



Federal Student Loan Programs

Under the William D. Ford Direct Loan Program, the federal government provides education loans to undergraduate and graduate students and to the parents of undergraduate students. The federal government serves as the lender for all borrowers in the direct loan program but contracts with private entities to service those loans. Before July 1, 2010, the federal government also provided loan guarantees to financial institutions to provide federal student loans through the Federal Family Education Loan Program. The current program offers four types of loans:

- **Subsidized loans** are need-based loans for undergraduate students. No interest accrues while a borrower is enrolled or during other deferment periods, and borrowing is limited by a student's class level and dependency status.
- **Unsubsidized loans** are non-need-based loans for undergraduate and graduate students. Interest accrues from origination, and borrowing is limited by a student's class level and dependency status.
- **Parent PLUS loans** are non-need-based loans for parents of dependent undergraduates. Interest accrues from origination, and borrowing is limited only by the cost of attendance.
- **GradPLUS loans** are non-need-based loans for graduate students. Interest accrues from origination, and borrowing is limited only by the cost of attendance.

The seven tables for federal student loan programs detail costs, loan volume, and subsidy rates as follows:

- **Table 1** shows cost projections for each budget account associated with the federal student loan programs, estimated according to procedures established in the Federal Credit Reform Act of 1990 (FCRA).
- **Table 2** shows the credit reestimates and modifications that the Office of Management and Budget announced that it would record in fiscal year 2024. Additionally, it shows 50 percent of the assumed modification needed for the costs to outstanding loans related to the notice of a proposed rulemaking on loan cancellation.
- **Table 3** shows projections of loan volume for new direct student loans.
- **Table 4** shows projections of subsidy rates for new direct student loans, by repayment plan, estimated using FCRA procedures.
- **Table 5** shows interest rate projections for federal student loans.
- **Table 6** shows cost projections for the federal student loan programs, estimated using fair-value procedures.
- **Table 7** shows projections of subsidy rates for new direct student loans, by repayment plan, estimated using fair-value procedures.



Federal Student Loan Programs

FCRA and fair-value estimating procedures differ: FCRA requires that the lifetime costs of student loans be recorded up front on an accrual basis (that is, they are recognized in the year in which the loan is made). The lifetime cost of a federal loan—called its subsidy cost—is measured by discounting all of the expected future cash flows associated with the loan to a present value at the date the loan is disbursed. Present value is a single number that expresses a flow of current and future income or payments in terms of an equivalent lump sum received or paid at a specific time. The present value depends on the rate of interest—the discount rate—that is used to translate future cash flows into current dollars. The cash flows include the amounts disbursed, principal repaid, interest received, fees charged, and net losses that accrue from defaults.

Under the rules specified in FCRA, the present value of expected future cash flows is calculated by discounting those cash flows using the rates on Treasury securities with similar terms to maturity. For instance, the yield on a Treasury security maturing in one year is used to discount cash flows one year from disbursement, a two-year rate is used for cash flows two years from disbursement, and so on.

In contrast, under fair-value estimating procedures, estimates are based on market value—market prices or approximations of market prices when directly comparable figures are unavailable—which more fully account for the cost of the risk the government incurs. The fair-value approach accounts for the cost of market risk; FCRA procedures using Treasury rates do not.

The definitions of budget authority, program obligations, outlays, credit reestimates, and modifications as they apply to the student loan program subsidy or “program” accounts are as follows:

- **Subsidy budget authority** expresses what total subsidy costs would be if all the loans for which an eligible application was received during a year were made. In reality, not all loans are disbursed because prospective borrowers either do not attend school or decide not to take all or part of the loan for which they applied.
- **Subsidy obligations** are the costs associated with all loans for which there will be at least one cash disbursement (shown as “Net Annual Loan Volume” in Table 3). Typically, estimates of subsidy obligations are not included in budget tables.
- **Subsidy outlays** are subsidy obligations, adjusted for the timing of the cash disbursements. Because of the multiple disbursement requirements and the timing of the academic year relative to the federal fiscal year, only some of the funds are disbursed to borrowers during the first fiscal year; the rest is disbursed in the following year.
- **Credit reestimates** and **modifications** are changes to the estimated costs of the outstanding cohorts of loans recorded in the current fiscal year. Credit reestimates are made annually and are based on changes in a federal agency’s economic assumptions (such as interest rates) and technical assumptions (such as default rates). Modification costs result from changes in the projected cash flows of outstanding loans because of legislation enacted by the Congress or administrative actions taken by a federal agency.



