

## 150% Direct Subsidized Loan Limit

As of July 1, 2013 a new legislative law went into effect for any new Direct Stafford Subsidized Loan Borrowers.

### What is the new law?

Congress passed a bill “Moving Ahead for Progress in the 21<sup>st</sup> Century Act” which has established time limitations on Direct Stafford Subsidized Loans. This new law will be effective for first time borrowers or borrowers who have paid off their loans and are borrowing again as of July 1, 2013.

### What it means?

If you are a first-time borrower on or after July 1, 2013, there is a limit on the maximum period of time (measured in academic years) that you can receive Direct Subsidized Loans. This time limit does not apply to Direct Unsubsidized Loans or Direct PLUS Loans. If this limit applies to you, you may not receive Direct Subsidized Loans for more than 150 percent of the published length of your program. This is called your “maximum eligibility period.” Your maximum eligibility period is based on the published length of your current program. You can usually find the published length of any program of study in your school’s catalog.

For example, if you are enrolled in a four-year bachelor’s degree program, the maximum period for which you can receive Direct Subsidized Loans is six years (150 percent of 4 years = 6 years). 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 percent of 2 years = 3 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.

Certain types of enrollment may cause you to become responsible for the interest that accrues on your Direct Subsidized Loans when the U.S. Department of Education usually would have paid it.

For more information, please visit the Subsidized Direct Loan information page on [Studentaid.gov](http://Studentaid.gov).