

**OKLAHOMA CITY COMMUNITY COLLEGE
FINANCIAL AID OFFICE FACT SHEET
150% SUBSIDIZED DIRECT LOAN LIMIT**

What is 150% Subsidized Direct Loan limit? Federal regulations limit the amount of subsidized loans a first-time borrower may receive to 150% of the length of the borrower's current degree program. When the borrower receives subsidized loans for 150% of the program the borrower loses subsidized loan eligibility and/or interest subsidy. The borrower is still eligible for unsubsidized loans.

What is the difference between a subsidized loan and an unsubsidized loan? A subsidized loan does not collect interest while you are enrolled at least 6 hours a semester. An unsubsidized loan collects interest throughout the life of the loan.

What is a first-time borrower? For 150% Subsidized Direct Loan Limit purposes, a student who has no outstanding loan balance when receiving a new loan on or after July 1, 2013.

What is the length of my degree program? An Associate's Degree at OCCC is 2 years. Certificates will vary.

How is 150% of my program calculated? The published length of your degree program is multiplied by 1.5 to determine the *maximum eligibility period*. Example: 2-year degree program: $2 \times 1.5 = 3$ years, 4-year degree program: $4 \times 1.5 = 6$ years, 1-year certificate program: $1 \times 1.5 = 1.5$ years.

What happens when I exceed my maximum eligibility period? You lose eligibility for subsidized loans, but you are still be eligible for unsubsidized loans. You may also lose interest subsidy on any existing subsidized loans.

What is loss of interest subsidy? Subsidized loans do not collect interest while you are enrolled at least 6 hours. You lose interest subsidy when you exceed your maximum eligibility without completing your program and you enroll in a program of the same length or shorter. Example: You receive 3 years of subsidized loans but do not complete the program. You enroll in a 4th year. All subsidized loans you already own will begin collecting interest. You never lose interest subsidy for loans received for a *completed* program.

How is my total amount of years of subsidized loans calculated? It is calculated loan by loan and is rounded up or down to the nearest 0.10 of a year. It is also known as the *subsidized usage period*. Example: If a full year loan is 264 days and the academic year is 264 days, the subsidized usage period is 1 year ($264/264 = 1$ year). If a fall-only loan is 117 days and the academic year is 264 days, the subsidized usage period is 0.4 years. ($117/264 = 0.44$ years, rounded to 0.4 years).

What if I enroll part time? Your loan is prorated based on your enrollment. 6-8 hours is 0.5 years. 9-11 hours is 0.75 years. 12 or more hours is 1 year.

Does the amount of the loan make a difference? No, unless you receive your annual loan amount in one semester. It then counts as 1 year.

What if I accept my loan for the full year, but then I cancel the spring amount? The loan amount and the dates of the loan are changed to only calculate the semester you actually receive loan funds.

What if I transfer to another 2-year school/program? The same rules will apply to the new school/program. Your eligibility for subsidized loans and interest subsidy will remain the same as your eligibility at OCCC.

What if I transfer to a 4-year school/program? You regain eligibility for subsidized loans if the maximum usage period increases to 6 years. Any new subsidized loans will have interest subsidy. If you lose interest subsidy before transferring, you do not regain interest subsidy.