

Subsidized Direct Loan

The student borrower is required to demonstrate a financial need. The federal government, on behalf of the borrower, pays the interest that begins to accrue while a student is in school, during authorized deferment periods, and for six months after the student ceases to be enrolled at least half-time.

Students who are first time loan borrowers on or after July 1, 2013, are subject to a 150% maximum borrowing time limit for subsidized loans. For example, if a student is enrolled in a two year degree, he/she has three years of subsidized eligibility (if qualified) to earn the degree. If a student does not earn the degree (graduate), he/she will become only eligible for unsubsidized loans and the subsidized loans that he/she has previously received will revert to unsubsidized loans and the student will be responsible for any and all interest. For one-year certificate programs, the time limit is 18 months.

Students transferring into the College from other colleges who were first time loan borrowers on or after July 1, 2013, are subject to the maximum borrowing limits. For example a student who had borrowed three years of subsidized loans at a four year school and is transferring to the College, regardless of the number of accepted transfer credits, would have zero eligibility left for subsidized loans, but would have unsubsidized loan eligibility left depending on his/her lifetime eligibility limits.

Students who change programs without completing their initial program are subject to maximum time rules for subsidized loans. For example a student who starts a program but fails to complete it and starts a program of equal or less length loses subsidized eligibility after the 150 percent time period.

For more information about current interest rates, applications and counseling information, please go to <http://studentaid.gov>.