

Awarding Loans in a Non-Traditional Program

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FEDERAL STUDENT AID[®]

Annual Loan Limits - Dependents

Grad Level	Base Sub/Unsub	Additional Unsub
Preparatory Undergrad	\$2,625	N/A
First-Year	\$3,500	\$2,000
Second-Year	\$4,500	\$2,000
Third and Subsequent	\$5,500	\$2,000



Annual Loan Limits – Independents*

Grad Level	Base Sub/Unsub	Additional Unsub
Preparatory Undergrad	\$2,625	\$6,000
First-Year	\$3,500	\$6,000
Second-Year	\$4,500	\$6,000
Third and Subsequent	\$5,500	\$7,000

* Or Dependent whose parent is ineligible for PLUS



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Annual Loan Limits Graduate/Professional

Grade Level	Base Sub/Unsub	Additional Unsub
Teach–Cert (D)	\$5,500	N/A
Teach-Cert (I)	\$5,500	\$7,000
Preparatory (D)	\$5,500	N/A
Preparatory (I)	\$5,500	\$7,000
Grad/Prof	\$8,500	\$12,000



Aggregate Loan Limits

Student Type	Subsidized	Total Sub/Unsub
Dependent Undergrad	\$23,000	\$31,000
Independent Undergrad	\$23,000	\$57,500
Grad/Prof	\$65,000	\$138,500



Annual Loan Limits

- Apply to an academic year as defined by school
- HEA minimum academic year requirements
 - 30 weeks of instruction, 24 semester credits
 - 30 weeks of instruction, 36 quarter credits
 - 26 weeks of instruction, 900 clock hours



Payment Periods

Credit Hour Programs offered in a SAY

- Program disbursements must be made on a payment period basis
- HEA minimum payment period requirements
 - Semester = 14 – 17 weeks / 12 credits
 - Quarter = 10 – 12 weeks / 12 credits
 - Comparable academic calendar with nonstandard SE9W terms



Nonstandard Term Definitions

- SE9W: Substantially Equal and no less than 9 weeks in length
- Substantially Equal: No term in the program is more than 2 weeks of instructional time longer than any other term in that program



Increased Borrowing Within Same Academic Year

- Has not yet borrowed full eligibility at current grade level
- Advances to next grade level
- Becomes independent
- Increase of COA
- Decrease in EFC
- Decrease in EFA (formerly known as resources)



Scheduled Academic Year (SAY)

- Fixed period time, usually corresponds to school's official academic calendar
- Generally begins at same time each year
- Example – fall/winter/spring or fall/spring



Scheduled Academic Year (SAY)

- Summer term may be “header” or “trailer”
- Summer mini-sessions may be treated as single term or individual terms
- Loan period may include only portion of SAY
- Programs offered in SAY may use BBAY
- Programs offered in SAY may alternate between SAY and BBAY provided academic years do not overlap



SAY: Standard Term-based Program

2-Year Semester-Based Credit Hour Program
Academic year 24 Credit/30 Weeks

Fall

Spring

1st SAY

\$3,500

Fall

Spring

2nd SAY

\$4,500



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Regain Eligibility at Beginning of SAY

Example 1 (Summer Trailer)

- First year student attends Fall & Spring year 1
 - No loan in Fall, \$3,500 loan in Spring
 - No summer attendance
- Fall year 2 begins new SAY
 - Student regains eligibility for new loan at appropriate grade level



SAY Example 1

Loan Period 1

\$3,500

Fall

Spring

1st SAY

\$3,500

Loan Period 2

\$4,500

Fall

Spring

2nd SAY

\$4,500



Regain Eligibility at Beginning of SAY

- Example 2 (Summer Trailer)
- Second year student attends Fall year 1 and Summer trailer
 - \$1,000 loan in Fall, \$3,500 loan in Summer
- Fall year 2 begins new SAY
 - Student regains eligibility for new loan at appropriate grade level



