

Addendum to the *Entrance Counseling Guide for Direct Loan Borrowers*

The table with the heading “Types of Direct Loans” on page 4 of the *Entrance Counseling Guide for Direct Loan Borrowers* published December 2013, has been revised to include the interest rates for loans first disbursed on or after July 1, 2014 and before July 1, 2015, and updated information about payment of interest on Direct Subsidized Loans.

Types of Direct Loans (Excludes Direct Consolidation Loans)			
	Direct Subsidized Loans	Direct Unsubsidized Loans	Direct PLUS Loans
Who may receive this loan?	Undergraduate students with financial need	All students	Graduate or professional students, and parents of dependent undergraduate students
What is the interest rate on loans first disbursed on or after 7/1/2014 and before 7/1/2015? ¹	4.66%	Undergraduates 4.66% Graduate and Professional Students 6.21%	7.21%
When does the government pay my interest? ²	For 6 months after you graduate or drop below half-time enrollment (for Direct Subsidized Loans first disbursed on or after 7/1/2012 and before 7/1/2014, you are responsible for paying the interest that accrues during this period) Deferment periods Certain periods of repayment under the Income-Based Repayment and Pay As You Earn Repayment plans	You pay all interest charged over the course of your loan term.	You pay all interest charged over the course of your loan term.
When must I begin making payments?	6 months after you graduate or drop below half-time enrollment	6 months after you graduate or drop below half-time enrollment	6 months after you graduate or drop below half-time enrollment

¹ The interest rate is fixed and will apply for the life of the loan (see the Important information below).

² If you are a first-time borrower on or after July 1, 2013, under certain circumstances you may become responsible for paying the interest that accrues on your Direct Subsidized Loans during all periods. For more information, see Limitation on Direct Subsidized Loan Eligibility for First-Time Borrowers on or after July 1, 2013 on page 8 of the *Entrance Counseling Guide for Direct Loan Borrowers*.

The information in the text block that follows the table on page 4 of the *Entrance Counseling Guide* has been revised to read as follows:

Important

Interest rates on Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans are fixed rates that are calculated each year in accordance with formulas specified in the law and regulations that set the terms and conditions of Direct Loans. When the rates are calculated, they apply to all loans for which the first disbursement is made during the period beginning on July 1 of one year and ending on June 30 of the following year. Separate loans that you receive over the course of your education may have different fixed interest rates, depending on when the loan is first disbursed, the loan type, and whether you are an undergraduate student or a graduate or professional student. The maximum interest rate for Direct Subsidized Loans and Direct Unsubsidized Loans made to undergraduate students is 8.25%. The maximum interest rate for Direct Unsubsidized Loans made to graduate or professional students is 9.5%. The maximum interest rate for Direct PLUS Loans is 10.5%. You will receive a disclosure statement that notifies you of the fixed interest rate for each loan you receive.

The phone number for the Federal Student Aid Ombudsman listed on page 29 of the *Entrance Counseling Guide* is incorrect. The correct phone number is 877-557-2575.

Borrowers can find additional information about Direct Loans in the *Entrance Counseling Guide*, and online at StudentLoans.gov.