



Session 30

Delivering Aid in the 21st Century: Beyond Standard Terms

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With corrections as of 12/08/03

Overview



- **Background**
- **Term and Nonterm Academic Calendars**
- **Program Requirements**
- **Standard Terms**
- **Nonstandard Terms**
- **Nonterm Programs**
- **Appendix: Additional Case Studies**



Overview

Focus of Presentation

- **Federal Pell Grant Program**
- **Loan Programs: FFEL and DL**
- **How to determine payment amounts and when to make disbursements**



Overview

Expectations

- **What can you expect from this session?**
- **Is there information that you may not get from this session?**
- **What you can expect from me and other ED personnel?**



Background



Background

Issues for Nontraditional Education in Delivering Federal Aid

- **Basis of the Federal student aid programs**
- **Increasing use of nontraditional education**
 - ▲ **Academic calendars**
 - ▲ **Technology**
- **Inflexible computer systems**



Background

Recent Regulatory Changes – Academic Year

- **November 1, 2002 regulations**
- **Academic year = at least:**
 - ▼ **30 weeks of instructional time, and**
 - ▼ **If an undergraduate program, 24 semester hours, 36 quarter hours, or 900 clock hours**
- **Revised definition of a week of instructional time**
- **Elimination of 12-hour rule**



Background

Recent Regulatory Changes – Weeks

- A “week of instructional time” (for all programs) = 7 consecutive days in which at least one day of regularly scheduled instruction, examinations, or preparation for examinations occurs
- Instructional time \neq periods of orientation, counseling, vacation, or other activity not related to class preparation or examination



Background

Recent Regulatory Changes – Payment Period

- For nonterm credit-hour programs:
 - ▼ Added weeks of instructional time in addition to hours
- For clock-hour programs:
 - ▼ Continue only to use hours



Term and Nonterm Academic Calendars



Term and Nonterm

Definition of a Term

- A discrete period of time during which all courses in the term are scheduled to begin and end
- A segment of an academic calendar divided into separate segments
- Within a term: full-length courses, compressed courses or modules, courses offered sequentially



Term and Nonterm

Academic calendar no longer term-based

- **All classes do not start and stop within the same dates.**



Term and Nonterm

Standard Term

- A traditional semester, quarter, or trimester
- Academic progress: always measured in semester or quarter credit hours



Term and Nonterm

Standard Term - Semesters and Trimesters

- **Length:** approximately 15 weeks of instructional time
- **Academic progress:** measured in semester hours
- **Full-time:** at least 12 semester hours
- **Academic calendar:** usually 3 terms - fall, spring, and often summer



Term and Nonterm

Standard Term – Quarters

- **Length:** approximately 10-12 weeks of instructional time
- **Academic progress:** measured in quarter hours
- **Full-time:** at least 12 quarter hours
- **Academic calendar:** usually 3 quarters in fall, winter, and spring and often a summer quarter



Term and Nonterm

Nonstandard Term

- Does not meet requirements for a standard term
- May be the length of a standard term but academic progress not measured with the appropriate credit hours, e.g., a quarter using semester hours



Term and Nonterm

Nonterm Programs

- **Courses do not all begin and end within a discrete period of time and may—**
 - ▼ **Contain self-paced or independent study courses without fixed timeframes; or**
 - ▼ **Consist of sequential courses that do not have to begin and end within a term.**
- **Clock-hour programs are always treated as nonterm.**



Program Requirements



Program Requirements

For Each Academic Program

- **Academic calendar**
- **Definitions for Title IV**
 - ▼ **Academic year**
 - ▼ **Full-time for terms or program**
- **Program's weeks of instructional time**
- **Payment periods**
- **Loan periods**



Program Requirements

Federal Pell Grant Program Formulas

- Award Pell “evenly” across defined academic year – both measures
- Consider the weeks of instructional time in the program first, then the credit or clock hours in determining payments for payment periods
- Add incentives for institutions to offer educational programs in reasonable timeframes to ensure a favorable learning environment



