

# Cash Budgeting

## First Year Cost of a \$3,000 Student Loan

<b>Guaranteed Loan</b>		<b>Direct Loan</b>	
<i>10-Year Loan to Student</i>	\$3,000	<i>10-Year Loan to Student</i>	\$3,000
Student interest rate subsidy	137	Principal disbursement	3,000
Fees (net)	-93	Fees (net)	-45
Lender interest rate subsidy	<u>44</u>	Repaid principal and interest	<u>0</u>
<b>Cost to government</b>	<b>88</b>	<b>Cost to government</b>	<b>2,955</b>

*Source: Congressional Budget Office*

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