

2009 PASFAA Conference
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Valley Forge Conference Center

Introduction to Clock Hours

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Academic Year Definitions

Minimum Requirement: Academic year – 900 Hours **AND** 26 Weeks
 Full-time Student – 24 Hours per week

- An academic year definition can be as many hours and weeks as you chose so long as it meets the minimum requirements.
- You may define different academic years for different programs.
- You may have 2 versions of the same program that have different definitions.
- Academic years must be published in your FA Handbook.

** These programs are used in specific examples throughout this packet.

****Heavy Equipment/CDL – STC – Less than one academic year**

Total Program	– 800 Hours / 20 Weeks
Defined Academic Year	– 900 Hours / 26 Weeks
Enrollment Status	– Fulltime (40 hours per week)
Enrollment Period	– Varies by student (2 Starts per year)

****Technology Programs – LCCTC – One academic year**

Total Program Hours	– 1080 Hours
Defined Academic Year	– 1000 Hours / 36 Weeks
Enrollment Status	– Fulltime (30 hours per week)
Enrollment Period	– Varies by student (2 starts per year)

Cosmetology – LCCTC – One academic year

Total Program Hours	– 1250 Hours
Defined Academic Year	– 1250 Hours / 36 Weeks
Enrollment Status	– Fulltime (40 hours per week)
Enrollment Period	– Varies by student (Can start at any point)

****Practical Nursing – LCCTC Daytime – Greater than One but less than two academic years**

Total Program Hours	– 1575 Hours
Defined Academic Year	– 1000 Hours / 32 Weeks
Enrollment Status	– Fulltime (30 hours per week or more)
Enrollment Period	– Varies by student (3 Starts per year)

Practical Nursing – LCCTC Evening – Greater than One but less than two academic years

Total Program Hours	– 1575 Hours
Defined Academic Year	– 1000 Hours / 48 Weeks
Enrollment Status	– Halftime (Less than 24 but greater than 12 hours per week)
Enrollment Period	– Varies by student (2 Starts per year)

****Practical Nursing – CCCTC – Greater than One but less than two academic years**

Total Program Hours	– 1500 Hours
Defined Academic Year	– 1011 Hours / 30 Weeks
Enrollment Status	– Fulltime (35 hours per week)
Enrollment Period	– One start per year

Loan Periods

- The loan period is the period of enrollment for which a Stafford or PLUS loan is intended.
- The loan period must coincide with a bona fide academic term established by the school for which school charges are generally assessed.
- The maximum loan period may not exceed an academic year.
- The minimum an period is:
 - The lesser of the length of the student's program, the school's academic year, or the student's final period of enrollment.
 - The lesser of the student's final period of study or the remaining portion of the prior school's final academic year if specific criteria are met. (See Common Manual 6.2)
 - The remainder of the current academic year for a student who completes one program and begins another program within an academic year at the same school if specific criteria are met. (See Common Manual 6.2)

Heavy Equipment/CDL	Less than One year Program (Two starts per year)
Total Program	– 800 Hours / 20 Weeks
Defined Academic Year	– 900 Hours / 26 Weeks
Enrollment Status	– Fulltime (40 hours per week)
Enrollment Period	– June 22, 2009 to November 13, 2009
Loan Period	– June 22, 2009 to November 13, 2009
Pell Award Year	– 08-09 and 08-09 OR 09-10

Technology Programs	One year Program (One start per year)
Total Program Hours	– 1080 Hours / 36 Weeks
Defined Academic Year	– 1000 Hours / 36 Weeks
Enrollment Status	– Fulltime (30 hours per week)
Enrollment Period	– August 29, 2009 to June 2, 2010
Loan Period	– August 29, 2009 to May 12, 2010
Pell Award Year	– 09-10

Practical Nursing – CCCTC -- Greater than One but less than two academic years with remaining portion less than one half an academic year.

