

From: Brayden, Kari

Sent: Thursday, May 20, 2021 9:57 AM

Subject: Federal Student Loan Interest Rates - important information regarding increase

Dear Medical Students (rising 2nd, 3rd, and 4th years):

Recently, it was announced that federal student loan interest rates are increasing nearly 1% next academic year. This is based on a [treasury bill](#).

Fixed Interest Rates by Year:

| Federal Loan Type | Prior 2018-2019 Academic Year (7/1/18 - 6/30/19) | Prior 2019-2020 Academic year (7/1/19 - 6/30/20) | Current 2020-2021 Academic Year (7/1/20 - 6/30/21) | Upcoming 2021-2022 Academic Year (7/1/21 - 6/30/22) |
|--|--|--|--|---|
| Unsubsidized Stafford Loan | 6.6% | 6.08% | 4.3% | 5.2% |
| Graduate PLUS Loan | 7.6% | 7.08% | 5.3% | 6.2% |

****If you have already maximized this year's loan offers and/or you do not use financial aid, please disregard this email.****

Do you have any **declined** or **unused loans** from the **current 2020/2021 year**?

- If yes:
 - Do you have previously disbursed loans (from prior years) with higher rates and/or,
 - Do you anticipate needing loan funds in future academic year(s)?
- Consider requesting a disbursement before the spring semester ends to take advantage of the better rate. You would then save that direct deposit "refund" UVM issues you and either:
 - Pay toward a higher rate loan from a prior year by making a voluntary payment on your [loan servicer's website](#)
 - Hold onto the refund for future year expenses

How do you request disbursement?

- If part of the loan has already been accepted, [request a loan adjustment](#) with our fillable online form. You will receive a refund within 7-10 days.
- If the loan(s) is unused and in the original "offered" status in the [myUVM portal](#)/financial aid award letter, you can "accept" the loan on your own (loan adjustment form not needed)

Deadline to request a loan adjustment for the current 2020-2021 academic year's financial aid packages:

To allow adequate time, we encourage all requests to be submitted by 6/15/21.

This year's annual borrowing limit for the [Unsubsidized Direct Stafford Loan](#) is:

Class of 2022: \$44,944

Class of 2023 & 2024: \$42,722

The annual borrowing limit for the [Graduate PLUS loan](#) is the total cost of attendance ([see second section here](#)) *minus other aid*.

What about the [CARES act](#) and temporary “no interest”?

Regardless of which loan you have and from which year, all federal education loans currently have a temporary subsidy, meaning interest is not accruing. This is forecasted to end in late September 2021, after which, the above rates will take effect.

As always, we are here to help!

Sincerely,

Medical Student Financial Services

Kari Brayden

Medical Student Financial Services Coordinator

Office of Medical Student Education, Given Courtyard N100

Medical Student Financial Services: (802) 656-9203 | MedSFS@uvm.edu

Direct: (802) 656-3137 | Kari.Brayden@med.uvm.edu

Web: [Medical Student Financial Services Website](#)

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