SAY Example 2

Loan Period 1

\$1,000

Fall

Loan Period 2

\$3,500

Spring

Summer

Loan Period 3

\$5,500

Fall

Spring

1st SAY

\$4,500

2nd SAY

\$5,500



BBAY “Term-based”

- Standard term credit-hour programs or Nonstandard SE9W not offered in SAY must use term-based BBAY
- BBAY must include same number of terms as the school’s definition of an academic year.
- Student becomes eligible for new annual loan limit after BBAY calendar period has elapsed



BBAY “Term-based”

- Floats with student’s enrollment, but student must attend first term of BBAY
- Mini-sessions must be combined as single term
- If BBAY includes summer, may be shorter in weeks/hours than statutory academic year definition



BBAY

Standard Term-based Program

2-Year Semester-Based Credit Hour Program
Academic year 24 Credit/30 Weeks

Fall-15wks

Spring-15wks

Summ-10wks

Fall-15wks

1st BBAY

\$3,500

2nd BBAY

\$4,500



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BBAY

Standard Term-based Program

2-Year Semester-Based Credit Hour Program
Academic year 24 Credit/30 Weeks

Spring

Summer

Fall

Spring

1st BBAY

\$3,500

2nd BBAY

\$4,500



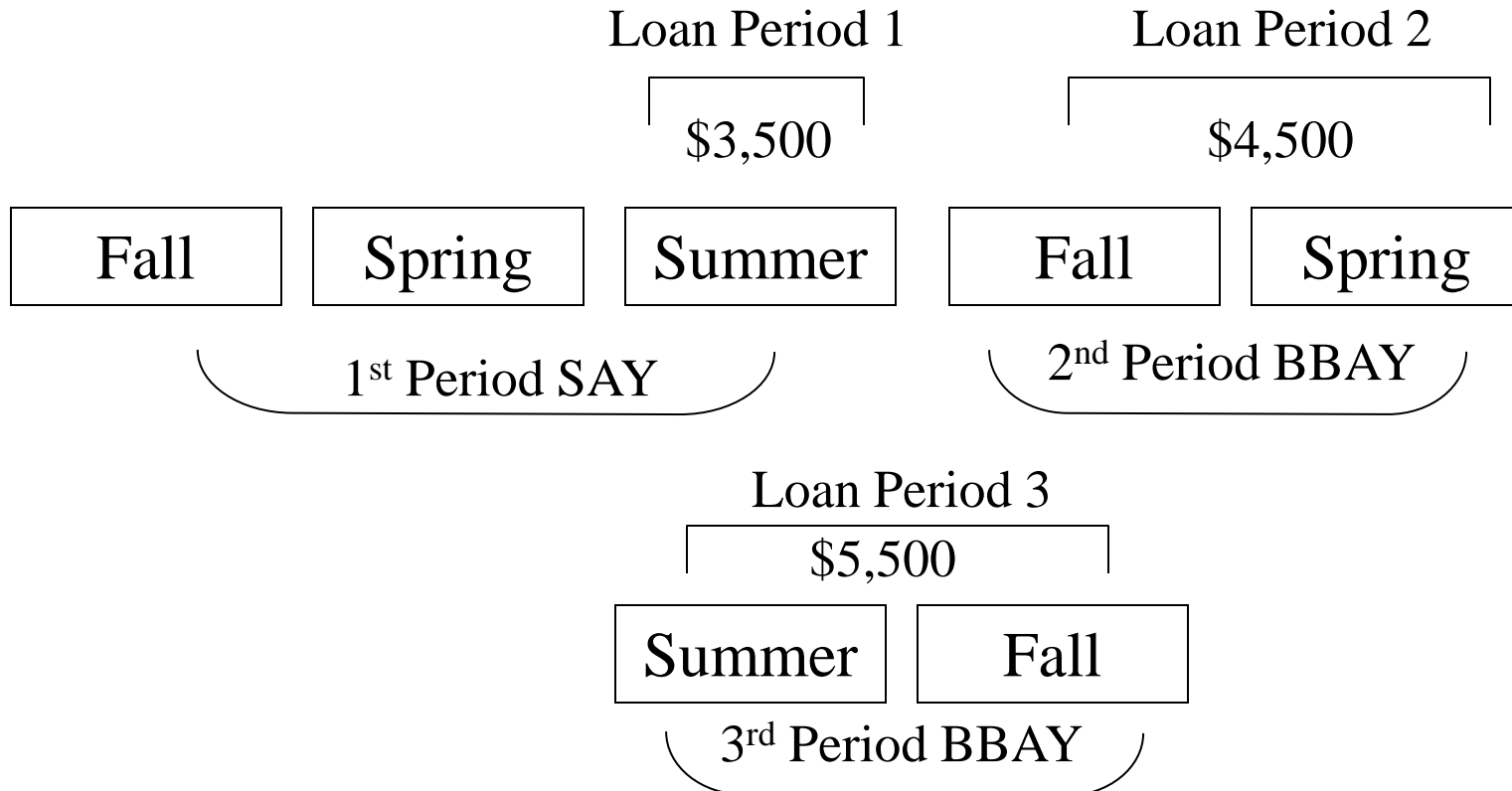
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SAY/BBAY Combined

