

TABLE 2

Mar-12

TOTAL DIRECT LOAN PROGRAMS, CBO March 2012 Baseline

	(by fiscal year)										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL ALL NEW LOANS [New Loans Only] a/											
Net Annual Loan Volume (Mil \$)	112,248	112,677	114,684	117,401	120,738	124,371	128,780	133,321	137,973	142,807	147,822
Net Number of Loans (thousands)	23,251	23,293	23,412	23,674	24,098	24,640	25,322	26,022	26,742	27,485	28,251
Average Loan Amount	\$4,828	\$4,837	\$4,898	\$4,959	\$5,010	\$5,048	\$5,086	\$5,123	\$5,159	\$5,196	\$5,232
Subsidy Rate b/ c/ d/	-30.50%	-32.42%	-28.22%	-22.36%	-17.24%	-12.58%	-10.13%	-8.53%	-8.39%	-8.46%	-8.55%
SUBSIDIZED STUDENT LOANS [New Loans Only]											
Net Annual Loan Volume (Mil \$)	36,339	30,405	30,707	31,093	31,629	32,319	33,134	33,970	34,830	35,714	36,622
Net Number of Loans (thousands)	10,532	10,367	10,405	10,471	10,586	10,755	10,956	11,162	11,371	11,584	11,801
Average Loan Amount	\$3,450	\$2,933	\$2,951	\$2,969	\$2,988	\$3,005	\$3,024	\$3,043	\$3,063	\$3,083	\$3,103
Subsidy Rate b/ c/ d/	-10.03%	-15.09%	-10.71%	-5.05%	-0.71%	3.20%	5.31%	6.68%	6.89%	6.91%	6.89%
UNSUBSIDIZED STUDENT LOANS [New Loans Only]											
Net Annual Loan Volume (Mil \$)	55,549	60,881	61,630	62,713	64,262	65,981	68,233	70,564	72,974	75,467	78,046
Net Number of Loans (thousands)	11,119	11,285	11,327	11,459	11,703	12,014	12,426	12,853	13,294	13,751	14,223
Average Loan Amount	\$4,996	\$5,395	\$5,441	\$5,473	\$5,491	\$5,492	\$5,491	\$5,490	\$5,489	\$5,488	\$5,487
Subsidy Rate b/ c/ d/	-34.99%	-33.77%	-29.59%	-23.68%	-18.31%	-13.47%	-10.88%	-9.16%	-8.94%	-8.94%	-8.94%
GRADPLUS STUDENT LOANS [New Loans Only]											
Net Annual Loan Volume (Mil \$)	8,233	9,089	9,948	10,816	11,680	12,500	13,393	14,303	15,203	16,163	17,181
Net Number of Loans (thousands)	537	588	640	694	747	798	853	908	962	1,021	1,083
Average Loan Amount	\$15,338	\$15,446	\$15,532	\$15,591	\$15,634	\$15,663	\$15,707	\$15,759	\$15,798	\$15,835	\$15,871
Subsidy Rate b/ c/ d/	-59.78%	-57.84%	-51.99%	-44.06%	-36.98%	-30.55%	-27.13%	-24.87%	-24.56%	-24.53%	-24.53%
PARENT LOANS [New Loans Only]											
Net Annual Loan Volume (Mil \$)	12,126	12,302	12,400	12,779	13,166	13,571	14,020	14,484	14,967	15,463	15,973
Net Number of Loans (thousands)	1,064	1,053	1,040	1,051	1,062	1,073	1,087	1,101	1,115	1,129	1,144
Average Loan Amount	\$11,401	\$11,686	\$11,920	\$12,158	\$12,401	\$12,649	\$12,902	\$13,160	\$13,424	\$13,692	\$13,966
Subsidy Rate b/ c/ d/	-51.33%	-49.81%	-45.65%	-39.68%	-34.22%	-29.32%	-26.71%	-25.03%	-24.82%	-24.82%	-24.82%

a. Totals exclude consolidation loans. Components may not sum to totals due to rounding.

b. The subsidy rate is the net present value of the future federal cash flows associated with the loan dollars disbursed to borrowers each year. For example, the 2013 federal cost associated with the \$112,677 million in new loan volume would be -\$35,530 million or -32.42% of the new loan volume [$\$112,677 \times -.3242 = -\$36,530$]. In other words, the federal government will save on average about 32 cents for each new dollar loaned in 2013.

c. Subsidy rates do NOT include federal administrative costs associated with disbursing and servicing loans. Those administrative costs are included in the budget on a cash basis [see Table 4.].

d. Subsidy rates were calculated using the CBO March 2012 interest rate forecast.