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**Agenda**

- Prorating the EFC and COA.
- Frequency of Annual Loan Limits.
- Crossover Periods.
- Consortium Agreements.
- Transfer Monitoring.

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**Prorating the EFC and COA**  
Alternate EFC

- EFC found on SAR and ISIR is always based on nine months.
  - Nine month calculation always used for Federal Pell Grant award.

**Sample ISIR**

```

2011-2012 Institutional Student Information Record
*****
* IMPORTANT: Read ALL information to find out what to do with this Report. *
*****
OMB Number: 1845-0048 APRIL 24, 2007
ELLA SANDERSON
1901 TIMBER RIDGE DRIVE
MABLETON GA 30784 EFC 4627
112
Based on the information we have on record for you, your EFC is 4627. You are not
eligible for a Federal Pell Grant but you may be eligible for other aid. Your school will
use your EFC to determine your financial aid eligibility for other federal grants, loans,
and work study, and possible funding from your state and school.
273
WHAT YOU MUST DO NOW
  
```

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**Prorating the EFC and COA**  
Alternate EFC

If student enrolls for a period other than nine months, a modified EFC might be required to determine the amount for:

Campus-based aid	Academic Competitiveness Grant*
National SMART Grant*	Subsidized Stafford loan

\*ACG and National SMART Grant programs are set to expire June 30, 2011.

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**Loan Issues – Loan Certification**  
Incorrect EFC Used



**Modified EFC**

**Dependent Students:**

- Periods of enrollment for less than nine months.
- Periods of enrollment for greater than nine months.

**Independent Students:**

- Periods of enrollment for less than nine months.

Pell Elig Flag			
Primary EFC			
Mon 1	514	Mon 7	3598
Mon 2	1028	Mon 8	4112
Mon 3	1542	Mon 10	4627
Mon 4	2056	Mon 11	4627
Mon 5	2570	Mon 12	4627
Mon 6	3084		

Trainer's Tidbit

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**Case Study**  
Shane




- Received institutional scholarship for fall.
  - No federal aid.
- Applies for Stafford loan for spring term only.
  - Not eligible for any other federal aid.
- ISIR indicates nine-month EFC of 4627.
- Spring term is four months.

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### Case Study Answer

Shane



• What EFC would you use?

Pell Ellg Flag		4627
Primary EFC		4627
Mon 1	514 Mon 7	3598
Mon 2	1028 Mon 8	4112
Mon 3	1542 Mon 10	4627
Mon 4	2056 Mon 11	4627
Mon 5	2570 Mon 12	4627
Mon 6	3084	

**9-month EFC ÷ Months in AY = 1-month EFC**

4627 ÷ 9 = 514

**1-month EFC x Months in term = Prorated EFC**

514 x 4 = 2056

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### Prorating COA



- Standard budget:
  - 9 months.
- Prorated budget:
  - Anything other than nine months.

“[Schools] can choose to prorate the allowances you use for 9 months, or can calculate the cost in any other **reasonable** way.”



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### Prorating COA

Non-Pell COA



**Option 1**

Number of months in program or period of enrollment \_\_\_\_\_ X Standard Nine-month COA = Prorated COA

Nine months

**Option 2**

Standard nine-month COA \_\_\_\_\_ X Number of months in program or period of enrollment = Prorated COA

Nine months

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### Prorating COA Pell COA

**Option 1**

$\frac{\text{Credit/Clock hours in AY}}{\text{Credit/Clock hours in program or period of enrollment}}$	OR	$\frac{\text{Weeks in AY}}{\text{Weeks in program or period of enrollment}}$
--	----	--

**Option 2**

$\frac{\text{Credit/Clock hours in AY}}{\text{Credit/Clock hours in program or period of enrollment}} \times \text{Program costs for: tuition, fees, books, supplies and loan fees}$	=	Prorated Hours-based costs
$\frac{\text{Weeks hours in AY}}{\text{Weeks hours in program or period of enrollment}} \times \text{Program costs for remaining COA components}$	=	Prorated Weeks-based costs
<b>Prorated Hours-based costs</b>	+	<b>Prorated Weeks-based costs</b>
		= <b>Prorated COA</b>

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### Agenda

- Prorating the EFC and COA.
- **Frequency of Annual Loan Limits.**
- Crossover Periods.
- Consortium Agreements.
- Transfer Monitoring.