Table 1.
Federal Student Loan Program: Budget Account Totals, Federal Credit Reform Act Estimates

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2024-2029	2024-2034
BUDGET INFORMATION													
Millions of dollars, by fiscal year													
Direct Student Loans													
Program Account ^a													
Budget Authority	31,648	18,612	19,266	20,414	21,237	21,851	22,703	23,540	24,160	24,612	24,819	133,028	252,862
Outlays	27,656	16,689	16,737	17,610	18,432	19,028	19,715	20,464	21,078	21,532	21,792	116,152	220,733
Credit Reestimates and Modifications ^b													
Budget Authority	121,656											121,656	121,656
Outlays	<u>121,656</u>											<u>121,656</u>	<u>121,656</u>
Subtotal, Direct Loans													
Budget Authority	153,304	18,612	19,266	20,414	21,237	21,851	22,703	23,540	24,160	24,612	24,819	254,684	374,518
Outlays	149,312	16,689	16,737	17,610	18,432	19,028	19,715	20,464	21,078	21,532	21,792	237,808	342,389
Guaranteed Student Loans													
Program Liquidating Account and Federal Student Loan Reserve Fund													
Budget Authority	-120	-46	8	8	7	7	6	6	5	5	5	-136	-109
Outlays	-131	-216	-154	-140	-128	-116	-106	-97	-89	-82	-74	-885	-1,333
Credit Reestimates and Modifications ^b													
Budget Authority	18,164											18,164	18,164
Outlays	<u>18,164</u>											<u>18,164</u>	<u>18,164</u>
Subtotal, Guaranteed Loans													
Budget Authority	18,044	-46	8	8	7	7	6	6	5	5	5	18,028	18,055
Outlays	18,033	-216	-154	-140	-128	-116	-106	-97	-89	-82	-74	17,279	16,831
Student Aid Administration													
Discretionary ^c													
Budget Authority	2,059	2,117	2,164	2,211	2,259	2,308	2,359	2,412	2,468	2,524	2,582	13,118	25,463
Outlays	2,043	2,088	2,133	2,180	2,228	2,277	2,327	2,379	2,433	2,488	2,545	12,949	25,121
Mandatory ^d													
Budget Authority	1,115	748	766	776	781	786	792	798	804	810	817	4,972	8,993
Outlays	<u>1,027</u>	<u>850</u>	<u>761</u>	<u>773</u>	<u>780</u>	<u>785</u>	<u>791</u>	<u>797</u>	<u>803</u>	<u>808</u>	<u>815</u>	<u>4,976</u>	<u>8,990</u>
Subtotal, Student Aid Administration													
Budget Authority	3,174	2,865	2,930	2,987	3,040	3,094	3,151	3,210	3,272	3,334	3,399	18,090	34,456
Outlays	3,070	2,938	2,894	2,953	3,008	3,062	3,118	3,176	3,236	3,296	3,360	17,925	34,111



Table 1.
Federal Student Loan Program: Budget Account Totals, Federal Credit Reform Act Estimates

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2024-2029	2024-2034
Total, Student Loans													
Budget Authority	174,522	21,431	22,204	23,409	24,284	24,952	25,860	26,756	27,437	27,951	28,223	290,802	427,029
Outlays	170,415	19,411	19,477	20,423	21,312	21,974	22,727	23,543	24,225	24,746	25,078	273,012	393,331

OMB = Office of Management and Budget.

- a. Estimated spending for fiscal year 2024 includes additional adjustments based on current spending patterns projected by OMB.
- b. Costs for credit reestimates and modifications are changes to the estimated costs of outstanding loans originated before 2024. Those totals are based on the amounts that OMB has announced it will record in fiscal year 2024 and 50 percent of the cost for outstanding loans in the Department of Education’s April 2024 notice of proposed rulemaking (see Table 2 for details).
- c. Projections of discretionary spending for administering student aid are calculated by inflating the budget authority provided in the most recent appropriation act rather than being made on the basis of the estimated future costs of administering the program.
- d. Projections of mandatory spending for administering student aid are based on estimated future costs of administering federal loan programs.