Program Requirements

Federal Pell Grant Program Formulas

1 Standard term

- ▼ Credit-hour
- ▼ Fall through spring terms = at least 30 weeks of instructional time
- ▼ Full-time = at least 12 hours for all terms
- ▼ No overlapping terms

2 Standard term

- ▼ Credit-hour
- ▼ Fall through spring terms = less than 30 weeks of instructional time
- ▼ Full-time = at least 12 hours for all terms
- ▼ No overlapping terms



Program Requirements

Federal Pell Grant Program Formulas

- 3 Any term-based credit-hour program including nonstandard-term credit-hour programs**
- 4 Clock-hour and nonterm credit-hour programs**
- 5 Correspondence programs**



Program Requirements

Loan Programs - FFEL and DL

- Award loans based on loan periods.
- May consider the weeks of instructional time, calendar time, and the credit or clock hours in determining
 - ▲ Loan period
 - ▲ Delivery of proceeds
 - ▲ Loan maximums



Program Requirements

Loan Programs - FFEL and DL Type of Academic Year

- **Scheduled Academic Year:** standard-term credit-hour programs may use.
- **Borrower-based Academic Year:** nonstandard term, nonterm credit-hour, and clock-hour must use. Standard-term programs may use.



Program Requirements

Loan Programs - FFEL and DL

- **Credit-hour programs with terms substantially equal in length including traditional standard-term programs**
 - ▼ **Divide loan proceeds evenly by the payment periods (the terms) in the loan period**
- **Clock-hour programs, nonterm credit-hour programs, or programs with unequal nonstandard terms**
 - ▼ **Schedule loan proceeds to be disbursed in substantially equal disbursements**



Program Requirements

Loan Programs - FFEL and DL

- **Credit-hour programs with terms substantially equal in length including traditional standard-term programs**
 - ▼ Deliver loan proceeds by payment period
- **Clock-hour programs, nonterm credit-hour programs, or programs with unequal nonstandard terms**
 - ▼ Deliver no more than one-half of loan until student reaches the calendar midpoint between the first and last days of the loan period and completes half the coursework of the loan period



Program Requirements

Loan Programs - FFEL and DL

- **May make multiple loan disbursements as long as the amounts are substantially equal**
- **30-calendar-day delay of the first disbursement for first-time, first-year undergraduate borrower**



Program Requirements

Issues for Standard Term, Nonstandard Term, and Nonterm Programs

- Measures of academic progress
- Payment period
- Enrollment status
- Pell payments and disbursements
- Loan periods and delivery



Standard Terms



Standard Terms

Academic Progress

- Progress is measured by the number of credit hours attempted.



Standard Terms

Payment Period

- A term
- Quarter, trimester, or semester



Standard Terms

Determining Enrollment Status

<u>Status</u>	<u>Minimum hours</u>
Full-time	12 credits hours per term
Three-quarter-time	9 credit hours per term
Half-time	6 credit hours per term
Less-than-half-time	Less than half the workload of the minimum full-time requirement



Standard Terms

Determining Enrollment Status

- **Pell**
 - ▼ Must recalculate if student does not begin attendance in all classes

- **Loans**
 - ▼ Are not required to recalculate loan need based on a change in enrollment status after loan certification
 - ▼ May not deliver undisbursed proceeds if the student drops below half-time



Standard Terms

Pell Formula

- Pell formula 1 if qualify
- Pell formula 2 if qualify
- Pell formula 3



Standard Terms

FFEL and DL – Loan Period

- The minimum loan period generally is a term.
- A loan period may not exceed 12 calendar months.



Standard Terms

FFEL and DL – Delivery

- If a loan period is more than one payment period, deliver loan proceeds at least once in each payment period.
- If a loan period is one payment period, there must be at least two deliveries of loan proceeds during that payment period. The school may not make the second delivery until the calendar midpoint between the first and last scheduled days of class of the loan period.



