

Treasury bill rate was 3.77 percent. The maximum interest rate for the period from July 1, 2001, through June 30, 2002, is 6.77 percent (3.77 percent plus 3.0 percent equals 6.77 percent).

Electronic Access to This Document

You may view this document, as well as all other Department of Education documents published in the **Federal Register**, in text or Adobe Portable Document Format (PDF) on the Internet at the following sites: <http://www.ed.gov/legislation/FedRegister> <http://ifap.ed.gov/IFAPWebApp/index.jsp>

To use PDF you must have Adobe Acrobat Reader, which is available free at either of the previous sites. If you have questions about using PDF, call the U.S. Government Printing Office (GPO), toll free, at 1-888-293-6498; or in the Washington, D.C., area at (202) 512-1530.

Note: The official version of this document is the document published in the **Federal Register**. Free Internet access to the official edition of the **Federal Register** and the Code of Federal Regulations is available on GPO Access at: <http://www.access.gpo.gov/nara/index.html>

Program Authority: 20 U.S.C. 1077a and 20 U.S.C. 1087e.

Dated: September 10, 2001.

Greg Woods,

Chief Operating Officer, Student Financial Assistance.

[FR Doc. 01-23040 Filed 9-12-01; 8:45 am]

BILLING CODE 4000-01-P

DEPARTMENT OF EDUCATION

William D. Ford Federal Direct Loan Program

AGENCY: Department of Education.

ACTION: Notice of interest rates for the William D. Ford Federal Direct Loan Program for the period from July 1, 2001 through June 30, 2002.

SUMMARY: The Chief Operating Officer for Student Financial Assistance announces the interest rates for loans made under the William D. Ford Federal Direct Loan (Direct Loan) Program for the period from July 1, 2001 through June 30, 2002.

SUPPLEMENTARY INFORMATION:

Section 455(b) of the Higher Education Act of 1965, as amended (HEA), 20 U.S.C. 1087e(b), provides formulas for determining the interest rates charged to borrowers of loans made under the Direct Loan Program including Federal Direct Stafford Loans (Direct Subsidized Loans), Federal Direct Unsubsidized Stafford Loans

(Direct Unsubsidized Loans), Federal Direct PLUS Loans (Direct PLUS Loans) and Federal Direct Consolidation Loans (Direct Consolidation Loans).

The Direct Loan Program includes loans with variable interest rates and loans with fixed interest rates. Most loans made under the Direct Loan Program have variable interest rates that change each year. The variable interest rate formula that applies to a particular loan depends on the date of the first disbursement of the loan. The variable rates are determined annually and are effective for each 12-month period beginning July 1 of one year and ending June 30 of the following year.

In the case of some Direct Consolidation Loans, the interest rate is determined by the date on which the Direct Consolidation Loan application was received. Direct Consolidation Loans for which the application was received on or after February 1, 1999 have a fixed interest rate based on the weighted average of the loans that are consolidated rounded up to the nearest higher $\frac{1}{8}$ of one percent.

Pursuant to section 455(b) of the HEA, 20 U.S.C. 1087e(b) the Direct Loan interest rate formulas use the bond equivalent rates of the 91-day Treasury bills at the final auction held before June 1 of each year plus a statutory add-on percentage to determine the variable interest rate for—

- All Direct Subsidized Loans and Direct Unsubsidized Loans;
- Direct Consolidation Loans for which the application was received on or after July 1, 1998 and before February 1, 1999; and
- Direct PLUS Loans disbursed on or after July 1, 1998.

The bond equivalent rate of the 91-day Treasury bills auctioned on May 29, 2001, which is used to calculate the interest rates on these loans is 3.688 percent (rounded to 3.69 percent).

In addition, pursuant to section 455(b) of the HEA, 20 U.S.C. 1087e(b), as amended by Public Law 106-554, the Consolidated Appropriations Act 2001, the interest rate for Direct PLUS Loans that were disbursed on or after July 1, 1994 and on or before July 1, 1998, is calculated based on the weekly average of a 1-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, for the last calendar week ending on or before June 26 plus a statutory add-on percentage.

The last calendar week ending on or before June 26 2001, was June 22, 2001. On that date, the Board of Governors of the Federal Reserve System published the 1-year constant maturity Treasury yield average as 3.46 percent.

Below is specific information on the calculation of the interest rates for the Direct Loan Program. This information is listed in order by the date a loan was first disbursed or by the date that the Consolidation Application was received.

In addition, a summary of the interest rates that are effective for the period July 1, 2001 through June 30, 2002, is included on charts at the end of this notice. These charts are organized by loan type. In each chart, the interest rates are arranged by the date a loan was first disbursed or by the date that the consolidation application was received.

FOR FURTHER INFORMATION CONTACT: Don Watson, U.S. Department of Education, Room 3045, ROB-3, 400 Maryland Avenue, SW., Washington, DC 20202-5400. Telephone: (202) 708-8242. If you use a telecommunications device for the deaf (TDD), you may call the Federal Information Relay Service (FIRS) at 1-800-877-8339.