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### Frequency of Annual Loan Limits Annual Stafford Loan Limits

Maximum Annual Loan Limits		
Preparatory Coursework for Enrollment in Undergraduate Programs	Dependent Students	Independent Students or Parent PLUS Denial/Ineligibility
Base Stafford Loan (Subsidized and Unsubsidized)	\$2,625	\$2,625
Additional Unsubsidized Stafford Loan	N/A	\$6,000
<b>TOTAL</b>	<b>\$2,625</b>	<b>\$8,625</b>
First-Year Undergraduate	Dependent Students	Independent Students or Parent PLUS Denial/Ineligibility
Base Stafford Loan (Subsidized and Unsubsidized)	\$3,500	\$3,500
Additional Unsubsidized Stafford Loan	\$2,000	\$6,000
<b>TOTAL</b>	<b>\$5,500</b>	<b>\$9,500</b>
Second-Year Undergraduate	Dependent Students	Independent Students or Parent PLUS Denial/Ineligibility
Base Stafford Loan (Subsidized and Unsubsidized)	\$4,500	\$4,500

5, 30-31

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### Frequency of Annual Loan Limits

Academic Year



Program Type	Period of Instruction	Minimum Hours	Weeks of Instruction
Undergraduate	Semester	24 credit	30
	Trimester	24 credit	30
	Quarter	36 credit	30
	Clock	900 clock	26
Graduate	All	School-defined	30

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### Frequency of Annual Loan Limits

Scheduled and Borrower-Based Academic Years



	SAY	BBAY1	BBAY2	BBAY3
Credit-hour programs using SAY with standard terms.	X	X		
Credit-hour programs using SAY with nonstandard SE9W' terms.		X		
Credit-hour programs not using SAY with standard terms			X	
Credit-hour programs not using SAY with nonstandard SE9W' terms			X	
Clock-hour programs.				X
Nonterm credit-hour programs.				X
Nonstandard term programs that are not SE9W'.				X
Any other standard or nonstandard term not addressed above.				X

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### Frequency of Annual Loan Limits

Scheduled Academic Year

- Fixed period of time.
- Eligible for new loan at end of SAY.
- Summer can be header or trailer.
- Students not required to be enrolled in all terms.

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### Frequency of Annual Loan Limits

SAY Examples

**Cather University:**

- All programs:
 

FA	SP	SU	FA	SP	SU	FA	SP	SU
AY 1			AY 2			AY 3		

**Leroux College:**

- Culinary Arts program:
 

SU	FA	WI	SP	SU	FA	WI	SP	SU	FA	WI	SP
AY 1				AY 2				AY 3			
- All other programs:
 

FA	WI	SP	SU	FA	WI	SP	SU	FA	WI	SP	SU
AY 1				AY 2				AY 3			

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### Frequency of Annual Loan Limits

Borrower-Based Academic Year



- Depends on individual student's:
  - Period of enrollment.
  - Progress.
- Allows AY to begin at any point the student enrolls.
  - AY ends when student completes BBAY calendar period.
- Requires student-by-student tracking.

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### Frequency of Annual Loan Limits

BBAY1

	BBAY1
Credit-hour programs using SAY with standard terms.	X
Credit-hour programs using SAY with nonstandard SE9W terms.	X
Credit-hour programs not using SAY with standard terms	
Credit-hour programs not using SAY with nonstandard SE9W terms	
Clock-hour programs.	
Nonterm credit-hour programs.	
Nonstandard term programs that are not SE9W.	
Any other standard or nonstandard term not addressed above.	

- Can use BBAY in standard-term credit-hour programs for:
  - All students.
  - Students on a case-by-case basis.
  - Certain academic programs.
- Must include
  - Same number of terms as school's SAY.
    - Summer counts as one term.

Trainer's Tidbit

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**Frequency of Annual Loan Limits**  
 BBAY1 Examples: Mellen College

- Pharmacy technician program.
- Designed for students to attend year-round.
- Mellen uses BBAY for this program only.

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**Frequency of Annual Loan Limits**  
 BBAY1 Examples: Mellen College



**Jamie attends year-round.**

FA	SP	SU	FA	SP	SU
AY 1		AY 2		AY 3	

**Marcus sits out a term due to illness.**

FA	SP	SU	FA: Not Enr	SP	SU
AY 1		AY 2		AY 3	

**Shannon decides to travel for a term.**

FA	SP	SU	FA	SP: Not Enr	SU	FA
AY 1		AY 2		AY 3		

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**Frequency of Annual Loan Limits**  
 BBAY2



	BBAY2
Credit-hour programs using SAY with standard terms.	
Credit-hour programs using SAY with nonstandard SE9W terms.	
Credit-hour programs not using SAY with standard terms	X
Credit-hour programs not using SAY with nonstandard SE9W terms	X
Clock-hour programs.	
Nonterm credit-hour programs.	
Nonstandard term programs that are not SE9W.	
Any other standard or nonstandard term not addressed above.	