Standard Terms

Example – semester program

6 credits 16 weeks		
	3 credits 5 weeks	3 credits 5 weeks

- The first term has 16 weeks of instructional time.
- The student is enrolled in 12 credits.
 - ▼ 2 3-credit courses that run the duration of the full term
 - ▼ 2 3-credit courses that each run 5 weeks and begin and end during the term

Standard Terms

Example – semester program

6 credits 15 weeks		
3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks

- Second term has 15 weeks of instructional time.
- The student is enrolled in 15 credits.
 - ▼ 2 3-credit courses that run the duration of the full term
 - ▼ 3 3-credit courses that each run 5 weeks and begin and end during the term



Standard Terms

Example – semester program

6 credits 16 weeks		6 credits 15 weeks			
	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks

- **Academic year = 24 semester hours and 30 weeks of instructional time**
- **Full-time = 12 semester hours**



Standard Terms Pell

6 credits 16 weeks			6 credits 15 weeks		
	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks

- **Pell formula 1**

- ▼ Payment for payment period = $\frac{1}{2} \times$ Scheduled Award

- **Pell formula 3**

- ▼ Payment for payment period =

- 16/30 \times Scheduled Award (1st term)—two disbursements required

- 15/30 \times Scheduled Award (2nd term)—only 14/30 remaining

Standard Terms Pell



6 credits 16 weeks		6 credits 15 weeks			
	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks

- In each payment period, an institution may use multiple disbursements to best meet the student's need.
- Disbursements within a payment period may be unequal.

Standard Terms

Pell



6 credits 16 weeks		6 credits 15 weeks			
	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks

- If the student does not begin attendance in all of the courses for the first term, the student is no longer full-time.
- The student's Federal Pell Grant payment for the payment period must be recalculated based on the change in enrollment status.



Standard Terms Loans

6 credits 16 weeks		6 credits 15 weeks			
	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks

- **One-half of loan proceeds for each term if loan period is for both terms**
- **More than two disbursements if the disbursements are equal**



Standard Terms Loans

6 credits 16 weeks		6 credits 15 weeks			
3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks

- If the student does not begin attendance in all of the courses for the first term, there is no requirement to recalculate loan need based on the change in enrollment status after loan certification.
- If the enrollment status changes to less-than-half-time, the school may not deliver undisbursed loan proceeds to the borrower.



Standard Terms Both Pell and Loans

6 credits 16 weeks		6 credits 15 weeks			
	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks	3 credits 5 weeks

- Each time a disbursement is made, school must confirm student eligibility, e.g., half-time enrollment status for loans.



Nonstandard Terms



Nonstandard Terms

Academic Progress

- Progress is measured by the number of credit hours attempted.



Nonstandard Terms

Payment Period

- A term



Nonstandard Terms

Enrollment Status

- **Enrollment status must be calculated for each term based on—**
 - ▼ **Academic year in weeks and hours, and**
 - ▼ **Weeks of instructional time in the term.**

- **In calculating full-time and other enrollment statuses, all fractions are rounded up (even if less than $\frac{1}{2}$).**



Nonstandard Terms

Enrollment Status

Step 1 Full-time

Credit hours in
the academic year

×

Weeks of instructional
time in the term

Weeks of instructional time in
program's definition of
academic year

Step 2 Determining less-than-full-time enrollment status

Credit hours
taken by student
in the term

÷

Credit hours required
for full-time status for the
term (as determined above)



Nonstandard Terms

Determining Enrollment Status

- **Pell**
 - ▼ Must recalculate if student does not begin attendance in all classes

- **Loans**
 - ▼ Are not required to recalculate loan need based on a change in enrollment status after loan certification
 - ▼ May not deliver undisbursed proceeds if the student drops below half-time



Nonstandard Terms

Pell Formula

- Pell formula 3



Nonstandard Terms

FFEL and DL – Loan period

- The minimum loan period is generally the lesser of the academic year or program.
- If the terms are substantially equal, the loan period may be a term.
- A loan period may not exceed 12 calendar months.