Individuals with disabilities may obtain this document in an alternative format (e.g., Braille, large print, audiotape or computer diskette) on request to the contact person listed in the preceding paragraph.

For Direct Loan Program Loans Disbursed On Or After July 1, 1994, and Before July 1, 1998

The interest rate for Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct Subsidized and Unsubsidized Consolidation Loans is the bond equivalent rate of the 91-day Treasury bills auctioned at the final auction held before June 1 plus 3.1 percent. However, for loans disbursed on or after July 1, 1995, and before July 1, 1998, during in-school, grace, and deferment periods, the interest rate is the bond equivalent rate of the 91-day Treasury bills auctioned at the final auction held before June 1 plus 2.5 percent. These interest rates may not exceed 8.25 percent during any period. From July 1, 2001, to June 30, 2002, the interest rate for Direct Subsidized Loans, Direct Unsubsidized Loans and Direct Subsidized and Unsubsidized Consolidation Loans that were disbursed on or after July 1, 1994, and before July 1, 1998, is 6.19 percent during in-school, grace, and deferment periods and 6.79 percent during all other periods.

The interest rate for Direct PLUS Loans and Direct PLUS Consolidation Loans is the weekly average of a 1-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, for the last calendar week ending on or before June 26 plus 3.1 percent. However, these

interest rates may not exceed 9.0 percent during any period. From July 1, 2001, to June 30, 2002, the interest rate for Direct PLUS Loans and Direct PLUS Consolidation Loans that were disbursed on or after July 1, 1995 and before July 1, 1998, is 6.56 percent.

For Direct Loans Disbursed On Or After July 1, 1998, and Before October 1, 1998

The interest rate for Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct Subsidized and Unsubsidized Consolidation Loans is the bond equivalent rate of the 91-day Treasury bills auctioned at the final auction held before June 1 plus 2.3 percent. During in-school, grace, and deferment periods, the interest rate formula is the bond equivalent rate of the 91-day Treasury bills auctioned at the final auction held before June 1 plus 1.7 percent. However, these interest rates may not exceed 8.25 percent during any period. From July 1, 2001, to June 30, 2002, the interest rate for Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct Subsidized and Unsubsidized Consolidation Loans that were disbursed on or after July 1, 1998 and before October 1, 1998, is 5.39 percent during in-school, grace, and deferment periods and 5.99 percent during all other periods.

The interest rate for Direct PLUS Loans and Direct PLUS Consolidation Loans is the bond equivalent rate of the 91-day Treasury bills auctioned at the final auction held before June 1 plus 3.1 percent. However, these interest rates may not exceed 9.0 percent during any period. From July 1, 2001, to June 30, 2002, the interest rate for Direct PLUS Loans and Direct PLUS Consolidation Loans that were disbursed on or after July 1, 1998, and before October 1, 1998, is 6.79 percent.

For Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans Disbursed On Or After October 1, 1998, and Before July 1, 2003

The interest rate for Direct Subsidized Loans and Direct Unsubsidized Loans is the bond equivalent rate of the 91-day Treasury bills auctioned at the final auction held before June 1 plus 2.3 percent. During in-school, grace, and deferment periods, the interest rate is the bond equivalent rate of the 91-day Treasury bills plus 1.7 percent. However, these interest rates may not exceed 8.25 percent during any period. From July 1, 2001, to June 30, 2002, the interest rate for Direct Subsidized Loans and Direct Unsubsidized Loans that were disbursed after July 1, 1998 is 5.39 percent during in-school, grace, and deferment periods and 5.99 percent during all other periods.

The interest rate for Direct PLUS Loans is the bond equivalent rate of the 91-day Treasury bills auctioned at the final auction held before June 1 plus 3.1 percent. However, these interest rates may not exceed 9.0 percent during any period. From July 1, 2001, to June 30, 2002, the interest rate for Direct PLUS Loans that were disbursed after July 1, 1998, is 6.79 percent.

For Direct Consolidation Loans For Which The Application Was Received On Or After October 1, 1998, and Before February 1, 1999

The interest rate for Direct Consolidation Loans for which the application was received during this period is the bond equivalent rate of the 91-day Treasury bills auctioned at the final auction held before June 1 plus 2.3 percent. However, these interest rates may not exceed 8.25 percent during any period. From July 1, 2001, to June 30, 2002, the interest rate for Direct Consolidation Loans for which the application was received on or after

October 1, 1998 and before February 1, 1999, these loans is 5.99 percent.

For Direct Consolidation Loans For Which The Application Was Received On Or After February 1, 1999, and Before July 1, 2003

The interest rate for Direct Consolidation Loan for which the application was received on or after February 1, 1999, and before July 1, 2003, is the lesser of 8.25 percent, or the weighted average of the loans consolidated, rounded to the nearest higher $\frac{1}{8}$ of one percent.

