000 but prior to 4/1/2006. Category "CA EVAR"

19) Stafford loans made on or after 4/1/2006 but prior to 7/1/2006. Category "CE EVAR"

20) Stafford loans made on or after 7/1/2006 but prior to 10/1/2007. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. Category "CE"

Attachment C –Special Allowance Rates Based on Commercial Paper Rates (cont.)

Stafford loans (subsidized and unsubsidized):

- made on or after 1/1/2000 but prior to 4/1/2006, except during the in-school, grace, and deferment periods.
- made on or after 4/1/2006 and prior to 10/1/2007, except during the in-school, grace, and deferment periods, and which are subject to the repayment of excess interest as required under the HERA.

Formula: (0.15%) plus (2.34%) less (applicable interest rate) = annual special allowance rate.

For IBR the SAP factor for the 3-month period factor is 0.006225.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
2.43% ²¹	0.000600	0.000150
2.43% ²²	0.000600	0.000150
6.80% ²³	(0.043100)	(0.010775)

21) Stafford loans made on or after 1/1/2000 but prior to 4/1/2006. Category "CB EVAR"

22) Stafford loans made on or after 4/1/2006 but prior to 7/1/2006. Category "CF EVAR"

23) Stafford loans made on or after 7/1/2006 but prior to 10/1/2007. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. Category "CF"

Attachment C –Special Allowance Rates Based on Commercial Paper Rates (cont.)

PLUS loans:

made on or after 1/1/2000 but prior to 4/1/2006.

made on or after 4/1/2006 and prior to 10/1/2007, and which are subject to the repayment of excess interest as required under the HERA.

Formula: (0.15%) plus (2.64%) less (applicable interest rate) = annual special allowance rate.

For IBR the SAP factor for the 3-month period factor is 0.006975.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
3.23% ²⁴	0.00	0.00
3.23% ²⁵	(0.004400)	(0.001100)
8.50% ²⁶	(0.057100)	(0.014275)

Consolidation loans:

- for applications received on or after 1/1/2000 and prior to 4/1/2006. [Category “CC”](#)
- made on or after 4/1/2006 and prior to 10/1/2007, and which are subject to the repayment of excess interest as required under the HERA. [Category “CG”](#)

Formula: (0.15%) plus (2.64%) less (applicable interest rate) = annual special allowance rate.

Note: The interest rate for these consolidation loans is determined by taking the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher 1/8th of one percent. Therefore, due to the wide range of possible applicable interest rates, no further calculations are shown here.

24) PLUS loans made on or after 1/1/2000 but prior to 4/1/06. [Category “CD EVAR”](#)

25) PLUS loans made on or after 4/1/2006 but prior to 7/1/2006. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. [Category “CH EVAR”](#)

26) PLUS loans made on or after 7/1/2006 but prior to 10/1/2007. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. [Category “CH”](#)

Attachment C –Special Allowance Rates Based on Commercial Paper Rates (cont.)

Stafford loans (subsidized and unsubsidized):

- made on or after 10/1/2007 but prior to 7/1/2010, only during the in-school, grace, and deferment periods, and which are subject to the repayment of excess interest as required under the HERA.

Formula: (0.15%) plus (1.19%) less (applicable interest rate) = annual special allowance rate.

For IBR the 3-month period factor for SAP is 0.003350 and for SAP NFP is 0.003725.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period	Special Allowance for 3-month Period – Not for Profit
5.6% ²⁷	(0.042600)	(0.010650)	(0.010275)
6.0% ²⁸	(0.046600)	(0.011650)	(0.011275)
6.8% ²⁹	(0.054600)	(0.013560)	(0.013275)

27) Undergraduate subsidized Stafford loans made on or after 7/1/2009 and before 7/1/2010. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. [Category "CI"](#)

28) Undergraduate subsidized Stafford loans made on or after 7/1/2008 and before 7/1/2009. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. [Category "CI"](#)

29) Stafford loans made on or after 10/1/2007, except undergraduate subsidized Stafford loans made on or after 7/1/2008. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. [Category "CI"](#)

Attachment C –Special Allowance Rates Based on Commercial Paper Rates (cont.)

Stafford loans (subsidized and unsubsidized):

- made on or after 10/1/2007 but prior to 7/1/2010, *except* during the in-school, grace, and deferment periods, and which are subject to the repayment of excess interest as required under the HERA.

Formula: (0.15%) plus (1.79%) less (applicable interest rate) = annual special allowance rate.

