

Quick Reference Tool

Loan Limit Increases

The “Ensuring Continued Access to Student Loans Act of 2008” (H.R. 5715, or Public Law 110-227, enacted May 7, 2008) added \$2,000 in additional unsubsidized federal Stafford loan eligibility for each undergraduate grade level. The new law also increased aggregate loan limits for undergraduate students—the first change in

undergraduate aggregates since unsubsidized Stafford loans were introduced in 1994. The increases apply to loans first disbursed on or after July 1, 2008.

Dependent students are eligible to borrow up to \$2,000 in additional unsubsidized amounts without

Federal Stafford Loans for Undergraduate Dependent Students (Whose Parents Have Not Been Denied a PLUS Loan)

Grade Level	Base Amounts*	Additional Unsubsidized	Total Amounts
Freshman	\$3,500	\$2,000	\$5,500
Sophomore	\$4,500	\$2,000	\$6,500
Junior & Senior	\$5,500	\$2,000	\$7,500
Preparatory coursework for enrollment in an undergraduate program	\$2,625	0	\$2,625
Preparatory coursework for enrollment in a graduate program	\$5,500	0	\$5,500
Teacher Certification coursework	\$5,500	0	\$5,500
Aggregates	\$23,000	\$8,000	\$31,000

Federal Stafford Loans for Undergraduate Independent Students (and Dependent Students Whose Parents Have Been Denied a PLUS Loan)

Grade Level	Base Amounts*	Additional Unsubsidized	Total Amounts
Freshman	\$3,500	\$6,000	\$9,500
Sophomore	\$4,500	\$6,000	\$10,500
Junior & Senior	\$5,500	\$7,000	\$12,500
Preparatory coursework for enrollment in an undergraduate program	\$2,625	\$6,000	\$8,625
Preparatory coursework for enrollment in a graduate program	\$5,500	\$7,000	\$12,500
Teacher Certification coursework	\$5,500	\$7,000	\$12,500
Aggregates	\$23,000	\$34,500	\$57,500

Federal Stafford Loans for Graduate Students

Grade Level	Base Amounts*	Additional Unsubsidized	Total Amounts
Each Year	\$8,500	\$12,000	\$20,500
Aggregate	\$65,500	\$73,000	\$138,500**

*Maximum amount that may be subsidized

** For certain health and medical professions programs at the graduate level, students may borrow more than these amounts

having a parent denied a PLUS loan first. This means that a dependent student may borrow an additional unsubsidized Stafford and the parent may borrow a PLUS loan at the same time. The additional unsub goes up if the parent is denied a PLUS or is otherwise unable to qualify for a PLUS under permissible criteria. If the parent is denied a PLUS, then the dependent student may borrow additional unsub amounts up to \$6,000 for

the freshman and sophomore years and up to \$7,000 for junior and higher undergraduate grade levels.

The base amounts, which may be subsidized and/or unsubsidized depending upon need, remain the same. The subsidized aggregate for undergraduate students, and graduate and professional loan limits did not change.

Compliance Corner

By Julia Alexander



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In addition to offering training on a wide range of federal student aid topics, the College Assist Compliance and Training Department is committed to providing schools

with clear, accurate responses to compliance questions.

With this edition of *Outlook*, we begin an occasional feature – Compliance Corner – where we plan to publish answers to timely or frequently asked compliance questions. If you have a question you’d like to see published here, or if you need compliance assistance, contact the College Assist Compliance and Training Department at 303.305.3308 or e-mail us at compliance@college-assist.com.

Q: I have a student who has applied for financial aid and whose Social Security Administration (SSA) and Department of Homeland Security (DHS) matches did not confirm his citizenship status. He claims to be the son of a U.S. citizen. Apparently a school in another state obtained his father’s citizenship papers (Certificate

of Immigration), and he received financial aid at another institution based on the father’s documents. Is this the proper way to document citizenship status under the Child Citizen Act of 2000?

A: According to the State Department’s Web site, the Child Citizenship Act of 2000 allows certain foreign-born, biological and adopted children of American citizens to acquire American citizenship. These children do not acquire American citizenship at birth, but are granted citizenship when they enter the U.S. as lawful permanent residents. The State Department Web site states, “Children who acquire citizenship under this new provision do not acquire citizenship automatically. They must apply to the Bureau of Citizenship and Immigration Services in the Department of Homeland Security (USCIS) and go through the naturalization process.” Given this statement, the student should be able to provide documentation of naturalized citizenship. Even if the State Department did grant citizenship automatically with no documentation, you still must comply with the Title IV regulations that require proof of the student’s citizenship or eligible non-citizen status. (See http://travel.state.gov/family/adoption/info/info_457.html for additional information.)



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