Electronic Access to This Document

You may review this document, as published in the **Federal Register**, in text or Adobe Portable Document Format (PDF) on the Internet at the following sites:

<http://www.ed.gov/legislation/>

[FedRegister](#)

<http://ifap.ed.gov/IFAPWebApp/index.jsp>

To use the PDF, you must have Adobe Acrobat Reader, which is available free at the first of the previous sites. If you have questions about using PDF, call the U.S. Government Printing Office (GPO), toll free, at 1-888-293-6498; or in the Washington DC, area at (202) 512-1530.

Note: The official version of this document is the document published in the **Federal Register**. Free internet access to the official edition of the **Federal Register** and the Code of Federal Regulations is available on GPO access at: <http://www.access.gpo.gov/nara/index.html>

(Catalog of Federal Domestic Assistance Number 84.268 William D. Ford Federal Direct Loan Program)

Program Authority: 20 U.S.C. 1087 *et seq.*

Dated: September 10, 2001.

Greg Woods,

Chief Operating Officer, Student Financial Assistance.

BILLING CODE 4000-01-P

Direct Loan Program's Interest Rates from July 1, 2001 to June 30, 2002					
Federal Direct Subsidized Loans and Federal Direct Unsubsidized Loans					
Date the loan was first disbursed between:	Status	Treasury Instrument	Add-on	Interest Rate for 7/1/2001 to 6/30/2002	Maximum Interest Rate
7/1/1994 and 6/30/1995	All periods	91-day T-bill 3.69	+ 3.1 =	6.79	8.25
7/1/1995 and 6/30/1998	In school, grace, deferment	91-day T-bill 3.69	2.5	6.19	8.25
	All others periods		3.1	6.79	
7/1/1998 and 6/30/2003	In school, grace, deferment	91-day T-bill 3.69	1.7	5.39	8.25
	All others periods		2.3	5.99	

Direct Loan Program's Interest Rates from July 1, 2001 to June 30, 2002					
Federal Direct PLUS Loans					
Date the loan was first disbursed between:	Status	Treasury Instrument	Add-on	Interest Rate for 7/1/2001 to 6/30/2002	Maximum Interest Rate
7/1/1994 and 6/30/1998	All periods	1-year constant maturity Treasury yield 3.46	+ 3.1 =	6.56	9.00
7/1/1998 and 6/30/2003	All periods	91-day T-bill 3.69	+ 3.1 =	6.79	9.00

Direct Loan Program's Interest Rates from July 1, 2001 to June 30, 2002					
Federal Direct Subsidized and Unsubsidized Consolidation Loans					
Date the loan was first disbursed between:	Status	Treasury Instrument	Add-on	Interest Rate for 7/1/2001 to 6/30/2002	Maximum Interest Rate
7/1/1994 and 6/30/1995	In school, grace, deferment	91-day T-bill 3.69	+ 3.1 =	6.79	8.25
	All other periods				
7/1/1995 and 6/30/1998	In school, grace, deferment	91-day T-bill 3.69	+ 2.5 =	6.19	8.25
	All other periods		+ 3.1 =		
Applications received between:	Status	Treasury Instrument	Add-on	Interest Rate for 7/1/2001 to 6/30/2002	Maximum Interest Rate
7/1/1998 and 9/30/1998	In school, grace, deferment	91-day T-bill 3.69	+ 1.7 =	5.39	8.25
	All other periods		+ 2.3 =		
10/1/1998 and 1/31/1999	In school, grace, deferment	91-day T-bill 3.69	+ 2.3 =	5.99	8.25
	All other periods				
2/1/1999 and 6/30/2003	All periods	The lesser of 8.25 percent or weighted average of the loans consolidated, rounded to the next higher 1/8 of one percent.			8.25

Direct Loan Program's Interest Rates from July 1, 2001 to June 30, 2002					
Federal Direct PLUS Consolidation Loans					
Date the loan was first disbursed between:	Status	Treasury Instrument	Add-on	Interest Rate for 7/1/2001 to 6/30/2002	Maximum Interest Rate
7/1/1994 and 6/30/1998	All periods	1-year constant maturity Treasury yield 3.46	+ 3.1 =	6.56	9.00
Applications received between:	Status	Treasury Instrument	Add-on	Interest Rate for 7/1/2001 to 6/30/2002	Maximum Interest Rate
7/1/1998 and 9/30/1998	All periods	91-day T-bill 3.69	+ 3.1 =	6.79	9.00
10/1/1998 and 1/31/1999	All periods	91-day T-bill 3.69	+ 2.3 =	5.99	8.25
2/1/1999 and 6/30/2003	All periods	The lesser of 8.25 percent or weighted average of the loans consolidated, rounded to the next higher 1/8 of one percent.			8.25