



## 150% Rule for Subsidized Loans

On July 6, 2012, the [Moving Ahead for Progress in the 21st Century Act \(MAP-21\) \(Public Law 112-141\)](#) (PDF) was enacted and limits a first time borrower's eligibility for Direct Subsidized Loans to a period not to exceed 150% of the length of the borrower's educational program. In the summer of 2013 final regulations were completed.

**First time borrowers on or after July 1, 2013** are subject to the provisions in this legislation. Generally speaking a first time borrower is one who did not have an outstanding balance of principal or interest on a Direct Loan or FFEL loan on July 1, 2013.

If you are a first time borrower, this legislation will affect you.

**A student that can not graduate by the time they have attempted 150 percent of the published credits for their program, as listed in the program requirement catalog, will immediately become ineligible for financial aid for that program.**

### Example:

*A student in the Art Education Program must successfully complete 70 credits (listed in the Northeast Student Catalog) to graduate from the Art Education Program.*

*Published Credits: 70*

*150 percent of Published Credits: 70 times 150 percent = 105 Credits*

*At the end of the student's fourth term in the Art Education Program, the student has attempted 75 credits that count toward the 150 percent rule and has successfully passed 30 of those credits.*

*The student has 40 credits left to successfully complete the required 70 credits before he/she can graduate from the Art Education Program.*

*If you add the 75 credits already taken and the 40 credits remaining ( $75 + 40 = 115$ ) to graduate from the Art Education Program, the student would have to take a total of 115 credits to graduate. The student is immediately no longer eligible for financial aid for the remainder of the Art Education Program, because 115 total credits are greater than 150 percent of the published credits (105) to graduate from the Art Education Program.*

Stated in your entrance counseling information, the subsidized loan has slightly better terms than the unsubsidized loan. In the past the US Department of Education has paid the interest for a subsidized loan while the student was in school attending class at least half time. If you are a first time borrower or borrowed in the past and paid back your previous loans, and you are now borrowing again, you will be included in this legislation.

### **How will this affect my Subsidized loan(s)?**

MAP-21 will limit the time period during which you can receive Direct Subsidized loans to 150% of the standard length of the program in which you are enrolled. For example, a Bachelor degree program (which is normally completed in 4 years attending full time) borrowers can only receive Subsidized loans for a maximum of 6 years. (150% of 4 years = 6 years). The period used will be reduced for less than full time study. Once you have received Direct Subsidized Loans for your maximum eligibility period, you may continue to receive Direct Unsubsidized loans and your subsidized loans may begin to accruing interest. This legislation was enacted to encourage students to obtain their degree within a reasonable timeframe.

### **I have Subsidized loans that I took out before this legislation went into effect, how will MAP-21 effect those loans?**

MAP-21 legislation affects first time borrowers from July 1, 2013 forward. If you have Subsidized loans prior to July 1, 2013 you are not considered a first time borrower and MAP-21 legislation will not affect you.

Please [click here](#) for more information regarding this law or the 150% rule.

***Information is subject to change without notice due to changes in federal, state and/or institutional rules and regulations. Students must complete a FAFSA every year. Students must be making satisfactory academic progress to continue to receive financial aid.***



## **SUMMER LOAN ELIGIBILITY** **GUIDELINES**

1. A student who is eligible for a Federal Stafford Direct Loan for the summer semester **MAY** charge tuition (or books if award is adequate) to his/her Federal Stafford Direct Loan.
2. Eligible students must complete a Summer Loan Request form which certifies enrollment plans for both terms. It is necessary to turn this form in to the Financial Aid Office by the deadline of June 2, 2014.
3. **A student must enroll in BOTH terms of summer school (Intercession and summer II or Summer I and Summer II) & take a total of at least 6 hours to be eligible for a summer student loan.** PLEASE NOTE: COE, EDU AND LLS CLASSES WILL NOT BE COUNTED TOWARD TOTAL HOURS FOR FINANCIAL AID PURPOSES UNLESS THEY ARE IN THE STUDENT'S CURRICULUM.
3. Loan checks will not be certified until after the beginning of the **first term** of summer school.
4. Loan checks will not be disbursed until after the beginning of the **second term** of summer school.
5. If you have not completed Entrance Loan Counseling and a MPN, you must do so **before** your loan will be certified. Please logon to [www.StudentLoans.gov](http://www.StudentLoans.gov) to complete the EC and MPN for a Direct Stafford Loan.
6. Loans will not be processed for students who are attending during the summer only. Students who receive Federal Aid at Northeast Mississippi Community College must be seeking a degree from this institution.
7. Withdrawal (official or unofficial) from classes could result in repayment of a portion of your Title IV awards according to the Return of Title IV Fund policy.

\*\*\* RETAIN THESE GUIDELINES FOR YOUR RECORDS\*\*\*

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**2014 SUMMER LOAN  
REQUEST FORM**

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*Please complete this form and return to the financial aid office as soon as you have registered for Intersession or summer school.*

Name: \_\_\_\_\_  
Gen ID#: \_\_\_\_\_

I plan to enroll in the following courses for **Intersession**, 2014:

Course: \_\_\_\_\_ Hours: \_\_\_\_\_  
Course: \_\_\_\_\_ Hours: \_\_\_\_\_

I plan to enroll in the following courses for **1st term** of summer school, 2014:

Course: \_\_\_\_\_ Hours: \_\_\_\_\_  
Course: \_\_\_\_\_ Hours: \_\_\_\_\_

I plan to enroll in the following courses for **2nd term** of summer school, 2014:

Course: \_\_\_\_\_ Hours: \_\_\_\_\_  
Course: \_\_\_\_\_ Hours: \_\_\_\_\_

Do you plan to enroll at Northeast for fall 2014? Yes \_\_\_\_\_ No \_\_\_\_\_

Have you ever attended another college? Yes \_\_\_\_\_ No \_\_\_\_\_  
If yes, give name and the dates attended of all colleges:

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\*Please include semesters in which you withdrew from college. Failure to list other colleges attended could mean denial of student financial aid.

Loan Request Amount \$ \_\_\_\_\_ Major: \_\_\_\_\_

**Please sign in to [www.StudentLoans.gov](http://www.StudentLoans.gov) and fill out the Direct Loan Master Promissory Note and Entrance Counseling. (if you have already filled out the MPN and EC, please disregard this note. Entrance Counseling and MPN remain in effect for 10 years.)**

Graduation Date from Northeast: \_\_\_\_\_

I certify that I have read and understand the Summer Loan Eligibility Guidelines. I certify that the information that I have provided on the Summer Loan Request Form is true and correct to the best of my knowledge. I understand that if I do not take the hours listed above I could become ineligible for my student loan for the summer semester.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date