Table 2.
Federal Student Loan Program: Credit Reestimate and Modification Costs, Federal Credit Reform Act Estimates

	2024
BUDGET INFORMATION	
Millions of dollars	
Direct Student Loans	
Credit Reestimates ^a	64,160
Modifications as proposed and estimated by OMB ^b	<u>57,496</u>
Subtotal, Direct Loans	121,656
Guaranteed Student Loans	
Credit Reestimates ^a	9,637
Modifications as proposed and estimated by OMB ^b	<u>8,527</u>
Subtotal, Direct Loans	18,164
Total	
Credit Reestimates ^a	73,797
Modifications as proposed and estimated by OMB ^b	<u>66,023</u>
Total	139,820

OMB = Office of Management and Budget.

- a. A credit reestimate is a revision in the estimated cost of an outstanding group of loans (called a cohort) arising from changes in assumptions about the future cash flows associated with those loans. Credit reestimates are made annually and are based on new economic assumptions (concerning interest rates, for example) and new technical assumptions (for default rates, for example). The totals in this table are based on the amounts that OMB expects to record in fiscal year 2024. According to OMB’s budget documents, the 2024 reestimates are attributable primarily to changes to the model for income-driven repayments and to updated assumptions about loans that would be discharged outside that model.
See Office of Management and Budget, “Detailed Budget Estimates by Agency: Department of Education,” President’s Budget for Fiscal Year 2025: Budget Appendix (March 2024), <https://tinyurl.com/mve7nyxb>.
See also Department of Education, “Student Loans Overview,” President’s FY 2025 Budget Request for the U.S. Department of Education (March 2024), <https://tinyurl.com/zzrcfn7b>.
- b. A modification is a change in the estimated cost of an outstanding cohort of loans that arises from legislation or from federal administrative actions that result in a difference in the future cash flows for those loans. The totals in this table are based on the amounts that CBO expects OMB to record in fiscal year 2024. OMB’s totals in the President’s budget request for fiscal year 2025 did not include modification costs for outstanding direct student loans related to the Department of Education’s proposed loan cancellation plan. CBO incorporated 50 percent of the cost for those loans as estimated by the Department of Education in an April 2024 proposed rulemaking.
See “Student Debt Relief for the William D. Ford Federal Direct Loan Program (Direct Loans), the Federal Family Education Loan (FFEL) Program, the Federal Perkins Loan (Perkins) Program, and the Health Education Assistance Loan (HEAL) Program,” Proposed Rule, 89 *Fed. Reg.* 27564 (April 17, 2024), <https://tinyurl.com/7jzbvbw5>.



Table 3.
Total Direct Student Loan Program Volume

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2024-2029	2024-2034
PROGRAM INFORMATION													
By fiscal year													
All New Loans^a													
Net Annual Loan Volume (Millions of dollars)	85,864	89,912	93,510	96,627	98,885	101,024	103,105	105,243	107,441	109,699	112,020	565,822	1,103,330
Net Number of Loans (Thousands) ^b	12,252	12,502	12,773	13,038	13,136	13,230	13,325	13,420	13,516	13,613	13,711	76,931	144,516
Average Loan Amount (Dollars)	7,008	7,192	7,321	7,411	7,528	7,636	7,738	7,842	7,949	8,058	8,170	n.a	n.a.
Net Annual Loan Volume (Millions of dollars)													
Subsidized	15,829	16,388	16,965	17,563	17,840	18,120	18,405	18,695	18,989	19,288	19,592	102,705	197,674
Unsubsidized Undergraduate	17,429	18,044	18,772	19,434	19,776	20,123	20,426	20,734	21,046	21,363	21,684	113,578	218,831
Unsubsidized Graduate	28,651	29,952	31,068	31,927	32,568	33,041	33,455	33,874	34,298	34,728	35,163	187,207	358,725
GradPLUS	13,662	14,528	15,337	16,073	16,803	17,567	18,365	19,200	20,073	20,985	21,939	93,970	194,532
Parent PLUS	10,294	11,001	11,368	11,630	11,898	12,173	12,454	12,741	13,034	13,335	13,643	68,364	133,571
Average Loan Amount (Dollars)													
Subsidized	3,564	3,618	3,654	3,691	3,718	3,746	3,774	3,803	3,831	3,860	3,889	n.a	n.a
Unsubsidized Undergraduate	3,722	3,778	3,835	3,873	3,912	3,951	3,981	4,010	4,040	4,071	4,101	n.a	n.a
Unsubsidized Graduate	15,269	15,766	16,191	16,515	16,763	16,964	17,134	17,305	17,478	17,653	17,829	n.a	n.a
GradPLUS	22,151	23,037	23,901	24,678	25,418	26,180	26,966	27,775	28,608	29,466	30,350	n.a	n.a
Parent PLUS	16,194	16,518	16,849	17,186	17,529	17,880	18,238	18,602	18,974	19,354	19,741	n.a	n.a

