



A member benefit compliments of...



JAS Financial Services, LLC

Joseph A. Smith, CPA/ PFS, JD, AEP®

Member

1603 Orrington Avenue

Suite 600

Evanston, IL 60201

847-328-8011

Fax 847-780-7920

joe@jasfinancialllc.com

<https://jasfinancialllc.com/>



Interest Rates Rise on Federal Student Loans for 2017/2018

After falling for two consecutive years, interest rates on federal student loans are now rising. The following table shows the interest rates for new Direct Loans first disbursed on or after July 1, 2017, and before July 1, 2018. The rate is fixed for the life of the loan.



Subsidized vs. unsubsidized

What's the difference? With subsidized loans, the federal government pays the interest that accrues while the student is in school, during the six-month grace period after graduation, and during any loan deferment periods. By contrast, with unsubsidized loans, the borrower pays the interest during these periods. Eligibility for subsidized loans is based on financial need. Only undergraduate students are eligible for subsidized loans.

	New rate 2017/2018	Old rate 2016/2017	Available to	Borrowing limits
Direct Subsidized Loans: Undergraduate Students	4.45%	3.76%	Undergraduate students only Subsidized loans are based on financial need as determined by the federal aid application (FAFSA)	For dependent undergraduates: 1st year: \$5,500 (\$3,500 subsidized) 2nd year: \$6,500 (\$4,500 subsidized) 3rd, 4th, 5th year: \$7,500 (\$5,500 subsidized) Max: \$31,000 (\$23,000 subsidized)
Direct Unsubsidized Loans: Undergraduate Students	4.45%	3.76%	Undergraduate students only	For dependent undergraduates: 1st year: \$5,500 (\$3,500 subsidized) 2nd year: \$6,500 (\$4,500 subsidized) 3rd, 4th, 5th year: \$7,500 (\$5,500 subsidized) Max: \$31,000 (\$23,000 subsidized)
Direct Unsubsidized Loans: Graduate or Professional Students	6%	5.31%	Graduate or professional students only Unsubsidized loans only	\$20,500 per year (unsubsidized only); max \$138,500 (\$65,500 subsidized)
Direct PLUS Loans: Parents and Graduate or Professional Students	7%	6.31%	Parents of dependent undergraduate students and graduate or professional students Unsubsidized loans only	Total cost of education, minus any other aid received by student or parent



The foregoing is provided for information purposes only. It is not intended or designed to provide legal, accounting, tax, investment or other professional advice. Such advice requires consideration of individual circumstances. Before any action is taken based upon this information, it is essential that competent, individual, professional advice be obtained. JAS Financial Services, LLC is not responsible for any modifications made to this material, or for the accuracy of information provided by other sources.