Total Program Hours	– 1500 Hours
Defined Academic Year	– 1011 Hours / 30 Weeks
Enrollment Status	– Fulltime (35 hours per week)
Enrollment Period	– August 31, 2009 to July 28, 2010
Loan Periods	
1st Academic Year	– August 31, 2009 to April 4, 2010
Remaining period of enrollment	– April 5, 2010 to July 28, 2010
Pell Award Years	– 09-10 OR 09-10 and 10-11

Practical Nursing – LCCTC Daytime -- Greater than One but less than two academic years with remaining portion greater than one half an academic year

Total Program Hours	– 1575 Hours
Defined Academic Year	– 1000 Hours / 32 Weeks
Enrollment Status	– Fulltime (30 hours per week or more)
Enrollment Period	– August 30, 2009 to August 17, 2010
Loan Periods	
1st Academic Year	– August 30, 2009 to April 17, 2010
Remaining period of enrollment	– May 1, 2010 to August 17, 2010
Pell Award Years	– 09-10 OR 09-10 and 10-11

Payment Periods

Programs that are One year or less.

- A program, an academic year, or a remaining period of enrollment greater than one half an academic year, must be divided into **TWO EQUAL** Payment Periods. Clock hour programs are no longer allowed to have more than two defined payment periods in the length of the program, the academic year, or the remainder of a program
- Payment periods are used to determine Pell and Loan eligibility.
- Payment periods are used to determine when funds are disbursed.
- Payment periods vary depending on the length of the program or the remaining portion of the program
- The first payment period is the period of time in which the student successfully completes half the clock hours *and* half the number of weeks of instructional time in the program. The second payment period is the period of time in which the student successfully completes the remainder of the program.
- **You must be sure when defining payment periods that you are not disbursing more than one half of the student's aid prior to the midpoint of the academic year.**

Heavy Equipment/CDL Less than One year Program (Two starts per year)

Total Program	– 800 Hours / 20 Weeks
Defined Academic Year	– 900 Hours / 26 Weeks
Enrollment Status	– Fulltime (40 hours per week)
Enrollment Period	– June 22, 2009 to November 13, 2009
Loan Period	– June 22, 2009 to November 13, 2009
Pell Award Year	– 08-09 and/or 09-10 OR 09-10

FIRST PROGRAM START

Payment Period 1 (400 Hrs/10 Wks)	– June 22, 2009 to September 2, 2009
Payment Period 2 (400 Hrs/10 Wks)	– September 4, 2009 to November 13, 2009

Technology Programs One year Program (One start per year)

Total Program Hours	– 1080 Hours / 36 Weeks
Defined Academic Year	– 1000 Hours / 36 Weeks
Enrollment Status	– Fulltime (30 hours per week)
Enrollment Period	– August 29, 2009 to June 2, 2010
Loan Period	– August 29, 2009 to May 12, 2010
Pell Award Year	– 09-10
Payment Period 1 (500 Hrs/18 Wks)	– August 29, 2009 to January 6, 2010
Payment Period 2 (500 Hrs/18 Wks)	– January 9, 2010 to May 12, 2010

Payment Periods

Programs that are more than one academic year.

- For programs equal to two or more complete academic years, for the first academic year and any subsequent full academic year, the first payment period is the period of time in which the student successfully completes half the clock hours **and** half the number of weeks of instructional time in the **academic year**. The second payment period is the period of time in which the student successfully completes the remainder of the **academic year**.
- For program's that are more than one but less than two academic years, the first payment period is the period of time in which the student successfully completes half the clock hours **and** half the number of weeks of instructional time in the **academic year**. The second payment period is the period of time in which the student successfully completes the remainder of the **academic year**. Payment periods for the remaining portion of a program are determined as follows:
 - If the remainder of the program is **less than** or **equal to** one half of an academic year there is only one remaining payment period, and it is equal to the remaining portion of the program.
 - If the remainder of the program is **more than** one half of an academic year but less than a full academic year, the remainder must be divided into two equal payment periods as measured in clock hours. The first payment period is the period of time in which the student successfully completes half the clock hours **and** half the number of weeks of instructional time in the remaining period of enrollment. The second payment period is the period of time in which the student successfully completes the remainder of the period of enrollment.

Practical Nursing – CCCTC -- Greater than One but less than two academic years with remaining portion less than one half an academic year.

