

## **Stafford/Direct Loan Borrowing Amounts: Undergraduate Students**

All undergraduate students are eligible to take out Stafford and/or Direct Loans (depending on the program your college participates in) for which they will be personally responsible to repay. These loans are guaranteed by the federal government and are provided at favorable rates, compared to what would be available in the private sector.

To be eligible, students must complete their FAFSA, on which they check off that they are “interested in loans.” There is no obligation to accept these loans if offered through your school, but you will not be offered them if you do not indicate your interest on the FAFSA. Depending on your family’s EFC, loans will either be subsidized (where the government covers the interest while you are in school) or unsubsidized (where the interest will accrue while you are in school and will be added to the amount you must start repaying when you graduate).

Below we indicate the amounts you may borrow each year. However, your total aid package, including borrowing under these loan programs, may not exceed your school’s Cost of Attendance (COA). If they do, the amount of loan offered will be scaled back by the amount your total award package would exceed that cost.

**Dependent Students.** A dependent undergraduate student may borrow each year up to:

- ◆ \$5,500 if you're a first-year student enrolled in a program of study that is at least a full academic year. No more than \$3,500 of this amount can be in subsidized loans.
- ◆ \$6,500 if you've completed your first year of study and the remainder of your program is at least a full academic year. No more than \$4,500 of this amount can be in subsidized loans.
- ◆ \$7,500 if you've completed two years of study and the remainder of your program is at least a full academic year. No more than \$5,500 of this amount can be in subsidized loans.
- ◆ Total may not exceed \$31,000, of which no more than \$23,000 may be in subsidized.

**Dependent Students whose parents are denied PLUS Loans (a parent Loan).** If a parent applies for and is denied a PLUS Loan, a dependent student may borrow, in addition to the amounts described above:

- ◆ \$4,000 additional each year for first-year and second-year students
- ◆ \$5,000 additional each year for third-year and fourth-year students.

**Independent Students:** An independent may borrow each year up to:

- ◆ \$9,500 if you're a first-year student enrolled in a program of study that is at least a full academic year. No more than \$3,500 of this amount may be in subsidized loans.
- ◆ \$10,500 if you've completed your first year of study and the remainder of your program is at least a full academic year. No more than \$4,500 of this amount may be in subsidized loans.
- ◆ \$12,500 if you've completed two years of study and the remainder of your program is at least a full academic year. No more than \$5,500 of this amount may be in subsidized loans.
- ◆ Total may not exceed \$57,500 of which not more than \$23,000 may be in subsidized loans.