

*Stafford limits for a dependent undergraduate student*

Effective for loans first disbursed on or after July 1, 2008, for loan periods that include July 1, 2008 or begin on or after that date, dependent undergraduate students (excluding dependent undergraduates whose parents are unable to obtain PLUS loans) are eligible for an additional \$2,000 in unsubsidized Stafford Loan funds each academic year. For these students, the annual loan limits are:

- \$3,500 combined subsidized and/or unsubsidized plus \$2,000 additional unsubsidized for dependent first-year undergraduates;
- \$4,500 combined subsidized and/or unsubsidized plus \$2,000 additional unsubsidized for dependent second-year undergraduates; and
- \$5,500 combined subsidized and/or unsubsidized plus \$2,000 additional unsubsidized for dependent third-, fourth-, or fifth-year undergraduates.

---

### **Subsidized and unsubsidized loans**

There are two types of loans in the Stafford program: subsidized and unsubsidized. The federal government pays the interest on a subsidized student loan during in-school status, the grace period, and during authorized deferment periods. The student is responsible for paying the interest on an unsubsidized student loan during all periods.

---

### **Increasing the loan amount when student changes dependency status during the academic year**

For any type of educational program (whether term-based or nonterm, credit-hour or clock-hour), a dependent student who has already borrowed up to the annual loan limit within an academic year can receive additional loan funds if his or her dependency status changes to independent during that same academic year.

These loan limits represent the total of all subsidized and unsubsidized Stafford Loans a dependent undergraduate student may borrow at each level of study, for a single academic year. For example, a dependent first-year undergraduate may receive up to \$5,500 in Stafford Loans for a single academic year, but no more than \$3,500 of this amount may be subsidized.

*Increased unsubsidized Stafford limits for independent students and dependent students whose parents can't get PLUS*

There are higher additional unsubsidized annual loan limits for independent undergraduate students. These higher additional unsubsidized loan limits also apply to dependent undergraduate students whose parents are unable to borrow PLUS loans due to adverse credit or other documented exceptional circumstances.

- \$3,500 combined subsidized and/or unsubsidized plus \$6,000 additional unsubsidized for independent first-year undergraduates;
- \$4,500 combined subsidized/and or unsubsidized plus \$6,000 additional unsubsidized for independent second-year undergraduates; and
- \$5,500 combined subsidized and/or unsubsidized plus \$7,000 additional unsubsidized for independent third-, fourth-, or fifth-year undergraduates.

**Annual Limits for Sub/Unsub Loans**

	<i>Subsidized</i>	<i>Total (subsidized &amp; unsubsidized)</i>
<b>Dependent Undergraduates (excluding dependent students whose parents can't get PLUS)</b>		
▶ First Year .....	\$ 3,500 .....	\$ 5,500
▶ Second Year .....	\$ 4,500 .....	\$ 6,500
▶ Third Year and Beyond .....	\$ 5,500 .....	\$ 7,500
<b>Independent Undergraduates &amp; Dependent Students whose parents can't get PLUS</b>		
▶ First Year .....	\$ 3,500 .....	\$ 9,500
▶ Second Year .....	\$ 4,500 .....	\$ 10,500
▶ Third Year and Beyond .....	\$ 5,500 .....	\$ 12,500
<b>Graduate &amp; Professional Students (all years)</b> .....	\$ 8,500 .....	\$ 20,500

*Note: All undergraduate annual loan amounts are subject to proration.*

**Aggregate Limits for Sub/Unsub Loans**

	<i>Subsidized</i>	<i>Total (subsidized &amp; unsubsidized)</i>
<b>Dependent Undergraduates (excluding those whose parents can't borrow PLUS)</b> .....	\$ 23,000 .....	\$ 31,000
<b>Independent Undergrads &amp; Dependent Students whose parents can't get PLUS</b> .....	\$ 23,000 .....	\$ 57,500
<b>Graduate &amp; Professional Students</b> .....	\$ 65,500 .....	\$ 138,500

*See p. 3-108 for additional unsubsidized eligibility for students in certain health professions programs; special loan limits for preparatory & teacher certification coursework.*

As with the loan limits for dependent undergraduates, these loan limits represent the total of all subsidized and unsubsidized Stafford Loans that an independent undergraduate student (or a dependent undergraduate whose parent is unable to obtain a PLUS loan) may borrow at each level of study, for a single academic year. For example, an independent first-year undergraduate may receive up to \$9,500 in Stafford Loans for a single academic year, but no more than \$3,500 of this amount may be subsidized.

Note that a dependent undergraduate whose parent is unable to obtain a PLUS loan is not eligible to receive both the \$2,000 in additional unsubsidized Stafford described above, plus the additional \$6,000 or \$7,000 in additional unsubsidized Stafford that is available to independent undergraduates and dependent undergraduates whose parents are unable to obtain PLUS loans.

**Stafford Loan limits for graduate and professional students**

The subsidized loan limit for a graduate or professional student is \$8,500 per academic year. The additional unsubsidized loan limit for graduate or professional students is \$12,000 per academic year. (See the box at the end of this section for situations where a program combines graduate and undergraduate study, or a student with a degree is pursuing an undergraduate program.)

**Example: additional unsub for independent undergraduate**

Dottie is a first-year independent undergraduate student at Ferrar's Institute. Her COA is \$14,500, her EFC is \$1,800, and she is receiving a \$2,981 Pell Grant. Dottie qualifies for a subsidized Stafford Loan of \$3,500. She may also receive the maximum additional unsubsidized Stafford Loan amount of \$6,000 to cover most of her unmet need. Her total loan amount in subsidized and unsubsidized Stafford Loans is \$9,500. (Note that Dottie's loan eligibility would be the same if she were a dependent undergraduate whose parent was unable to obtain a PLUS loan.)

**Stafford for students whose parents have ended financial support and refuse to file a FAFSA \*NEW\***

Schools may offer a dependent student an unsubsidized Direct or FFEL Stafford loan if the student's parents have ended financial support and refuse to file a FAFSA. For more detail, see Chapter 5 of the Application and Verification Guide and DCL GEN-08-12.