Total Program Hours	– 1500 Hours
Defined Academic Year	– 1011 Hours / 30 Weeks
Enrollment Status	– Fulltime (35 hours per week)
Enrollment Period	– August 31, 2009 to July 28, 2010
<u>Loan Periods</u>	
1 st Academic Year	– August 31, 2009 to April 4, 2010
Remaining period of enrollment	– April 5, 2010 to July 28, 2010
Pell Award Years	– 09-10 OR 09-10 and 10-11

<u>FIRST ACADEMIC YEAR – 1011 hours</u>	
Payment Period 1 – (505.5 Hrs/15 Wks)	– August 31, 2009 to December 19, 2009
Payment Period 2 – (505.5 Hrs/15 Wks)	– December 20, 2009 to April 4, 2010

<u>REMAINDER OF PROGRAM – 489 hours</u>	
Payment Period 1 – (489 Hrs/14 Wks)	– April 5, 2010 to July 28, 2010
(Crossover payment period – This Payment period is a crossover payment period because a portion of this period falls into a new award year beginning July 1st.)	

Payment Periods

Programs that are more than one academic year

Practical Nursing – LCCTC Daytime -- Greater than One but less than two academic years with remaining portion **greater than** one half an academic year

Total Program Hours	– 1575 Hours
Defined Academic Year	– 1000 Hours / 32 Weeks
Enrollment Status	– Fulltime (30 hours per week or more)
Enrollment Period	– August 30, 2009 to August 17, 2010
<u>Loan Periods</u>	
1 st Academic Year	– August 30, 2009 to April 17, 2010
Remaining period of enrollment	– May 1, 2010 to August 17, 2010
Pell Award Years	– 09-10 OR 09-10 and 10-11

FIRST ACADEMIC YEAR – 1000 hours

Payment Period 1 – (500 Hrs/16 Wks)	– August 30, 2009 to January 3, 2010
Payment Period 2 – (500 Hrs/16 Wks)	– January 4, 2010 to April 17, 2010

REMAINDER OF PROGRAM – 551 hours

Payment Period 1 – (275.5 Hrs/9 Wks)	– May 1, 2010 to June 21, 2010
(Even though the full scheduled award for 09-10 will have already been used during the first academic year, Payment Period 1 qualifies for additional year round Pell.)	
Payment Period 2 – (275.5 Hrs/9 Wks)	– June 22, 2010 to August 17, 2010
(Crossover payment period – Payment Period 2 is a crossover payment period because a portion of this period falls into a new award year beginning July 1 st . In this case, because some of this payment period falls in both the 09-10 and 10-11 award years, a school can choose to award a Pell grant from either year.)	

PELL Eligibility

Programs that are less than one year.

Minimum Requirement: Must use Formula 4.

- The scheduled annual award is taken from the Full-time Payment Schedule even if the student is attending less than full-time.
- The scheduled annual Pell award is only reduced for students enrolled less than half time.
- If the program is less than an academic year, students enrolled in that program will not receive a full Scheduled award, it must be prorated using Formula 4.
- Formula 4 determines an award amount for a Payment Period not a full Academic Year.
- The payment period determines the when Pell funds are disbursed and the exact amount to be disbursed.
- Payment periods don't always align with award years. In some cases a payment period will begin in one award year and end in another. In this case the payment period is considered to be a crossover payment period.
- You can make a payment for a crossover payment period out of either award year. The decision about which award year to use depends on the student's remaining eligibility in the earlier award year.
- If six months of the payment period falls within a given award year, the Pell payment must be made from that award year.

<u>Heavy Equipment/CDL</u>	<u>Less than One year Program (Two starts per year)</u>
Total Program	– 800 Hours / 20 Weeks
Defined Academic Year	– 900 Hours / 26 Weeks
Enrollment Status	– Fulltime (40 hours per week)
Enrollment Period	– June 22, 2009 to November 13, 2009
Pell Award Year	– 08-09 and/or 09-10 OR 09-10
Payment Period 1 (400 Hrs/10 Wks)	– June 22, 2009 to September 2, 2009
– \$2,058.00 Pell Payment	
Payment Period 2 (400 Hrs/10 Wks)	– September 4, 2009 to November 13, 2009
– \$2,057.00 Pell Payment	

FORMULA 4 CALCULATION – Calculating Payment Amounts

To determine the payment for a payment period, multiply the student's Scheduled Award by the lesser of:

$$\frac{400}{900} = (.4444) \frac{\text{Number of Clock Hours in the payment period}}{\text{Number of Clock Hours in the program's Academic Year}}$$

Or

$$\frac{10}{26} = (.3846) \frac{\text{Number of weeks in the payment period}}{\text{Number of weeks in the program's Academic Year}}$$

Scheduled PELL Award: – \$5,350

Prorate the Scheduled award.

$$\mathbf{\$5,350} \times \frac{\mathbf{10 \text{ weeks in payment period}}}{\mathbf{26 \text{ weeks in academic year}}} = \mathbf{\$2,057.69}$$

PELL Eligibility

Programs with Crossover Payment Periods.