- Only term-based SAY programs can alternate between SAY and BBAY
- Term-based programs not offered in SAY must use term-based BBAY only
- Schools allowing for alternation between SAY and BBAY must have a written policy that explains how it applies the option when calculating loan eligibility



SAY/BBAY Combined to Maximize Borrowing



BBAY "Course-work Based"

Nonstandard term programs w/ credit hours
(terms of substantially equal length but not
at least 9 weeks in length)

- Student must complete the hours and the weeks in order to advance to next grade level
 - Student may still receive loan disbursement as long as at least half-time
 - May result in a delay of receipt of next annual loan limit



BBAY "Course-work Based"

Nonstandard term programs w/ credit hours
(terms of substantially equal length but not
at least 9 weeks in length)

- The payment period is the term
- Allowed to use more than two payment periods within a defined academic year



Terms Substantially Equal in Length < 9 Weeks

2-Year 8 week term-based program
Academic year 24 Credit/32 Weeks

Spring 1

Spring 2

Summer

Fall 1

1st BBAY - \$3,500

Fall 2

Spring 1

Spring 2

Summer

2nd BBAY - \$4,500



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Terms Substantially Equal in Length < 9 Weeks

Non-Standard 8 week term-based program
Academic year 24 Credit/32 Weeks

8 week term

8 week term

8 week term

8 week term

1st Disbursement

2nd Disbursement

3rd Disbursement

4th Disbursement



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Terms Substantially Equal in Length < 9 Weeks

2-Year 8 week term-based program
Academic year 24 Credit/32 Weeks
Student attends 1/2 time in each Spring term

Spring 1 (3)

Spring 2 (3)

Summer (6)

Fall 1 (6)

1st BBAY - \$3,500

Fall 2 (6)

Spring 1

Spring 2

Summer

Fall 1

No Loan

2nd BBAY - \$4,500



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Nonstandard Terms Not Substantially Equal in Length

- The payment period progression is based on time required to complete both hours and weeks
- Cannot use more than two payment periods within a defined academic year



Nonstandard Terms Not Substantially Equal in Length

Academic Year Defined as
24 Semester hours / 30 Wks

12 weeks

6 weeks

12 weeks

12 semester hours / 15 wks

12 semester hours / 15 wks



1st Disbursement



2nd Disbursement



BBAY Course-work: Credit Hour Non-term & Clock Hour

- Must use BBAY
- BBAY must meet minimum statutory definition of academic year
- Floats with student's enrollment
- Must complete both hours and weeks to progress from one payment period to the next payment period
- A new annual loan limit is not regained until student completes both weeks & hours in statutory definition of an academic year



Loan Period Lengths

Not substantially equal nonstandard terms ,
Credit hour non-term and Clock hour

➤ Lesser of

- Length of student's program of study
- Program's academic year as defined by school, or
- Remaining portion of student's program of study



