

# Direct Subsidized Loan Time Limitation

Federal Regulations, effective July 1, 2013, state first time borrowers cannot receive direct subsidized loans longer than 150% of the published length of their current educational program.

## What does that mean? Know your loan limits and plan accordingly!

- **Enroll in the right program for you – Not sure what program you want? Check out our Career Center [here](#).**
- **Do not change majors multiple times – Once you begin classes and take out a subsidized loan the clock starts ticking!**
- **Complete the classes for which you received aid – Need help? There are many resources around campus to assist students, check out the Learning Assistance Center [here](#).**
- **Enroll only in the classes required for your degree – Be wise, get advised! Visit your program advisor, a list of program advisors can be found [here](#).**

### Maximum Eligibility Period to receive subsidized loans

- Measured in academic years (August – July)
- **150%** of the published length of your program (available in school catalog)

Example:

Program Length	150 % = Maximum Eligibility Period
1 year	1.5 years to complete program
2 years	3 years to complete program
3 years	4.5 years to complete program
4 years	6 years to complete program

- Maximum eligibility can change if you enter a longer program however; any direct subsidized loans received for an earlier program **will count** towards your new maximum eligibility period.

Example:

Original Program Length	150% of Original Program Length	Amount Used	New Program Length	150% of New Program	Amount of Eligibility Remaining
2 Years	3 Years	1 Year	4 Years	6 Years	5 Years

### Subsidized Usage Period

- Enrollment periods for which you have received a Direct Subsidized Loan

#### How is this Calculated?

- Full time attendance during both fall and spring terms will count as 1 year against your maximum eligibility limit. Enrollment at anything less than full time for either the term, or the academic year, will result in a reduced subsidized usage period.
- Example:
  - If the maximum loan amount (depending on your need and year in school) was taken at half time enrollment status, the subsidized usage period is 1 academic year

## **Interest starts accruing the day you meet the 150%!**

**\*Your lender will notify you if you become responsible for paying the interest on your subsidized loan.\***

### **Interest Subsidy**

- First time borrowers that complete their program within their 150% time frame retain their interest subsidy for the loans they received while they were completing their program.
  
- If you lose your eligibility for subsidized loans by reaching your maximum eligibility period you may lose the interest subsidy for your subsidized loans if you:
  - Did not complete your program **AND**
    - Continue to be enrolled in the same program
  
  - OR**
  
  - You enroll in another program with the same or shorter program length

NOTE: Capitalization will still occur with any unpaid interest!

**Check on your 150% loan subsidy usage [here](#).**

**For more information about maximum eligibility for subsidized loans please visit [here](#).**