n.a. = not applicable

a. Totals exclude consolidation loans stemming from loans issued before 2024.

b. "Net Number of Loans" is not equivalent to the number of borrowers because borrowers can take out more than one loan, and more than one type of loan, in a single year.



Table 4.
Federal Subsidy Rates for Student Loans, Federal Credit Reform Act Estimates

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Percent, by fiscal year											
All Loans	20.2	18.2	18.1	18.6	18.9	19.0	19.4	19.7	19.8	19.8	19.5
Student Loans											
Subsidized	34.8	33.5	32.7	32.6	32.9	32.9	33.2	33.5	33.5	33.5	33.2
Unsubsidized Undergraduate	27.2	25.3	25.3	25.7	26.2	26.0	26.1	26.5	26.4	26.5	26.5
Unsubsidized Graduate	18.9	16.3	16.2	17.0	17.4	17.7	18.1	18.2	18.4	18.2	18.0
GradPLUS	24.8	23.1	23.7	24.0	23.7	23.8	24.2	24.7	24.8	24.7	24.1
Parent PLUS	-16.5	-17.7	-18.1	-17.6	-17.0	-16.4	-15.9	-15.4	-14.9	-14.7	-14.6
Repayment Plans^a											
Fixed Term											
Subsidized	7.5	5.8	5.1	5.5	6.2	6.7	7.2	7.7	8.1	8.2	8.2
Unsubsidized Undergraduate	-4.0	-6.5	-6.5	-5.6	-4.7	-4.4	-3.9	-3.5	-3.2	-3.1	-3.0
Unsubsidized Graduate	-15.7	-18.6	-18.9	-18.2	-17.2	-16.5	-15.9	-15.3	-14.8	-14.7	-14.6
GradPLUS	-26.3	-29.0	-29.5	-28.8	-27.8	-27.1	-26.4	-25.7	-25.1	-24.9	-24.8
Parent PLUS ^b	-16.5	-17.7	-18.1	-17.6	-17.0	-16.4	-15.9	-15.4	-14.9	-14.7	-14.6
Income Driven											
Subsidized	47.7	46.1	45.1	44.9	45.3	45.4	45.6	45.7	45.6	45.4	45.0
Unsubsidized Undergraduate	38.9	36.7	36.5	37.0	37.6	37.5	37.5	37.8	37.7	37.7	37.6
Unsubsidized Graduate	29.5	27.2	26.9	27.5	27.9	28.2	28.6	28.6	28.6	28.4	28.0
GradPLUS	34.4	32.6	32.3	32.6	32.2	32.3	32.7	33.2	33.2	33.0	32.3

Memorandum:

Volume of loans repaid in an IDR plan in 2025 (Percent)

Subsidized	68
Unsubsidized Undergraduate	73
Unsubsidized Graduate	76
GradPLUS	85

IDR = income-driven repayment.

See next page for notes.



Table 4.
Federal Subsidy Rates for Student Loans, Federal Credit Reform Act Estimates

The subsidy rate is the net present value of the future federal cash flows divided by the amounts in loans disbursed to borrowers each year. For example, the federal cost in 2025 associated with \$89,912 million in new loan volume would be \$16,364 million or 18.2 percent of that volume [$\$89,912 * 0.182 = \$16,364$]. CBO estimates that the federal government will spend, on average, about 18 cents for each new dollar it lends in 2025.

Subsidy rates do not include federal administrative costs associated with disbursing and servicing loans; those costs are included in the budget on a cash basis (see Table 1).

