

Federal Direct Subsidized Loans

If you are a first-time borrower on or after July 1, 2013, there is a limit on the maximum period of time (academic years) that you can receive Direct Subsidized Loans. This time limit does not apply to Direct Unsubsidized Loans. The time limit set forth by the U.S. Department of Education is 150% of the published length of your program.

For example, if you are enrolled in a two-year associate degree program, the maximum period for which you can receive Direct Subsidized Loans is three years (150% of 2 years = 3 years). If you are enrolled in a one-year certificate program, the maximum period for which you can receive Direct Subsidized Loans is one and a half years (150% of 1 year = 1.5 years).

Because your maximum eligibility period is based on the length of your current program of study, your maximum eligibility period can change if you change to a program that has a different length. Also, if you receive Direct Subsidized Loans for one program and then change to another program, the Direct Subsidized Loans you received for the earlier program will generally count toward your new maximum eligibility period.

A student who loses eligibility for additional subsidized loans may lose interest subsidy on *previously* received subsidized loans, if –

- Student did not complete their program, and
- Continues in the same program or,
- Enrolls in another undergraduate program of the same or shorter length