

**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 4<sup>th</sup> 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.