- a. Shifting loan volume from one type of repayment plan to another would not necessarily result in the change in subsidy rates shown. Some borrowers, who have certain characteristics or certain amounts of debt, are more likely to enroll in IDR plans than in fixed-repayment plans. In addition, because the Department of Education plans to transfer delinquent loans in fixed-repayment plans to the new Saving on a Valuable Education IDR plan, the subsidy rates shown for fixed-repayment loans are based on an assumption of very low default rates.
- b. CBO does not separately report IDR subsidy rates for Parent PLUS loans because few borrowers with those loans enroll in IDR plans. In general, borrowers with Parent PLUS loans are eligible only for the income-contingent repayment plan, which is the least generous IDR plan available to borrowers.



Table 5.
Federal Student Loan Programs: Projected Interest Rates

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Percent, by award year											
Subsidized and Unsubsidized Loans to Undergraduate Students											
10-year Treasury + 2.05% Capped 8.25%	6.53	6.19	5.74	5.64	5.70	5.81	5.93	6.05	6.13	6.15	6.16
Unsubsidized Loans to Graduate Students											
10-year Treasury + 3.60% Capped 9.50%	8.08	7.74	7.29	7.19	7.25	7.36	7.48	7.60	7.68	7.70	7.71
PLUS Loans to Graduate Students and Parents											
10-year Treasury + 4.60% Capped 10.50%	9.08	8.74	8.29	8.19	8.25	8.36	8.48	8.60	8.68	8.70	8.71

Borrower interest rates are fixed for the life of the loan and adjusted based on the final auction in May for 10-year Treasury notes. That rate is in effect for all newly issued loans from July 1 through the following June 30. In May 2024, the Department of Education announced the interest rates for direct loans to be disbursed between July 1, 2024, and June 30, 2025.

See Federal Student Aid Office, “(DL-24-03) Interest Rates for Direct Loans First Disbursed Between July 1, 2024 and June 30, 2025” (May 14, 2024), <https://tinyurl.com/yc3fycw3>.

The borrower interest rates used for estimating the cost of the student loan program are different from the rates shown above. The rates used for cost estimating are projected using a Monte Carlo method to capture the effect of a cap on interest rates under current law.



Table 6.
Federal Student Loan Programs: Budget Account Totals, Fair-Value Estimates

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2024- 2029	2024- 2034
BUDGET INFORMATION													
Millions of dollars, by fiscal year													
Direct Student Loans													
Program Costs													
Budget Authority	25,723	25,089	26,020	27,229	28,132	28,843	29,782	30,647	31,341	31,908	32,163	161,036	316,877
Outlays	23,164	22,288	22,653	23,647	24,532	25,210	25,979	26,773	27,439	27,983	28,310	141,494	277,978
Credit Reestimates and Modifications ^a													
Budget Authority	121,656											121,656	121,656
Outlays	<u>121,656</u>											121,656	121,656
Subtotal, Direct Loans													
Budget Authority	147,379	25,089	26,020	27,229	28,132	28,843	29,782	30,647	31,341	31,908	32,163	282,692	438,533
Outlays	144,820	22,288	22,653	23,647	24,532	25,210	25,979	26,773	27,439	27,983	28,310	263,150	399,634
Guaranteed Student Loans													
Program Liquidating Account and Federal Student Loan Reserve Fund													
Budget Authority	-120	-46	8	8	7	7	6	6	5	5	5	-136	-109
Outlays	-131	-216	-154	-140	-128	-116	-106	-97	-89	-82	-74	-885	-1,333
Credit Reestimates and Modifications ^a													
Budget Authority	18,164											18,164	18,164
Outlays	<u>18,164</u>											18,164	18,164
Subtotal, Guaranteed Loans													
Budget Authority	18,044	-46	8	8	7	7	6	6	5	5	5	18,028	18,055
Outlays	18,033	-216	-154	-140	-128	-116	-106	-97	-89	-82	-74	17,279	16,831
Student Aid Administration													
Budget Authority	3,174	2,865	2,930	2,987	3,040	3,094	3,151	3,210	3,272	3,334	3,399	18,090	34,456
Outlays	3,070	2,938	2,894	2,953	3,008	3,062	3,118	3,176	3,236	3,296	3,360	17,925	34,111
Total, Student Loans													
Budget Authority	168,597	27,908	28,958	30,224	31,179	31,944	32,939	33,863	34,618	35,247	35,567	318,810	491,044
Outlays	165,923	25,010	25,393	26,460	27,412	28,156	28,991	29,852	30,586	31,197	31,596	298,354	450,576