The first payment period in the Heavy Equipment/CDL program is a crossover payment period. When you have a crossover payment period, you can choose the award year from which you will award the student a Pell grant, and you can make awards based on an individual student's circumstance.

If a student completes both the 08-09 and 09-10 FAFSA applications, you can determine what benefits the student most. If the student has eligibility in 08-09 but not in 09-10, you can award a grant from the 08-09 award year for the first payment period only. However, if the student has eligibility in both years, you can compare the awards by payment period and determine what benefits the student most. Awards can be made from both years.

<u>Heavy Equipment/CDL</u>	<u>Less than One year Program (Two starts per year)</u>
Total Program	– 800 Hours / 20 Weeks
Defined Academic Year	– 900 Hours / 26 Weeks
Enrollment Status	– Fulltime (40 hours per week)
Enrollment Period	– June 22, 2009 to November 13, 2009
Pell Award Year	– 08-09 and/or 09-10 OR 09-10

STUDENT A – Student has higher scheduled award in 08-09 than 09-10

Payment Period 1 (400 Hrs/10 Wks)	– June 22, 2009 to September 2, 2009
– \$1,820.00 08-09 Pell Payment	
Payment Period 2 (400 Hrs/10 Wks)	– September 4, 2009 to November 13, 2009
– \$1,230.00 09-10 Pell Payment	

Scheduled 08-09 PELL Award: – \$4,731

Prorate the Scheduled award. $\$4,731 \times \frac{10 \text{ weeks in payment period}}{26 \text{ weeks in academic year}} = \$1,819.61$

Scheduled 09-10 PELL Award: – \$3,200

Prorate the Scheduled award. $\$3,200 \times \frac{10 \text{ weeks in payment period}}{26 \text{ weeks in academic year}} = \$1,230.76$

STUDENT B – Student has lower scheduled award in 08-09 than 09-10

Payment Period 1 (400 Hrs/10 Wks)	– June 22, 2009 to September 2, 2009
– \$2,058.00 09-10 Pell Payment	
Payment Period 2 (400 Hrs/10 Wks)	– September 4, 2009 to November 13, 2009
– \$2,057.00 09-10 Pell Payment	

Scheduled 08-09 PELL Award: – \$4,731

Prorate the Scheduled award. $\$4,731 \times \frac{10 \text{ weeks in payment period}}{26 \text{ weeks in academic year}} = \$1,819.61$

Scheduled 09-10 PELL Award: – \$5,350

Prorate the Scheduled award. $\$5,350 \times \frac{10 \text{ weeks in payment period}}{26 \text{ weeks in academic year}} = \$2,057.69$

PELL Eligibility

Programs that are more than one academic year.

Practical Nursing – CCCTC -- Greater than One but less than two academic years with remaining portion less than one half an academic year.

Total Program Hours	– 1500 Hours
Defined Academic Year	– 1011 Hours / 30 Weeks
Enrollment Status	– Fulltime (35 hours per week)
Enrollment Period	– August 31, 2009 to July 28, 2010
Pell Award Years	– 09-10 and 10-11

FIRST ACADEMIC YEAR – 1011 hours

Scheduled 09-10 Pell Award = \$5,350

Payment Period 1 (505.5 Hrs/15 Wks) – Aug 31, 2009 to Dec 19, 2009

– **\$2,675.00 Pell Payment**

Payment Period 2 (505.5 Hrs/15 Wks) – Dec 20, 2009 to April 4, 2010

– **\$2,675.00 Pell Payment**

REMAINDER OF PROGRAM – 489 hours

Scheduled 09-10 Pell Award = \$5,350

Payment Period 1 (489 Hrs/14 Wks) – Apr 5, 2010 to July 28, 2010

– **\$2,496.00 Pell Payment** (Crossover payment period)

Formula 4 Calculation – Calculating Payment Amounts for remaining period of enrollment