- **Must meet:**
  - Same requirements as BBAY1.
  - Minimum statutory requirements for AY.
- **Must include one:**
  - Two consecutive semesters/trimesters.
  - Three consecutive quarters.
  - Number of consecutive SE9W terms covered by program's AY.

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**Frequency of Annual Loan Limits**  
BBAY3 

	BBAY3
Credit-hour programs using SAY with standard terms.	
Credit-hour programs using SAY with nonstandard SE9W' terms.	
Credit-hour programs not using SAY with standard terms	
Credit-hour programs not using SAY with nonstandard SE9W' terms	
Clock-hour programs.	X
Nonterm credit-hour programs.	X
Nonstandard term programs that are not SE9W'.	X
Any other standard or nonstandard term not addressed above.	X

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- Must complete **both**:
  - Hours in AY.
  - Weeks in AY.

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**Frequency of Annual Loan Limits**  
BBAY3 Example 



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- Clock hour program:
  - 1,800 hours and 60 weeks.
- Academic year:
  - 900 hours and 30 weeks.

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**Frequency of Annual Loan Limits**  
BBAY3 Example 

30 weeks		30 weeks	
PP1 450 hours	PP2 450 hours	PP1 450 hours	PP2 450 hours
AY 1		AY 2	

• Melanie completes 900 hours in 27 weeks.

30 weeks		30 weeks		
27 weeks		3 wks	30 weeks	
PP1 450 hours	PP2 450 hours	90 hours	PP1 450 hours	PP2 360 hours
AY 1			AY 2	

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- She must wait until she has been in attendance for at least 30 weeks before she may receive her AY 2 loans.

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**Agenda**

- Prorating the EFC and COA.
- Frequency of Annual Loan Limits.
- **Crossover Periods.**
- Consortium Agreements.
- Transfer Monitoring.

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**Crossover Periods**

- Payment period that includes both June 30 and July 1.

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**Crossover Periods**

Title IV Program	Choice of award year EFC?	Same award year EFC, COA and need to award other Title IV aid?	Disburse funds from the same award year as EFC?	Choice of AY for annual loan limit regardless of award year EFC used?
Federal Pell Grant	No, must award from the year yielding the higher payment amount.	No.	Yes.	N/A
Federal Direct Loan Program	Yes.	Yes, except for Pell Grant.	N/A	Yes, for term-based credit-hour programs using SAY. Not relevant for BBAY.

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**Case Study: Pell Grant**  
Isabella



- Attends Kingfish Technical Institute.
  - Clock hour school.
  - BBAY.
- Next term is May 28-Sept. 24.
  - Will complete program.
- Scheduled Awards:
  - 2010-2011: \$5,000.
  - 2011-2012: \$5,550.

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**Case Study Answer: Pell Grant**  
Isabella

- Determine Isabella's Pell Grant payment amounts for the crossover 2011 term:

		SU 2011
Enrollment		Enrolled full time
Pell Payment Amount	2010-2011 ISIR: \$5,000	\$ <b>2,500</b>
	2011-2012 ISIR: \$5,550	\$ <b>2,775</b>

- From which award year should Isabella's Pell Grant be awarded?

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**Case Study: Direct Loans**  
David



- Third-year dependent student.
- Trimester school.
- Summer header.
- Borrowed in Stafford Loans:

Summer 2010	\$0
Fall 2010	\$1,834
Winter 2010	\$1,833
Spring 2010	\$1,833
<b>TOTAL</b>	<b>\$5,500</b>

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**Case Study Answer: Direct Loans**  
David

- He would now like to enroll half-time during summer 2011, which begins June 6 and ends July 28, and plans to enroll full-time during the 2011-2012 academic year.
- Is David eligible to receive Stafford loans in the summer 2011?
  - Yes, David may receive Stafford loans during the summer term. Because the school has established the summer as a header, it is the first term of the academic year to determine loan eligibility.
- If so, what award year EFC will be used to determine his eligibility?
  - The school would use the 2011-2012 EFC to calculate his eligibility.

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**Crossover Periods**  
Award Amounts

Pell Grants may use different award year information than what is used when packaging other aid for that period.

- When packaging:
 

<b>Title IV aid</b>
Use <u>current year</u> EFC, COA and enrollment status.
<b>Pell amount for crossover periods</b>
Use EFC and COA from <u>award year</u> from which student will be paid.

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**Case Study**  
Cynthia



- Second-year, dependent student.
- Attending summer term.
  - June 8-July 27.

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**Case Study**  
Cynthia



Summer Crossover Period	Current	Next
Pell Grant award amount	\$1,125	\$2,050
Cost of attendance	\$7,000	\$7,000
Expected Family Contribution	\$4,000	\$2,800

- From what award year will Cynthia's Pell Grant be paid? Why?
  - Cynthia's Pell Grant will be paid from the next award year because \$2,050 is the higher award amount.

