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Consolidating Student Loans

The *One Big Beautiful Bill Act* (*OBBBA*) made significant changes to the federal student aid programs. This page has been updated with the latest information. To learn more, visit StudentAid.gov/bigupdates.

A Direct Consolidation Loan allows you to consolidate (combine) one or more federal education loans into a new Direct Consolidation Loan for the purpose of lowering your monthly payment amount or gaining access to federal forgiveness programs.

There is **no application fee** to consolidate your federal education loans into a Direct Consolidation Loan.

Apply to Consolidate

Benefits of Consolidating

Single Loan With One Monthly Bill

If you currently have federal student loans that are with different loan servicers, consolidation can greatly simplify loan repayment by giving you a single loan with just one monthly bill.

Lower Monthly Payment

Consolidation can lower your monthly payment by providing access to additional income-driven repayment plans or by giving you more time to repay your loan (up to 30 years) if you choose the Tiered Standard Plan (for consolidated loans on or after July 1, 2026) or Graduated repayment plan.

How Consolidation Affects Repayment Options

If you consolidate Direct Loans and/or loans other than Direct Loans—such as FFEL Program loans or Federal Perkins loans—into a Direct Consolidation Loan that you receive on or after July 1, 2026, you'll be able to enroll in only the Tiered Standard Plan and the Repayment Assistance Plan (RAP) for all of your Direct Loans, including any Direct Loans you received before July 1, 2026.

Most Direct Loan borrowers will have access to RAP for their Direct Loans, with the exception of the following loan types that are **ineligible** for repayment under RAP:

- Direct PLUS Loans for parents
- Direct Consolidation Loans that paid off a Direct PLUS Loan for parents
- Direct Consolidation Loans that paid off a Direct Consolidation Loan that paid off a Direct PLUS loan for parents (sometimes referred to as a double consolidation)

permitted to be repaid separately under the Tiered Standard Plan. The following loan types may be repaid under either the Tiered Standard Plan or the Repayment Assistance Plan:

- Direct Subsidized Loans
- Direct Unsubsidized Loans
- Direct PLUS Loans for graduate or professional students
- Direct Consolidation Loans that don't include a Direct PLUS loan for parents

Access to Discharge Options

If you consolidate loans other than Direct Loans, consolidation may give you access to loan discharge options, such as income-driven repayment or Public Service Loan Forgiveness (PSLF).

Fixed Interest Rate

If you consolidate, you'll be able to switch any variable-rate loans you have to a fixed interest rate.

A Direct Consolidation Loan has a fixed interest rate for the life of the loan. The fixed rate is the weighted average of the interest rates on the loans being consolidated, rounded up to the nearest one-eighth of one percent.

Disadvantages of Consolidating

Longer Repayment Period

Loan consolidation can increase the period of time you have to repay your loan, resulting in more payments and more interest overall than you would have if you didn't consolidate.

For some Direct Consolidation Loan repayment plans, the total amount of your education loan debt determines how long you have to repay your Direct Consolidation Loan.

More Interest

When you consolidate your loans, any outstanding interest on the loans you consolidate becomes part of the original principal balance on your consolidation loan, which means that interest may accrue on a higher principal balance than if you had not consolidated.

Loss of Certain Borrower Benefits

If you consolidate loans other than Direct Loans, you may lose certain borrower benefits—such as interest rate discounts, principal rebates, or some loan cancellation benefits—associated with your current loan apply for a Direct Consolidation Loan, you don't have to consolidate all of your eligible loans.

If you have both Direct PLUS Loans for parents for a dependent's education and other eligible loans for your own education, consolidating them together could result in losing access to certain repayment plans for loans for your own education.

Important: If your consolidate your loans on or after July 1, 2026 and the consolidation loan includes parent PLUS loans, you will only have access to Tiered Standard (which isn't eligible for Public Service Loan Forgivenss).

Use our Repayment Calculator to model your repayment options if you consolidate these loans together.

To maximize your repayment plan options, you should not include both parent PLUS loans and loans for a dependent's education in the same Direct Consolidation Loan. You can consolidate both types of loans separately to avoid this risk.

For example, if you have Federal Perkins Loans and you are employed in an occupation that would qualify you for Perkins Loan cancellation benefits, you might not want to include your Perkins Loans when you consolidate. Leaving out your Perkins Loans will preserve the benefits on those loans.

Lowering Your Payments Without Consolidating

If you want to lower your monthly payment amount but are concerned about the effects of loan consolidation, you still have access to more limited income-driven repayment options. We strongly suggest switching to an income-driven repayment plan for longer-term payment relief. We also offer deferment or forbearance as options for short-term payment relief.

Once your loans are combined into a Direct Consolidation Loan, the consolidation can't be reversed. The loans that were consolidated are considered paid off and no longer exist.

Eligibility

Most federal student loans—including Direct Loans and FFEL Program Loans—are eligible for consolidation. See the full list of loan types by selecting the arrow below.

What types of loans can I consolidate?

- Subsidized Federal Stafford Loans from the Federal Family Education Loan (FFEL) Program
- Unsubsidized and Nonsubsidized Federal Stafford (FFEL) Loans
- FFEL PLUS loans
- Supplemental Loans for Students
- Federal Perkins Loans
- Nursing Student Loans
- Nurse Faculty Loans
- Health Education Assistance Loans
- Health Professions Student Loans
- Loans for Disadvantaged Students
- Direct Subsidized Loans
- Direct Unsubsidized Loans

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- Federal Insured Student Loans
- Guaranteed Student Loans
- National Direct Student Loans
- National Defense Student Loans
- Parent Loans for Undergraduate Students
- Auxiliary Loans to Assist Students

Private education loans are not eligible for consolidation.