To determine the payment for a payment period, multiply the student's Scheduled Award by the lesser of:

$$\frac{489}{1011} = (.4837) \frac{\text{Number of Clock Hours in the payment period}}{\text{Number of Clock Hours in the program's Academic Year}}$$

Or

$$\frac{14}{30} = (.4667) \frac{\text{Number of weeks in the payment period}}{\text{Number of weeks in the program's Academic Year}}$$

Scheduled PELL Award: – \$5,350

Prorate the Scheduled award.

$$\frac{\$5,350 \times 14 \text{ weeks in payment period}}{30 \text{ weeks in academic year}} = \$2,496.66$$

NOTE: The remaining period of enrollment is a crossover payment period. If a student completes both the 09-10 and 10-11 FAFSA applications, you can determine what benefits the student most. You can award either a year round 09-10 Pell disbursement or you can award from the 10-11 award year. Because the 10-11 Pell grant cannot be awarded prior to July 1, this student would have to wait until almost the end of the payment period for this payment.

PELL Eligibility

Programs that are more than one academic year.

Practical Nursing – LCCTC Daytime -- Greater than One but less than two academic years with remaining portion **greater than** one half an academic year

Total Program Hours	– 1575 Hours
Defined Academic Year	– 1000 Hours / 32 Weeks
Enrollment Status	– Fulltime (30 hours per week or more)
Enrollment Period	– August 30, 2009 to August 17, 2010
Pell Award Years	– 09-10 and 10-11

FIRST ACADEMIC YEAR – 1000 hours

Scheduled 09-10 Pell Award = \$5,350

Payment Period 1 (500 Hrs/16 Wks) – Aug 30, 2009 to Jan 3, 2010

– **\$2,675.00 Pell Payment**

Payment Period 2 (500 Hrs/16 Wks) – Jan 4, 2010 to April 17, 2010

– **\$2,675.00 Pell Payment**

REMAINDER OF PROGRAM – 551 hours

Scheduled 10-11 Pell Award = \$5,350

Payment Period 1 (275.5 Hrs/9 Wks) – May 1, 2010 to June 21, 2010

– **\$1,338.00 Pell Payment**

Payment Period 2 (275.5 Hrs/9 Wks) – June 22, 2010 to Aug 17, 2010

– **\$1,337.00 Pell Payment** (Crossover payment period)

Formula 4 Calculation – Calculating Payment Amounts for remaining period of enrollment

To determine the payment for a payment period, multiply the student's Scheduled Award by the lesser of:

$$\frac{275.5}{1000} = (.2755) \quad \frac{\text{Number of Clock Hours in the payment period}}{\text{Number of Clock Hours in the program's Academic Year}}$$

Or

$$\frac{8}{32} = (.25) \quad \frac{\text{Number of weeks in the payment period}}{\text{Number of weeks in the program's Academic Year}}$$

Scheduled PELL Award: – \$5,350

Prorate the Scheduled award.

$$\frac{\$5,350 \times 8 \text{ weeks in payment period}}{32 \text{ weeks in academic year}} = \$1,337.50$$

NOTE: Payment Period 2 of the remaining period of enrollment is a crossover payment period. If a student completes both the 09-10 and 10-11 FAFSA applications, you can determine what benefits the student most. You can award either a year round 09-10 Pell disbursement or you can award from the 10-11 award year. Because the 10-11 Pell grant cannot be awarded prior to July 1, this student would have to wait only one week into the second payment period for this payment.

Loan Eligibility

Programs that are less than one year.

- Loan amounts cannot exceed annual loan limits. Annual loan amounts vary by grade level and dependency status.
- Grade level advancement occurs when a student successfully completes the first academic year of training and enters into the 2nd academic year. **Note:** Grade level advancement may not always coincide with the academic year.
- Plus loans are limited only to the estimated cost of attendance minus other financial aid.
- Loans must be disbursed in multiple installments.
- Clock hour programs always use a Borrower Based Academic Year (BBAY3)
- Loans must be prorated when the:
 - student is enrolled in a program that is shorter than one academic year.
 - student is completing a remaining period of enrollment that is shorter than a full academic year.

