

2243 Lyell Avenue, Rochester, NY 14606

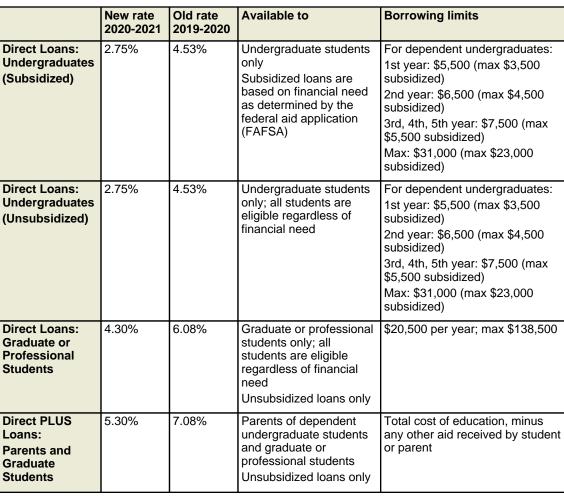
## **Erb Financial**

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## Interest Rates on Federal Student Loans Decrease to Record Lows for 2020-2021

For the second year in a row, interest rates on federal student loans will decrease for the 2020-2021 academic year. This year's decrease brings rates to record lows. The rates apply to new federal student loans made on or after July 1, 2020, through June 30, 2021. The interest 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. With unsubsidized loans, the borrower is responsible for paying the interest during these periods. Only undergraduate students are eligible for subsidized loans, and eligibility is based on demonstrated financial need.

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