For IBR the 3-month period factor for SAP is 0.004850 and for SAP NFP is 0.005225.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period	Special Allowance for 3-month Period – Not for Profit
5.6% ³⁰	(0.036600)	(0.009150)	(0.008775)
6.0% ³¹	(0.040600)	(0.010150)	(0.009775)
6.8% ³²	(0.048600)	(0.012150)	(0.011775)

30) Undergraduate subsidized Stafford loans made on or after 7/1/2009 and before 7/1/2010. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. [Category “CJ”](#)

31) Undergraduate subsidized Stafford loans made on or after 7/1/2008 and before 7/1/2009. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. [Category “CJ”](#)

32) Stafford loans made on or after 10/1/2007, except undergraduate subsidized Stafford loans made on or after 7/1/2008. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. [Category “CJ”](#)

Attachment C –Special Allowance Rates Based on Commercial Paper Rates (cont.)

PLUS loans:

- made on or after 10/1/2007 but prior to 7/1/2010, and which are subject to the repayment of excess interest as required under the HERA.

Formula: (0.15%) plus (1.79%) less (applicable interest rate) = annual special allowance rate.

For IBR the 3-month period factor for SAP is 0.004850 and for SAP NFP is 0.005225.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period	Special Allowance for 3-month Period – Not for Profit
6.0% ³³	(0.040600)	(0.010150)	(0.009775)
8.5% ³³	(0.065600)	(0.016400)	(0.016025)

Consolidation loans:

- made on or after 10/1/2007 but prior to 7/1/2010, and which are subject to the repayment of excess interest as required under the HERA.

Formula: (0.15%) plus (2.09%) less (applicable interest rate) = annual special allowance rate.

Note: The interest rate for these consolidation loans is determined by taking the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher 1/8th of one percent. Therefore, due to the wide range of possible applicable interest rates, no further calculations are shown here. [Category “CK”](#)

33) Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. [Category “CM”](#)

Attachment D – Special Allowance Rates Based on LIBOR Rates

Attachment D Includes:

Loans made or after 1/2/2000 for which the special allowance is calculated using LIBOR.

Stafford loans (subsidized and unsubsidized):

- made on or after 1/1/2000 but prior to 4/1/2006, only during the in-school, grace, and deferment periods.
- made on or after 4/1/2006 and prior to 10/1/2007, only during the in-school, grace, and deferment periods, and which are subject to the repayment of excess interest as required under the *Higher Education Reconciliation Act* (HERA).

Formula: (0.15%) plus (1.74%) less (applicable interest rate) = annual special allowance rate.

For IBR the SAP factor for the 3-month period factor is 0.004725.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
1.83% ³⁴	0.000600	0.000150
1.83% ³⁵	0.000600	0.000150
6.80% ³⁶	(0.049100)	(0.012275)

34) Stafford loans made on or after 1/1/2000 but prior to 4/1/2006. Category "LA EVAR"

35) Stafford loans made on or after 4/1/2006 but prior to 7/1/2006. Category "LE EVAR"

36) Stafford loans made on or after 7/1/2006 but prior to 10/1/2007. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. Category "LE"

Attachment D – Special Allowance Rates Based on LIBOR Rates (cont.)

Stafford loans (subsidized and unsubsidized):

- made on or after 1/1/2000 but prior to 4/1/2006, except during the in-school, grace, and deferment periods.
- made on or after 4/1/2006 and prior to 10/1/2007, except during the in-school, grace, and deferment periods, and which are subject to the repayment of excess interest as required under the HERA.

Formula: (0.15%) plus (2.34%) less (applicable interest rate) = annual special allowance rate.

For IBR the SAP factor for the 3-month period factor is 0.006225.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
2.43% ³⁷	0.000600	0.000150
2.43% ³⁸	0.000600	0.000150
6.80% ³⁹	(0.043100)	(0.010775)

37) Stafford loans made on or after 1/1/2000 but prior to 4/1/2006. Category “LB EVAR”

38) Stafford loans made on or after 4/1/2006 but prior to 7/1/2006. Category “LF EVAR”

39) Stafford loans made on or after 7/1/2006 but prior to 10/1/2007. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. Category “LF”

Attachment D – Special Allowance Rates Based on LIBOR Rates (cont.)

PLUS loans:

- made on or after 1/1/2000 but prior to 4/1/2006.
- made on or after 4/1/2006 and prior to 10/1/2007, and which are subject to the repayment of excess interest as required under the HERA.

Formula: (0.15%) plus (2.64%) less (applicable interest rate) = annual special allowance rate.