<u>Heavy Equipment/CDL</u>	<u>Less than One year Program (Two starts per year)</u>
Total Program	– 800 Hours / 20 Weeks
Defined Academic Year	– 900 Hours / 26 Weeks
Enrollment Status	– Fulltime (40 hours per week)
Enrollment Period	– June 22, 2009 to November 13, 2009
Loan Period	– June 22, 2009 to November 13, 2009
Payment Period 1 (400 Hrs/10 Wks)	– June 22, 2009 to September 2, 2009
– \$1,346.00 Subsidized Loan	
– \$2,307.50 Unsubsidized Loan	
Payment Period 2 (400 Hrs/10 Wks)	– September 4, 2009 to November 13, 2009
– \$1,346.00 Subsidized loan	
– \$2,307.50 Unsubsidized Loan	

LOAN PRORATION- Proportional Proration Calculation #2

For a program that is less than one year in length, the annual loan amount must be prorated by the lesser of:

$$\frac{800}{900} = (.8889) \quad \frac{\text{Clock hours enrolled in program}}{\text{Clock hours in academic year}}$$

Or

$$\frac{20}{26} = (.7692) \quad \frac{\text{Weeks enrolled in program}}{\text{Weeks in the academic year}}$$

1. **Prorate** the loan amounts and calculate payment amount.

Subsidized

$$\frac{\$3,500 \times 20 \text{ weeks in program}}{26 \text{ weeks in academic year}} = \$2,692.30$$

Unsubsidized

$$\frac{\$6,000 \times 20 \text{ weeks in program}}{26 \text{ weeks in academic year}} = \$4,615.38$$

Loan Eligibility

Programs that are one year in length.

Technology Programs One year Program (One start per year)

Total Program Hours	– 1080 Hours / 36 Weeks
Defined Academic Year	– 1000 Hours / 36 Weeks
Enrollment Status	– Fulltime (30 hours per week)
Enrollment Period	– August 29, 2009 to June 2, 2010
Loan Period	– August 29, 2009 to May 12, 2010
Payment Period 1 (500 Hrs/18 Wks)	– Aug 29, 2009 to Jan 6, 2010
– \$1,750.00 Subsidized Loan	
– \$3,000.00 Unsubsidized Loan	
Payment Period 2 (500 Hrs/18 Wks)	– Jan 9, 2010 to May 12, 2010
– \$1,750.00 Subsidized loan	
– \$3,000.00 Unsubsidized Loan	

LOAN PRORATION – Proportional Proration Calculation #1

The loan is not prorated because the program is one year in length.

$$\frac{36}{36} = (1) \quad \frac{\text{Weeks enrolled in program}}{\text{Weeks in the academic year}}$$

Or

$$\frac{1000}{1000} = (1) \quad \frac{\text{Clock hours enrolled in program}}{\text{Clock hours in academic year}}$$

- Prorate** the loan amounts:

Subsidized

$$\frac{\$3,500 \times 36 \text{ weeks in program}}{36 \text{ weeks in academic year}} = \$3,500.00$$

Unsubsidized

$$\frac{\$6,000 \times 36 \text{ weeks in program}}{36 \text{ weeks in academic year}} = \$6,000.00$$

Loan Eligibility

Programs that are more than one academic year.

Practical Nursing – CCCTC -- Greater than One but less than two academic years with remaining portion less than one half an academic year.

Total Program Hours	– 1500 Hours
Defined Academic Year	– 1011 Hours / 30 Weeks
Enrollment Status	– Fulltime (35 hours per week)
Enrollment Period	– August 31, 2009 to July 28, 2010
<u>Loan Periods</u>	
1 st Academic Year	– August 31, 2009 to April 4, 2010
Remaining period of enrollment	– April 5, 2010 to July 28, 2010

<u>FIRST ACADEMIC YEAR – 1011 hours</u>	
Payment Period 1 (505.5 Hrs/15 Wks)	– August 31, 2009 to December 19, 2009
– \$1,750.00 Subsidized Loan	
– \$3,000.00 Unsubsidized Loan	
Payment Period 2 (505.5 Hrs/15 Wks)	– December 20, 2009 to April 4, 2010
– \$1,750.00 Subsidized loan	
– \$3,000.00 Unsubsidized Loan	

<u>REMAINDER OF PROGRAM – 489 hours</u>	
Payment Period 1 (489 Hrs/14 Wks)	– April 5, 2010 to July 28, 2010

