

Time Limitation on Direct Subsidized Loan Eligibility for First-Time Borrowers on or after July 1, 2013

Maximum eligibility period to receive Direct Subsidized Loans

There is a limit on the maximum period of time (measured in academic years) that you can receive Direct Subsidized Loans. In general, you may not receive Direct Subsidized Loans for more than 150% of the published length of your program. This is called your "maximum eligibility period". 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 4-year bachelor's degree program, the maximum period for which you can receive Direct Subsidized Loans is 6 years (150% of 4 years = 6 years). If you are enrolled in a 2-year associate degree program, the maximum period for which you can receive Direct Subsidized Loans is 3 years (150% of 2 years = 3 years).

Your maximum eligibility period is based on the published length of your current program. This means that your maximum eligibility period can change if you change programs. 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 against your new maximum eligibility period.

Click [here](#) to see some examples that show how your maximum eligibility period can change if you change programs.

Example 1: You are enrolled in a two-year undergraduate program. You then enroll in a four-year undergraduate program. When you change programs, your maximum eligibility changes from three years to six years.

You received Direct Subsidized Loans for only one year while enrolled in the two-year program. When you enroll in the four-year program, you are eligible to receive five more years of Direct Subsidized Loans.

Example 2: You are enrolled in a four-year undergraduate program. You then enroll in a two-year undergraduate program. When you change programs, your maximum eligibility changes from six years to three years.

You received Direct Subsidized Loans for two years while enrolled in the four-year program. When you enroll in the two-year program, you are eligible to receive one more year of Direct Subsidized Loans.

Example 3: You are enrolled in a four-year undergraduate program. You then enroll in a different four-year undergraduate program. Because both programs are the same length, your maximum eligibility does not change when you change programs-it remains six years.

You received Direct Subsidized Loans for three years while enrolled in the first four-year programs. When you enroll in the second four-year program, you are still eligible to receive three more years of Direct Subsidized Loans.

Periods that count against your maximum eligibility period

The periods of time that count against your maximum eligibility period are periods of enrollment (also known as "loan periods") for which you received Direct Subsidized Loans.

For example, if you are a full-time student and you receive a Direct Subsidized Loan that covers the fall and spring semesters (a full academic year), this will count as one year against your maximum eligibility period.

If you receive a Direct Subsidized Loan for a period of enrollment that is shorter than a full academic year, the period that counts against your maximum usage period will generally be reduced accordingly.

For example, if you are a full-time student and you receive a Direct Subsidized Loan that covers the fall semester but not the spring semester, this will count as one-half of a year against your maximum eligibility period.

With one exception, the *amount* of a Direct Subsidized Loan you receive for a period of enrollment does not affect how much of your maximum eligibility period you have used. That is, even if you receive a Direct Subsidized Loan in an amount that is less than the full [annual loan limit](#) ³, that lesser amount does not reduce the amount of your maximum eligibility period you have used. The one exception applies if you receive the full annual loan limit for a loan period that does not cover the whole academic year.

Click [here](#) to see an example.

Effect of borrowing while enrolled part-time

If you receive a Direct Subsidized Loan when you are enrolled less than full-time, the period that is counted against your maximum eligibility period will be reduced.

For example, if you are enrolled half-time and receive a Direct Subsidized Loan for a period of enrollment that covers a full academic year, this will count as only one-half of a year against your maximum eligibility period.