Nonstandard Terms

FFEL and DL – Delivery

- If terms are substantially equal in length, delivery is in substantially equal amounts by payment period, i. e., a term.
- If a loan period is one payment period, there must be at least two deliveries of loan proceeds. Second delivery is after the calendar midpoint between the first and last scheduled days of the loan period.



Nonstandard Terms

FFEL and DL – Delivery

- If terms are not substantially equal in length, delivery is not by payment period.
- Delivery of the second half of the loan proceeds after the later of--
 - ▼ The calendar midpoint between the first and last scheduled days of the loan period; or
 - ▼ The date that the student has completed half of the academic coursework in the loan period.



Nonstandard Terms

Example – Undergraduate Certificate Program

8 weeks 6 credits	10 weeks 9 credits	9 weeks 3 cr: 3 cr: 3 cr	10 weeks 9 credits	3 wks 3 cr
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- Academic calendar = 40 weeks of instructional time and 36 semester hours offered over 5 nonstandard terms



Nonstandard Terms

Example – Undergraduate Certificate Program

8 weeks 6 credits	10 weeks 9 credits	9 weeks 3 cr: 3 cr: 3 cr	10 weeks 9 credits	3 wks 3 cr
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- **Payment periods =**

- ▼ 8-week term - 6 credits
- ▼ 10-week term - 9 credits
- ▼ 9-week term - 9 credits (3 3-credit, 3-week courses taken sequentially)
- ▼ 10-week term - 9 credits
- ▼ 3-week term - 3 credits

- **Academic year = 24 semester hours and 30 weeks of instructional time**



Nonstandard Terms

Example – Undergraduate Certificate Program

8 weeks 6 credits	10 weeks 9 credits	9 weeks 3 cr: 3 cr: 3 cr	10 weeks 9 credits	3 wks 3 cr
----------------------	-----------------------	--	-----------------------	---------------

- Calculate full-time enrollment status for each term

24 semester hours
(in the academic
year)

×

Weeks of instructional time in
the payment period

30 weeks of instructional
time (in the academic year)



Nonstandard Terms

Example – Undergraduate Certificate Program

8 weeks 6 credits	10 weeks 9 credits	9 weeks 3 cr: 3 cr: 3 cr	10 weeks 9 credits	3 wks 3 cr
----------------------	-----------------------	--	-----------------------	---------------

- Full-time enrollment status for each term

$$24 \times \frac{8}{30} = 6.4 \text{ cr} \quad \text{Round up to 7 semester hours required for full-time}$$

$$24 \times \frac{10}{30} = 8 \text{ cr}$$

$$24 \times \frac{9}{30} = 7.2 \text{ cr} \quad \text{Round up to 8 semester hours required for full-time}$$

$$24 \times \frac{10}{30} = 8 \text{ cr}$$

$$24 \times \frac{3}{30} = 2.4 \text{ cr} \quad \text{Round up to 3 semester hours required for full-time}$$



Nonstandard Terms

Example – Undergraduate Certificate Program

8 weeks 6 credits	10 weeks 9 credits	9 weeks 3 cr: 3 cr: 3 cr	10 weeks 9 credits	3 wks 3 cr
----------------------	-----------------------	--	-----------------------	---------------

- Pell payment for a payment period

$$\text{Annual Award} \times \frac{\text{Weeks of instructional time in the payment period}}{\text{Weeks of instructional time in the academic year}} = \text{Payment for the payment period}$$



Nonstandard Terms

Example – Undergraduate Certificate Program

8 weeks 6 credits	10 weeks 9 credits	9 weeks 3 cr: 3 cr: 3 cr	10 weeks 9 credits	3 wks 3 cr
----------------------	-----------------------	--	-----------------------	---------------

$$\$3,000 \times \frac{8}{30} = \$800$$

$$\$4,000 \times \frac{10}{30} = \$1,333$$

$$\$4,000 \times \frac{9}{30} = \$1,200$$

$$\$4,000 \times \frac{10}{30} = \$1,333$$

$$\$4,000 \times \frac{3}{30} = \$400$$

Nonstandard Terms

Example – Undergraduate Certificate Program

8 weeks 6 credits	10 weeks 9 credits	9 weeks 3 cr 3 cr 3 cr	10 weeks 9 credits	3 wks 3 cr
Start date	Week 8	Week 18	Week 27	Week 37

- Pell disbursements are for each nonstandard term.
- If all terms are in the same award year, the student would receive the balance of his or her Pell, \$667, for the fourth term and nothing for the fifth term.