a. Costs for credit reestimates and modifications are changes to the estimated costs of outstanding loans originated before 2024. Those totals are based on the amounts that the Office of Management and Budget has announced it will record in fiscal year 2024 and 50 percent of the cost for outstanding loans in the Department of Education's April 2024 notice of proposed rulemaking (see Table 2 for details).

Table 7.
Federal Subsidy Rates for Student Loans, Fair-Value Estimates

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Percent, by fiscal year											
All Loans	26.4	24.6	24.5	24.8	25.1	25.2	25.5	25.7	25.7	25.7	25.3
Student Loans											
Subsidized	39.1	37.9	37.2	37.0	37.3	37.3	37.6	37.8	37.8	37.7	37.4
Unsubsidized Undergraduate	32.3	30.6	30.5	30.8	31.2	31.0	31.1	31.3	31.3	31.3	31.3
Unsubsidized Graduate	24.3	21.9	21.8	22.4	22.7	22.9	23.3	23.3	23.4	23.2	22.8
GradPLUS	30.8	29.4	30.2	30.1	29.9	30.0	30.4	30.6	30.6	30.5	29.7
Parent PLUS	-3.1	-4.1	-4.6	-4.3	-3.8	-3.4	-2.9	-2.5	-2.1	-1.9	-1.8
Repayment Plans^a											
Fixed Term											
Subsidized	14.4	13.1	12.4	12.8	13.5	14.0	14.5	15.0	15.3	15.5	15.5
Unsubsidized Undergraduate	3.7	1.8	1.7	2.5	3.4	3.7	4.1	4.6	4.9	5.0	5.1
Unsubsidized Graduate	-9.8	-12.5	-12.8	-12.2	-11.3	-10.6	-10.0	-9.4	-9.0	-8.9	-8.8
GradPLUS	-20.3	-22.8	-23.3	-22.7	-21.8	-21.1	-20.4	-19.8	-19.2	-19.0	-18.9
Parent PLUS ^b	-3.1	-4.1	-4.6	-4.3	-3.8	-3.4	-2.9	-2.5	-2.1	-1.9	-1.8
Income Driven											
Subsidized	51.1	49.6	48.7	48.4	48.7	48.7	48.9	48.9	48.8	48.5	48.1
Unsubsidized Undergraduate	43.2	41.0	40.9	41.3	41.7	41.6	41.6	41.7	41.5	41.5	41.4
Unsubsidized Graduate	34.7	32.6	32.3	32.8	33.0	33.3	33.5	33.4	33.4	33.0	32.5
GradPLUS	40.4	38.9	38.8	38.7	38.4	38.6	38.9	39.1	38.9	38.9	37.8

IDR = income-driven repayment.

The subsidy rate is the net present value of the future federal cash flows divided by the amounts in loans disbursed to borrowers each year. For example, the federal cost in 2025 associated with the \$89,912 million in new loan volume would be \$22,118 million or 24.6 percent of that volume [$\$89,912 * 0.246 = \$22,118$]. CBO estimates that the federal government will spend, on average, about 25 cents for each new dollar it lends in 2025.

Subsidy rates do not include federal administrative costs associated with disbursing and servicing loans; those costs are included in the budget on a cash basis (see Table 1).

- Shifting loan volume from one type of repayment plan to another would not necessarily result in the change in subsidy rates shown. Some borrowers, who have certain characteristics or certain amounts of debt, are more likely to enroll in IDR plans than in fixed-repayment plans. In addition, because the Department of Education plans to transfer delinquent loans in fixed-repayment plans to the new Saving on a Valuable Education IDR plan, the subsidy rates shown for fixed-repayment loans are based on an assumption of very low default rates.
- CBO does not separately report IDR subsidy rates for Parent PLUS loans because few borrowers with those loans enroll in IDR plans. In general, borrowers with Parent PLUS loans are eligible only for the income-contingent repayment plan, which is the least generous IDR plan available to borrowers.