



IMPORTANT LOAN INFORMATION FOR NEW BORROWERS !!

On July 6, 2012, the President signed into law MAP-21, which, among other things, made two changes to section 455 of the HEA.

First, the law extended for an additional year the 3.4 percent interest rate that had applied to Direct Subsidized Loans made to undergraduate students since July 1, 2011.

Second, the law placed a **limit** on Direct Subsidized Loan eligibility for **new borrowers on or after July 1, 2013**. Specifically, the statute provides that a **new borrower on or after July 1, 2013**, becomes ineligible to receive additional Direct Subsidized Loans if the period during which the borrower has received such loans exceeds 150 percent of the published length of the borrower's educational program.

The borrower also becomes responsible for accruing interest during all periods as of the date the borrower exceeds the 150 percent limit. The purpose of the statutory changes is to encourage students to complete their academic programs in a timely manner. Timely completion of programs will allow borrowers to reap the benefits of a postsecondary degree or credential and avoid incurring unnecessary student loan debt.