Nonstandard Terms

Example – Undergraduate Certificate Program

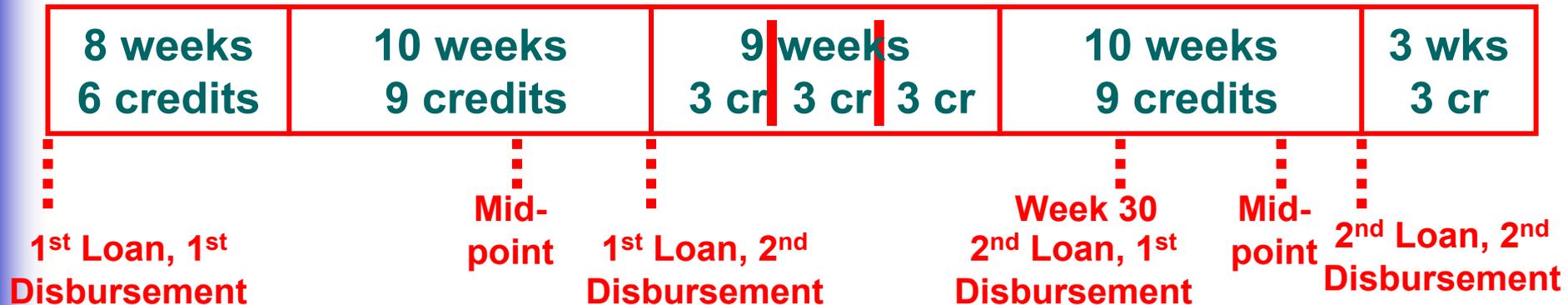
8 weeks 6 credits	10 weeks 9 credits	9 weeks 3 cr: 3 cr: 3 cr	10 weeks 9 credits	3 wks 3 cr
----------------------	-----------------------	--	-----------------------	---------------

- The first loan is certified for 30 weeks of instructional time with 24 semester hours.
- For the second loan period, the loan limit is prorated by the hours remaining in the program compared to the defined academic year:

12/24

Nonstandard Terms

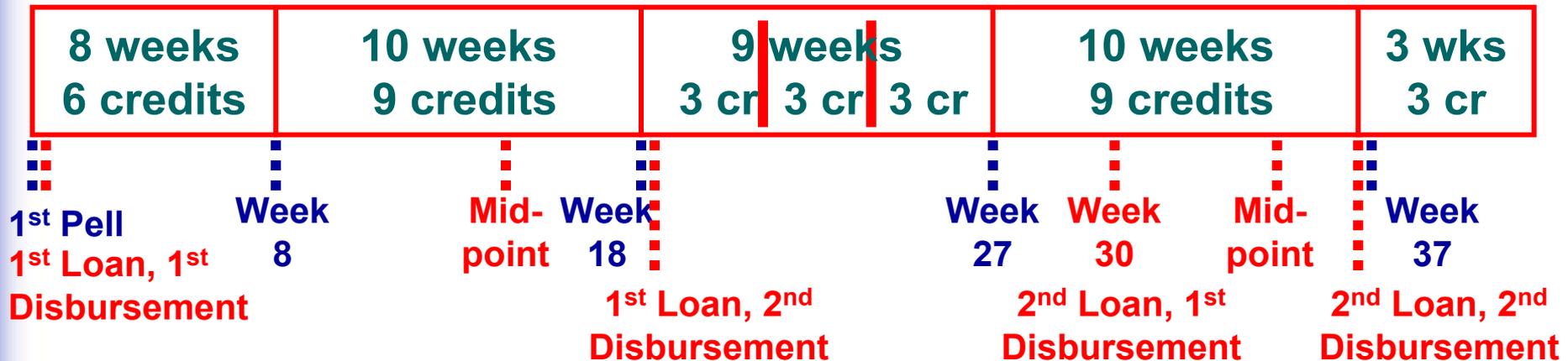
Example – Undergraduate Certificate Program