<u>Disbursement One</u>	<u>Disbursement Two</u>
– \$ 846.00 Subsidized Loan	– \$ 846.00 Subsidized Loan
– \$ 1,451.00 Unsubsidized Loan (244.5 Clock hours)	– \$ 1,451.00 Unsubsidized Loan (244.5 Clock hours)
April 5, 2010 to May 26, 2010	May 27, 2010 to July 28, 2010

LOAN PRORATION - Proportional Proration Calculation #1

Loans for the first academic year are not prorated because the student is completing a full year of training. Once the student successfully completes the first academic year, they become eligible for a prorated grade level 2 loan for the remaining period of enrollment. For the remaining period of enrollment the annual loan limit must be prorated using Proportional Proration Calculation #1.

<u>489</u>	<u>Clock hours in remaining period of enrollment</u>
1011	Clock hours in academic year

- Prorate** the loan amounts:

Subsidized

$$\frac{\$3,500 \times 489 \text{ Clock hours in program}}{1011 \text{ Clock hours in academic year}} = \$1,692.87$$

Unsubsidized

$$\frac{\$6,000 \times 489 \text{ Clock hours in program}}{1011 \text{ Clock hours in academic year}} = \$2,902.07$$

Loan Eligibility

Programs that are more than one academic year.

Practical Nursing – LCCTC Daytime -- Greater than One but less than two academic years with remaining portion greater than one half an academic year

Total Program Hours	– 1575 Hours
Defined Academic Year	– 1000 Hours / 32 Weeks
Enrollment Status	– Fulltime (30 hours per week or more)
Enrollment Period	– August 30, 2009 to August 17, 2010
<u>Loan Periods</u>	
1 st Academic Year	– August 30, 2009 to April 17, 2010
Remaining period of enrollment	– May 1, 2010 to August 17, 2010

FIRST ACADEMIC YEAR – 1000 hours

Payment Period 1 (500 Hrs/16 Wks)	– August 30, 2009 to January 3, 2010
– \$1,750.00 Subsidized Loan	
– \$3,000.00 Unsubsidized Loan	
Payment Period 2 (500 Hrs/16 Wks)	– January 4, 2010 to April 17, 2010
– \$1,750.00 Subsidized loan	
– \$3,000.00 Unsubsidized Loan	

REMAINDER OF PROGRAM – 551 hours

Payment Period 1 (275.5 Hrs/9 Wks)	– May 1, 2010 to June 21, 2010
– \$ 964.00 Subsidized Loan	
– \$1,653.00 Unsubsidized Loan	
Payment Period 2 (275.5 Hrs/9 Wks)	– June 22, 2010 to Aug 17, 2010
– \$ 964.00 Subsidized Loan	
– \$1,653.00 Unsubsidized Loan	

LOAN PRORATION - Proportional Proration Calculation #1

Loans for the first academic year are not prorated because the student is completing a full year of training. Once the student successfully completes the first academic year, they become eligible for a prorated grade level 2 loan for the remaining period of enrollment. For the remaining period of enrollment the annual loan limit must be prorated using the following calculation.

$$\frac{551}{1000} \times \frac{\text{Clock hours in remaining period of enrollment}}{\text{Clock hours in academic year}}$$

- Prorate** the loan amounts:

Subsidized

$$\frac{\$3,500 \times 551 \text{ Clock hours in remaining period}}{1000 \text{ Clock hours in academic year}} = \$1,928.50$$

Unsubsidized

$$\frac{\$6,000 \times 551 \text{ Clock hours in program}}{1000 \text{ Clock hours in academic year}} = \$3,306.00$$

Timing of Disbursements

- **First Disbursements**
 - Pell Disbursements – Pell awards can be disbursed as soon as the first day of the first payment period. **Note:** You can choose to delay the first Pell disbursement to avoid having to return disbursements for students that do not show for class.
 - Loan Disbursements—The first disbursement for first time, first year undergraduate borrowers must be delayed 30 days – **Note:** You can choose to delay all student loans.
- **Second and Subsequent Disbursements**
 - The second and subsequent disbursements for both Pell grants and loans can be made at the beginning of each payment period as long as the student successfully completed the previous payment period by attending the required number of scheduled hours or reaching the midpoint of the calendar year and is in good academic standing. **Note:** You can choose to delay the second and subsequent disbursements as well.
- **Delay of Disbursements** – If a student does not complete the required hours for the payment period or is not in good academic standing by midpoint you must delay their disbursements.

