



*Education That Works For a Lifetime*

## **BANNER FINANCIAL AID USER'S UPDATE**

**July 2008**

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## Stafford Loan Limit Increases

### H.R. 5715

On May 7, 2008, President Bush signed into law the “Ensuring Continued Access to Student Loans Act” (H.R. 5715). One item addressed by the law is the raising of Stafford Loan limits for any loan disbursed after July 1, 2008. Please see chart for further detail:

Dependent Students (no PLUS denial)	Base Stafford Loan Amount	Additional Unsubsidized Stafford Loan as of July 1, 2008
Freshman	\$3,500.00	\$2,000.00
Sophomore (>30 earned credits)	\$4,500.00	\$2,000.00

Independent Students <i>and</i> Dependent Students whose parents have been denied PLUS	Base Stafford Loan Amount	Additional Unsubsidized Stafford Loan as of July 1, 2008
Freshman	\$3,500.00	\$6,000.00
Sophomore (>30 earned credits)	\$4,500.00	\$6,000.00

As always, the base amount of the Stafford Loan can be subsidized, unsubsidized, or a mixture of each depending upon the relative need of the student. The additional unsubsidized loan is *always* unsubsidized, regardless of need. For example, Student A is a first-year dependent student with a zero EFC and a COA of \$15,000, hence:

COA:	15,000
EFC:	- 0
Pell Grant	<u>- 4,731</u>
Unmet Need	10,269

Student A can receive a subsidized Stafford Loan for \$3,500.00, thereby reducing his/her unmet need to 6,769. In addition, the student can automatically receive an additional unsubsidized Stafford Loan for \$2,000.00. If Student A’s parent(s) were subsequently denied a PLUS loan, Student A could then borrow an additional unsubsidized Stafford Loan up to \$4,000.00, bringing their total Stafford borrowed to \$9,500.00, of which \$3,500.00 was subsidized. Thus, the breakdown would appear as such:





## Banner User Support

The student loan industry has experienced volatility and confusion of late that has brought about changes on what seems to be a weekly basis. In light of this, the Banner Financial Aid team would like to remind users of its availability in terms of offering technical and regulatory assistance as a means of ensuring access for students to these important programs. As always, please contact the team by calling (860) 244-7802 or via email at [SYS-BannerFinAidHelp@commnet.edu](mailto:SYS-BannerFinAidHelp@commnet.edu).