- Second disbursement of the first loan cannot be made until the end of the second term when half the semester hours of the loan period have been completed and the loan period calendar midpoint is passed.
- Second loan would have a first disbursement after the 30th week of instructional time. The second disbursement would be made after the student completes 6 additional hours beyond the first loan period and passed the calendar midpoint of the second loan period.

Nonstandard Terms

Example – Undergraduate Certificate Program



- Pell and loan disbursements do not coincide.



Nonterm Programs



Nonterm

Measuring Progress

- Progress is measured by the number of credit hours or clock hours successfully completed.



Nonterm

Payment Periods for Nonterm Programs

- **A program one academic year or less in length**
 - ▼ **First payment period, the first half of**
 - **The hours in the program, and**
 - **If a credit-hour program, the weeks of instructional time in the program**
 - ▼ **Second payment period, the second half of**
 - **The hours in the program, and**
 - **If a credit-hour program, the weeks of instructional time in the program**



Nonterm

Payment Periods for Nonterm Programs

- A program with more than one academic year, the first academic year and any subsequent full academic year
 - ▼ First payment period, first half of
 - The hours in the academic year, and
 - If a credit-hour program, the weeks of instructional time in the academic year
 - ▼ Second payment period, the second half of
 - The hours in the academic year, and
 - If a credit-hour program, the weeks of instructional time in the academic year



Nonterm

Payment Periods for Nonterm Programs

- **Remainder of a program more than one-half an academic year, but less than a complete academic year, in length**
 - ▼ **First payment period, the first half of**
 - The remaining hours in the program, and
 - If a credit-hour program, the remaining weeks of instructional time in the program
 - ▼ **Second payment period, the second half of**
 - The remaining hours in the program, and
 - If a credit-hour program, the remaining weeks of instructional time in the program



Nonterm

Payment Periods for Nonterm Programs

- For the remainder of a program not more than half an academic year in length
 - ▼ The payment period is the remainder of that program.



Nonterm

Enrollment Status

- **Pell: only for cost of attendance**
- **Loan programs: for determining eligibility**



Nonterm

Pell Formula

- Pell formula 4 must be used.



Nonterm

FFEL and DL - Loan Period

- The minimum loan period is the lesser of—
 - ▼ The academic year, or
 - ▼ The length of the program.
- If an educational program is greater than an academic year in length, the remaining portion of the student's program that is less than an academic year in length may be a loan period.
- A loan period may not exceed 12 calendar months.



Nonterm

FFEL and DL - Delivery

- **The school may not deliver the second half of the loan proceeds until the later of—**
 - ▼ **The calendar midpoint between the first and last scheduled days of the loan period; or**
 - ▼ **The date that the student has completed half of the academic coursework in the loan period.**



Nonterm

Example – Nonterm Bachelor's Program (self-paced)

- Academic calendar = nonterm, 120 semester hours, self-paced
- Academic year = 24 semester hours and 40 weeks of instructional time
- Full-time = 24 semester hours over 40 weeks of instructional time



Nonterm

Example – Nonterm Bachelor’s Program (self-paced)

<p>12 semester hours 20 weeks</p>	<p>12 semester hours 20 weeks</p>
---------------------------------------	---------------------------------------

- **Payment period = 12 semester hours and 20 weeks of instructional time.**
- **Most full-time students are completing the hours in the defined academic year in 40 weeks of instructional time.**



Nonterm

Example – Nonterm Bachelor’s Program (self-paced)