For IBR the SAP factor for the 3-month period factor is 0.006975.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
3.23% ⁴⁰	0.00	0.00
3.23% ⁴¹	(0.004400)	(0.001100)
8.50% ⁴²	(0.057100)	(0.014275)

Consolidation loans:

- for applications received on or after 1/1/2000 and prior to 4/1/2006. [Category “LC”](#)
- made on/after 4/1/2006 and prior to 10/1/2007, and which are subject to the repayment of excess interest as required under the HERA. [Category “LG”](#)

Formula: (0.15%) plus (2.64%) less (applicable interest rate) = annual special allowance rate.

Note: The interest rate for these consolidation loans is determined by taking the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher 1/8th of one percent. Therefore, due to the wide range of possible applicable interest rates, no further calculations are shown here.

40) PLUS loans made on or after 1/1/2000 but prior to 4/1/2006. [Category “LD EVAR”](#)

41) PLUS loans made on or after 4/1/2006 but prior to 7/1/2006. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. [Category “LH EVAR”](#)

42) PLUS loans made on or after 7/1/06 but prior to 10/1/07. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. [Category “LH”](#)

Attachment D – Special Allowance Rates Based on LIBOR Rates (cont.)

Stafford loans (subsidized and unsubsidized):

- made on or after 10/1/2007 but prior to 7/1/2010, only during the in-school, grace, and deferment periods, and which are subject to the repayment of excess interest as required under the HERA.

Formula: (0.15%) plus (1.79%) less (applicable interest rate) = annual special allowance rate.

For IBR the 3-month period factor for SAP is 0.003350 and for SAP NFP is 0.003725.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period	Special Allowance for 3-month Period – Not For Profit
5.6% ⁴³	(0.042600)	(0.010650)	(0.010275)
6.0% ⁴⁴	(0.046600)	(0.011650)	(0.011275)
6.8% ⁴⁵	(0.054600)	(0.013650)	(0.013275)

43) Undergraduate subsidized Stafford loans made on or after 7/1/2009 and before 7/1/2010. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. [Category “LI”](#)

44) Undergraduate subsidized Stafford loans made on or after 7/1/2008 and before 7/1/2009. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. [Category “LI”](#)

45) Stafford loans made on or after 10/1/2007, except undergraduate subsidized Stafford loans made on or after 7/1/2008. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. [Category “LI”](#)

Attachment D – Special Allowance Rates Based on LIBOR Rates (cont.)

Stafford loans (subsidized and unsubsidized):

- made on or after 10/1/2007 but prior to 7/1/2010, except during the in-school, grace, and deferment periods, and which are subject to the repayment of excess interest as required under the HERA.

Formula: (0.15%) plus (1.79%) less (applicable interest rate) = annual special allowance rate.

For the 3-month period factor for SAP is 0.004850 and for SAP NFP is 0.005225.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period	Special Allowance for 3-month Period – Not For Profit
5.6% ⁴⁶	(0.036600)	(0.009150)	(0.008775)
6.0% ⁴⁷	(0.040600)	(0.010150)	(0.009775)
6.8% ⁴⁸	(0.048600)	(0.012150)	(0.011775)

46) Undergraduate subsidized Stafford loans made on or after 7/1/2009 and before 7/1/2010. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. Category “L”

47) Undergraduate subsidized Stafford loans made on or after 7/1/2008 and before 7/1/2009. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. Category “L”

48) Stafford loans made on or after 10/1/2007, except undergraduate subsidized Stafford loans made on or after 7/1/2008. Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. Category “L”

Attachment D – Special Allowance Rates Based on LIBOR Rates (cont.)

PLUS loans:

- made on or after 10/1/2007 but prior to 7/1/2010, and which are subject to the repayment of excess interest as required under the HERA.

Formula: (0.15%) plus (1.79%) less (applicable interest rate) = annual special allowance rate.

For IBR the 3-month period factor for SAP is 0.004850 and for SAP NFP is 0.005225.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period	Special Allowance for 3-month Period – Not For Profit
6.0% ⁴⁹	(0.040600)	(0.010150)	(0.009775)
8.5% ⁴⁹	(0.065600)	(0.016400)	(0.016025)

Consolidation loans:

made on or after 10/1/2007 but prior to 7/1/2010, and which are subject to the repayment of excess interest as required under the HERA.

Formula: (0.15%) plus (2.09%) less (applicable interest rate) = annual special allowance rate.

Note: The interest rate for these consolidation loans is determined by taking the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher 1/8th of one percent. Therefore, due to the wide range of possible applicable interest rates, no further calculations are shown here. Category “LK”

49) Because this formula resulted in an amount less than zero, these loans will not receive special allowance. The rate shown is for the recapture of excess interest. Category “LM”