Direct PLUS Loans received by parents to help pay for a dependent student's education cannot be consolidated together with federal student loans that the student received.

Learn what to do if you're not sure what kind of loan(s) you have.

Am I eligible for loan consolidation while I am confined in an adult correctional facility or a juvenile justice facility?

If you are otherwise eligible, you can consolidate your federal student loans into a new Direct Consolidation Loan if you are incarcerated, as long as you are not a student at the time of consolidation.

Note: This guidance has been revised effective April 16, 2024, to allow individuals who are currently incarcerated but are not currently students to consolidate their loans. This change in the interpretation of Section 484(b)(5) of the *Higher Education Act of 1965*, as amended (HEA), is consistent with how the HEA and implementing regulations define "student," "individual," and "borrower," which we interpret to allow incarcerated *individuals*, but not incarcerated *students*, to consolidate their loans. Since the adoption of the U.S. Department of Education (ED) prior policy in 1992, ED has increased access to income-driven repayment plans to help borrowers manage their loans, and many defaulted borrowers use loan consolidation to gain access to those repayment options. This policy helps incarcerated borrowers manage and repay their loans.

When can I consolidate my loans?

Generally, you're eligible to consolidate after you graduate, leave school, or drop below half-time enrollment.

The loans you consolidate must be in repayment or in a grace period.

Can I consolidate an existing consolidation loan?

Generally, you can't consolidate an existing consolidation loan unless you include an additional eligible loan in the consolidation.

Exceptions for single FFEL Consolidation Loans

Under certain circumstances, you may reconsolidate a single existing FFEL Consolidation Loan without including any additional loans.

You may reconsolidate a single existing FFEL Consolidation Loan under any of the following circumstances:

- If you're in default or your loan is delinquent and has been referred for default aversion and you agree to repay your new Direct Consolidation Loan under an income-driven repayment plan
- In order to qualify for the PSLF Program

the portion of a Direct Consolidation Loan that repaid a Direct Loan Program or FFEL Program loan first disbursed on or after Oct. 1, 2008

What if I want to consolidate defaulted loans?

If you want to consolidate a defaulted loan, you must either

- make satisfactory repayment arrangements (defined as three consecutive monthly payments) on the loan before you consolidate or
- agree to repay your new Direct Consolidation Loan under an income-driven repayment plan.

If you want to consolidate a defaulted loan that is being collected through garnishment of your wages or that is being collected in accordance with a court order after a judgment was obtained against you, you can't consolidate the loan unless the wage garnishment order has been lifted or the judgment has been vacated.

If you have defaulted federal student loans and are currently confined in an adult correctional facility or a juvenile justice facility, you may apply for loan consolidation as long as you are not a student at the time of consolidation.

After You Consolidate

When do I start repaying my new consolidation loan?

Repayment of a Direct Consolidation Loan will begin within 60 days after the loan is disbursed (paid out). Your loan servicer will let you know when the first payment is due.

If any of the loans you want to consolidate are still in the grace period, you have the option of indicating on your Direct Consolidation Loan application that you want the servicer processing your application to delay consolidating your loans until closer to the grace period end date. If you select this option, you won't have to begin making payments on your new Direct Consolidation Loan until closer to the end of the grace period on your current loans.

Are there different repayment plans?

Borrowers have different needs, so there are several repayment plans—including income-driven repayment plans, which base your monthly payment amount on your income and family size. If you're consolidating a defaulted loan, you must select an income-driven repayment plan. You'll select a repayment plan when you apply for a Direct Consolidation Loan. Learn about repayment plans.

On Oct. 11, 2022, the *Joint Consolidation Loan Separation Act* was signed into law to allow joint consolidation loan borrowers to separate their joint loan obligations into new individual Direct Consolidation Loans. Learn how to separate a joint consolidation loan.

How to Apply

Apply for a Direct Consolidation Loan. You can complete and submit the application online or by U.S. mail. Most people complete the online application in less than 30 minutes. For submissions by mail, visit the link above and look for "Can I submit a paper federal student loan consolidation application?" under Frequently Asked Questions.

After you submit your application, a loan servicer will manage the consolidation process. At this point in the process, this servicer will be your point of contact for any questions you may have about your consolidation application.

This servicer might be different from the one you selected on your consolidation application. If so, don't worry—you'll ultimately be working with the servicer you selected once the consolidation is complete.

Unless the loans you want to consolidate are in a deferment, forbearance, or grace period, it's important for you to continue making payments on those loans until your consolidation servicer tells you that they have been paid off by your new Direct Consolidation Loan.

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This depends on where you are in the consolidation process.

Before Applying

To ask questions about consolidating your loans before you apply for a Direct Consolidation Loan, contact the Federal Student Aid Information Center (FSAIC) at 1-800-433-3243.

While Applying

To request technical assistance while you're logged in and completing the *Direct Consolidation Loan Application and Promissory Note* online, either contact us online or call FSAIC at 1-800-433-3243.

After Applying

To ask questions after you've submitted your *Direct Consolidation Loan Application and Promissory Note*, contact the servicer for your new Direct Consolidation Loan.

If you submitted your application online, your consolidation servicer's contact information was provided at the end of the online process. If you submitted a paper application by U.S. mail, your consolidation servicer's contact information was available when you downloaded or printed the paper application.

Additional Links

Repayment Plans

Who's My Student Loan Servicer?

Student Loan Deferment

Was this page helpful? *

Submit

Hi! Need help?