- **Formula 4 Pell payment for a payment period calculation**

Step 1

Determining a student’s Scheduled Award



Nonterm

Example – Nonterm Bachelor’s Program (self-paced)

Step 2

Multiplying the Scheduled Award by the lesser of either “one” or the following fraction:

The number of weeks of instructional time required for a full-time student to complete the lesser of the clock or credit hours in the program or the academic year

The number of weeks of instructional time in the program’s academic year



Nonterm

Example – Nonterm Bachelor’s Program (self-paced)

Step 3

The result of Step 2 multiplied by:

The number of credit or clock hours
in a payment period

The number of credit or clock hours
the program’s academic year

= payment for
a payment in
period



Nonterm

Example – Nonterm Bachelor’s Program (self-paced)

- Two students each with a Scheduled Award of \$4000
- Payment for a payment period calculation

Step 1

Scheduled Award = \$4000

Step 2

$$\frac{40}{40} \times \$4000 = \$4000$$



Nonterm

Example – Nonterm Bachelor's Program (self-paced)

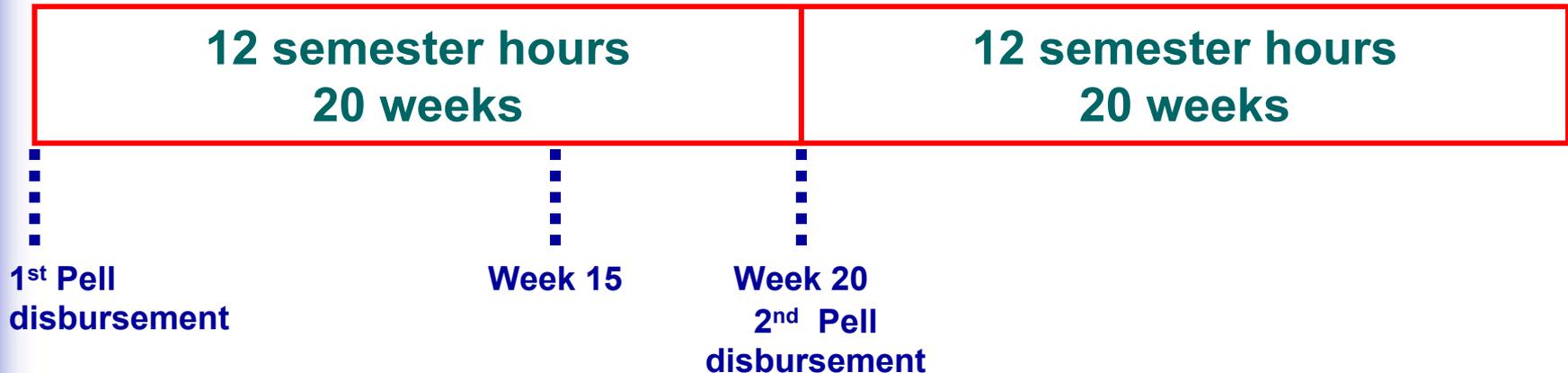
Step 3

$$\frac{12}{24} \times \$4000 = \$2000$$



Nonterm

Example – Nonterm Bachelor’s Program (self-paced)



- **Student A completes 12 semester hours in 15 weeks of instructional time.**
- **School may disburse second Pell only after the student completes 20 weeks of instructional time.**



Nonterm

Example – Nonterm Bachelor’s Program (self-paced)

