150% Time Limit on Subsidized Student Loan Eligibility
Effective for new borrowers July 1, 2013

The Limit: The Department of Education has placed a limit on how long a student may receive subsidized* student loans. The limit of 150% is based on the time required to complete the program of study. The general time limit calculation is:

4-year program * 150% = 6 years of subsidized loan eligibility
2-year program * 150% = 3 years of subsidized loan eligibility.

*Subsidized means that the government subsidizes (pays) the interest on this type of loan while a student is in college. Students must qualify for subsidized student loans by showing need based on the FAFSA.

Desired Outcome: College students start, progress, and complete their degrees in a timely manner.

What You Need to Know: Changing colleges or changing majors can cost you, especially if you transfer from a 4-year college to a 2-year college or trade school or if you change your major to a shorter program.

Examples:

Student #1
- Starts at a 4-year university
- Takes 3 years of sub loans
- Does NOT complete degree
- Transfers to a 2-year college
- Loses sub loan eligibility
- Loses interest subsidy on past sub loans

Student #2
- Starts at a 2-year college
- Takes 2 years of sub loans
- COMPLETES degree
- Transfers to a 4-year university
- 4 years remaining of sub eligibility

For more information and examples, visit http://www.lamarcc.edu/admission/paying-for-college/financial-aid/ under Student Loans, Additional Information.