EXCERPT FROM FSA HANDBOOK VOL.3 CHPT. 1

FSA Regulations generally permit schools to pay FSA funds at such times, and in such installments, within each payment period as will best meet the students' needs. This gives schools the ability to apportion the payment if doing so will be in the best interest of the student. For Example, if a payment period is particularly long, a school might choose to pay a multiple installment to the extent program requirements permit to ensure that a student will have funds to pay rent later in the payment period.

Keep in mind that Federal Student Aid funds must be provided to students in a timely manner to best assist them in paying for their educational expenses. Consequently, a school may not delay the disbursement of funds until after the 60% point, for example, to avoid the administrative burden of performing a Return of Title IV Funds calculation and the requirements that go along with it, or to prevent the student from having to return funds upon withdrawal.

In addition, clock hour programs are no longer allowed to have more than the defined two payment periods in the length of the program, the academic year or the remainder of the program. You may make multiple disbursements within a single payment period. However, schools should note that making multiple disbursements within the payment period does not create a new or additional payment period.

RECENT USDE WEBINAR **“PELL CALCULATIONS FOR CLOCK HOUR PROGRAMS”**

Transcripts and PowerPoint presentations for Parts 1, 2 & 3 of the Department's workshops on Pell calculations for Clock Hours Programs are available on line at:

<http://www.ed.gov/offices/OSFAP/training/distanceed/downloads.html>.

Timing of Disbursements

Practical Nursing – CCCTC -- Greater than One but less than two academic years with remaining portion less than one half an academic year.

Total Program Hours	– 1500 Hours
Defined Academic Year	– 1011 Hours / 30 Weeks
Enrollment Status	– Fulltime (35 hours per week)
Enrollment Period	– August 31, 2009 to July 28, 2010

FIRST ACADEMIC YEAR – 1011 hours

Payment Period 1 – (505.5 Hrs/15 Wks) – August 31, 2009 to December 19, 2009

Disbursement Dates:

Pell = August 31, 2009 (09-10 award year)

Loan = October 1, 2009 (30 day delay)

Payment Period 2 – (505.5 Hrs/15 Wks) – December 20, 2009 to April 4, 2010

Disbursement Dates:

Pell = December 20, 2009 (09-10 award year)

Loan = December 20, 2009

REMAINDER OF PROGRAM – 489 hours

Payment Period 1 – (489 Hrs/14 Wks) – April 5, 2010 to July 28, 2010

Disbursement Dates:

Pell = April 5, 2010 (09-10 award year)

OR

= July 1, 2010 (10-11 award year)

Loan = Disbursement 1 – April 5, 2010
Disbursement 2 – May 27, 2010

Timing of Disbursements

Practical Nursing – LCCTC Daytime -- Greater than One but less than two academic years with remaining portion greater than one half an academic year

Total Program Hours – 1575 Hours
Defined Academic Year – **1000 Hours** / 32 Weeks
Enrollment Status – Fulltime (30 hours per week or more)
Enrollment Period – August 30, 2009 to August 17, 2010

FIRST ACADEMIC YEAR – 1000 hours

Payment Period 1 (500 Hrs/16 Wks) – Aug 30, 2009 to Jan 3, 2010

Disbursement Dates:

Pell = August 30, 2009 (09-10 award year)

Loan = September 30, 2009 (30 day delay)

Payment Period 2 (500 Hrs/16 Wks) – Jan 4, 2010 to April 17, 2010

Disbursement Dates:

Pell = January 4, 2010 (09-10 award year)

Loan = January 4, 2010

REMAINDER OF PROGRAM – 551 hours

Payment Period 1 (275.5 Hrs/9 Wks) – May 1, 2010 to June 21, 2010

Disbursement Dates:

Pell = May 1, 2010 (09-10 award year)

Loan = May 1, 2010

Payment Period 2 (275.5 Hrs/9 Wks) – June 22, 2010 to Aug 17, 2010

Disbursement Dates:

Pell = June 22, 2010 (09-10 award year)

OR

July 1, 2010 (10-11 award year)

Loan = June 22, 2010