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**Case Study**  
Cynthia



Summer Crossover Period	Current	Next
Pell Grant award amount	\$1,125	\$2,050
Cost of attendance	\$7,000	\$7,000
Expected Family Contribution	\$4,000	\$2,800

- If Potter College treats summer as a trailer, calculate her remaining financial need.

COA		\$7,000	Current year COA
- EFC	-	4,000	Current year EFC
- Pell Grant	-	2,050	Next year Pell (treated as EFA)
= Rem. Need	=	\$950	

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**Crossover Periods**  
Summer Modules/Minisessions




Minisessions begin and end at different times during the summer term.

Schools may choose to...

Combine sessions to create a crossover payment period.	OR	Maintain sessions as separate periods.
- Combined term must include June 30 and July 1.		- Must review start and end dates of each term to determine the correct award year to use for payment.

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### Crossover Periods

Summer Modules/Minisessions



- Example:
  - School maintains summer sessions separately.

Award Year A		Award Year B	
July 1	June 30	July 1	June 30
	Summer A	Summer B	
	May 15 July 2	July 5 Aug. 15	

Summer A is treated as a crossover payment period.  
(Includes June 30 and July 1.)

Summer B must be assigned to the new award year.  
(Entire term occurs after July 1.)

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### Case Study

Jake

- Independent, third-year student.
- Summer term:
  - Trailer.
  - June 6-Aug. 1
  - Two months.
- Not attended school in last 18 months.
- Enrolled half-time.

Award Year	2010-2011	2011-2012
Nine-month COA	\$15,000	\$16,000
Nine-month EFC	3,030	2,500
Pell Grant SA	\$2,600	\$3,100

14-15

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### Case Study Answer

Jake



- Prorate the COA to determine the summer budget using the following formula:

$$\frac{\text{Number of months in the program or period of enrollment}}{\text{Nine months (standard academic year)}} \times \text{Standard nine-month COA} = \text{Prorated COA}$$

– Because summer is a trailer to the academic year, only the 2010-2011 COA should be prorated.

$$\frac{2 \text{ month summer term}}{9 \text{ month academic year}} \times \$15,000 = \$3,333$$

14-15

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**Case Study Answer**  
 Jake 

- Prorate Jake's EFC using the following formula:

$\frac{\text{Number of months in the program or period of enrollment}}{\text{Nine months (standard academic year)}} \times \frac{\text{Standard nine-month EFC}}{\text{EFC}} = \text{Prorated EFC}$
---

– Because summer is a trailer to the academic year, only the 2010-2011 EFC should be prorated.

$\frac{2 \text{ month summer term}}{9 \text{ month academic year}} \times 3,030 = 673$
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14-15

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**Case Study Answer**  
 Jake 

- Calculate Jake's Pell grant and Direct Loan award amounts:
- Pell Grant award amount:

		SU 2011
Enrollment		Enrolled 6 hours
Pell Payment Amount	2010-2011 ISIR: \$5,000	\$ 650
	2011-2012 ISIR: \$5,550	\$ 775

- From which award year should Jake's Pell Grant be awarded?

14-15

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**Case Study Answer**  
 Jake 

- Calculate Jake's Pell grant and Direct Loan award amounts:
- Direct loan award amount:

COA		\$3,333	Current year COA
- EFC	-	673	Current year EFC
- Pell Grant	-	775	Next year Pell (treated as EFA)
= Rem. Need	=	\$1,885	

– Based on Jake's remaining financial need, loan limits and COA, he may receive up to \$1,885 in subsidized loans and up to \$673 in unsubsidized loans.

14-15

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**Agenda** 

- Prorating the EFC and COA.
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**Consortium Agreements** 

	Home School	Host School
Definition	Where the student is obtaining a degree or certificate.	Where the student is taking select program requirements.
Award/Disburse aid for student	Yes, depending on the terms of the agreement.	
Transferability of courses	Not applicable.	Must apply to degree or certificate at home school. Cannot pay Title IV aid for courses that will not apply.

16-17 

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**Study Abroad** 

<b>Do:</b>	<b>Do not:</b>
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- Need to ensure courses apply to student's program.
- Need to be approved before paying Title IV aid.
- Need to include increased costs.
- Need to be required for student's program.

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**Transfer Monitoring** 

Required to use NSLDS Transfer Monitoring process.



- Review information on all transfer students.
- Notify of all transfer students.
- Review alerts received for transfer students.
- Wait at least seven days after adding students before aid is disbursed.
- Make changes to aid based on new information.

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