

Example: Lynn

Aggregate Loan Limits When Parent Regains Eligibility for PLUS After Dependent Borrows Additional Unsubsidized Loan

Lynn is a dependent, undergraduate student. For her first four years of college, her father applied for PLUS and was denied. Consequently, Lynn borrowed additional unsubsidized loans. Here is Lynn's loan history:

- First year: \$2,625 subsidized base loan limit; \$4,000 additional unsubsidized loan limit
- Second year: \$3,500 subsidized based loan limit; \$4,000 additional unsubsidized loan limit
- Third year: \$5,500 subsidized base loan limit; \$5,000 additional unsubsidized loan limit
- Fourth year: \$5,500 subsidized base loan limit; \$5,000 additional unsubsidized loan limit
 - Total subsidized base loan limit borrowed: \$17,125
 - Total additional unsubsidized loan borrowed: \$18,000
 - Combined total of all Stafford Loans borrowed: \$35,125

Lynn needs to attend a fifth year to complete her undergraduate degree. During Lynn's fifth year of college, her father applies for a \$5,000 PLUS and is approved. Lynn would like to apply for a \$5,500 Stafford Loan. Is she eligible to receive the \$5,500 Stafford Loan?

Yes! Although Lynn has borrowed a total of \$35,125 in Stafford Loans, she has not exceeded the dependent, undergraduate aggregate base loan limit of \$23,000. The \$18,000 received in additional unsubsidized loan reflects loans the student received when her father was not eligible to borrow a PLUS. Now that her father is eligible to borrow PLUS, the \$18,000 Lynn borrowed under the additional unsubsidized loan limits is not considered in Lynn's dependent, undergraduate aggregate base loan total. Lynn's aggregate base loan amount borrowed is \$17,125. She has a remaining eligibility of \$5,875 under the dependent, undergraduate base aggregate loan limit.

Example: Lynn, Round Two!

Aggregate Loan Limits When a Student Returns for Second Baccalaureate Degree After Borrowing at the Graduate Level

Upon graduating with her first undergraduate degree, Lynn had the following outstanding student loan debt:

- \$22,625 subsidized Stafford Loans;
- \$18,000 unsubsidized Stafford Loans;
 - Total undergraduate aggregate loan amount: \$40,625

While enrolled in graduate school and earning a graduate degree, Lynn borrowed the following:

- Total subsidized Stafford Loan: \$40,000
- Total unsubsidized Stafford Loan: \$40,000

Lynn's total aggregate is:

- Total subsidized Stafford Loans: \$62,625
- Total unsubsidized Stafford Loans: \$58,000
 - Total subsidized and unsubsidized Stafford Loan: \$120,625

Lynn has decided to return to school and pursue a second bachelor's degree. How much can she borrow?

Lynn is now 25 years old and is returning to school as an independent student. Her aggregate loan limit as an independent undergraduate is \$46,000 total combined subsidized and unsubsidized loan, of which a maximum of \$23,000 may be subsidized. Since the total amount received for the first undergraduate program of \$40,625 does not exceed the aggregate loan limit for an independent undergraduate, the student has remaining loan eligibility of up to \$5,375 for the second undergraduate program ($\$46,000 - 40,625$). Of that amount, \$375 may be subsidized ($\$23,000 - 22,625$) and \$5,000 may be unsubsidized.

Next, the loans received for the graduate program must be considered in determining whether the student has exceeded the *total* aggregate loan limits for subsidized Stafford Loans. As a graduate and undergraduate student, Lynn has borrowed a total of \$62,625 in subsidized loans. She has not exceeded the subsidized loan limit of \$65,500, nor will the \$375 remaining for undergraduate subsidized loans put her over the limit. Her combined subsidized and unsubsidized debt of \$120,625 does not exceed the total limit of \$138,500, nor will the additional \$5,375 in subsidized and unsubsidized loans for her second undergraduate degree cause her to exceed that limit.