"Coursework-based" Payment Periods

If program is one academic year or less

Academic Year Defined: 24 semester credit hours / 30 Weeks

12 credit hours / 15 weeks

12 credit hours / 15 weeks

Program = 16 semester credit hours / 24 Weeks

8 credit hours / 12 weeks

8 credit hours / 12 weeks



"Coursework-based" Payment Periods

If program is more than one academic year

With remaining portion that is half an
academic year or less

Academic Year Defined: 900 Clock hours / 30 Weeks
Program Length is 1200 Clock hours / 40 Weeks

450 hours / 15 weeks

450 hours / 15 weeks

300 hours / 10 weeks

Remaining portion is a single
payment period



"Coursework-based" Payment Periods

If program is more than one academic year

With remaining portion that is more than half
an academic year but less than a full year

Academic Year Defined: 900 Clock hours / 30 Weeks
Program Length is 1600 Clock hours / 54 weeks

450 hours
15 weeks

450 hours
15 weeks

350 hours
12 weeks

350 hours
12 weeks

Remaining portion is divided
into 2 payment periods



Prorating Annual Loan Limits Undergraduates

Annual loan limits must be prorated when:

- The student is enrolled in a program that is shorter than a full academic year
- The student is enrolled in a program that is one academic year or more in length, but is in a remaining period of study shorter than a full academic year



Prorating for Programs Shorter than a Full Academic Year

Multiply the applicable loan limit by the lesser of:

Hours enrolled in *program*

Hours required for defined *academic year*

Or

Weeks enrolled in *program*

Weeks required for defined *academic year*



Program Less than an Academic Year

Program Length is 600 Clock hours / 22 weeks
Defined AY is 900 Clock hours / 30 weeks

$$\text{Hours: } \$3,500 \times \frac{600}{900} = \$2,333$$

$$\text{Weeks: } \$3,500 \times \frac{22}{30} = \$2,567$$

Hours Calc is the Lesser

\$2,333

300 Hours / 11 Weeks

300 Hours / 11 Weeks

\$1,167

\$1,166



Prorating Remaining Periods Shorter than an AY

- Proration is only required when known in advance
- Term-based programs: If the remaining period of study contains fewer terms than required academic year definition
- Coursework-based programs: If the remaining period of study consists of fewer clock or credit hours than required academic year definition



Prorating Remaining Periods Shorter than an AY

For All Program Types

Multiply the applicable loan limit by:

$$\frac{\text{Hours remaining in program of study}}{\text{Hours required for defined AY}}$$

Unlike proration for programs that are shorter than an academic year, there is no comparison of weeks and hours



BBAY Coursework-based

1200 Clock Hour Program with
900 Clock Hour / 26 Week
Academic Year

1st Academic Year

\$3,500

450 Hours
13 Weeks

\$1,750

450 Hours
13 Weeks

\$1,750

1st BBAY

Remaining Portion of Program

$\$4,500 \times \frac{300}{900} = \$1,500$

300 Hours
9 Weeks

\$1,500

2nd BBAY



Monitoring Frequency of Annual Loan Limits

- Schools are responsible for determining student eligibility for new annual loan limit
- Must adjust loan for any amounts received in previous program if loan period overlaps new school's academic year

Student Changes Programs at Your School

- When the student leaves the first program, do R2T4 calculation
- Student begins second program as new student
 - Look at prior loan period
 - Look at loan dollars already received



BBAY: Credit Hour Non-term & Clock Hour

Example 1

- Second year student loan period 9/1 to 5/15, includes 24 semester hours
- Withdraws from program on 11/1 after receiving \$2,250
- Starts new program 11/28, as first year student
- May only borrow \$1,250 until end of new academic year



Example of BBAY Non-term Credit Hour Program

1st Loan Period 9/1 to 5/15

\$4,500

Pay Period 1

12hours/16 wks

\$2,250

Pay Period 2

12hours/16 wks

2nd Loan Period 11/28 to 6/27

$\$3,500 - 2,250 = \$1,250$

Pay Period 1

12hours/16 wks

\$625

Pay Period 2

12hours/16 wks

\$625



Questions???

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