12 semester hours
20 weeks

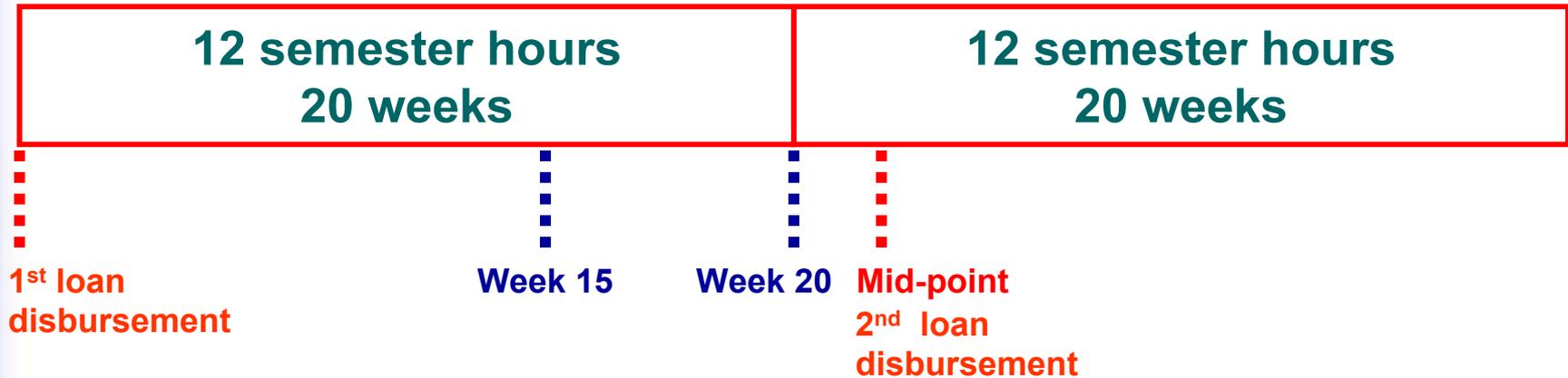
12 semester hours
20 weeks

- The loan period is the calendar-time period in which the student is expected to complete an academic year.



Nonterm

Example – Nonterm Bachelor’s Program (self-paced)

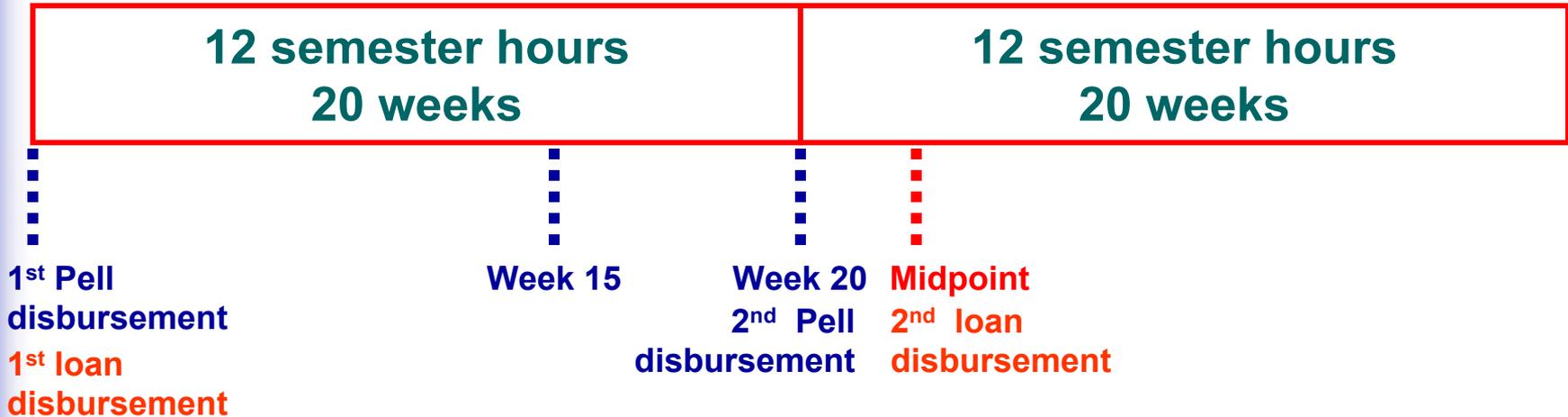


- The calendar midpoint of the loan period is after the 22nd week of instructional time in the loan period.
- The school may deliver Student A’s second loan disbursement after the calendar midpoint of the loan period.



Nonterm

Example – Nonterm Bachelor’s Program (self-paced)

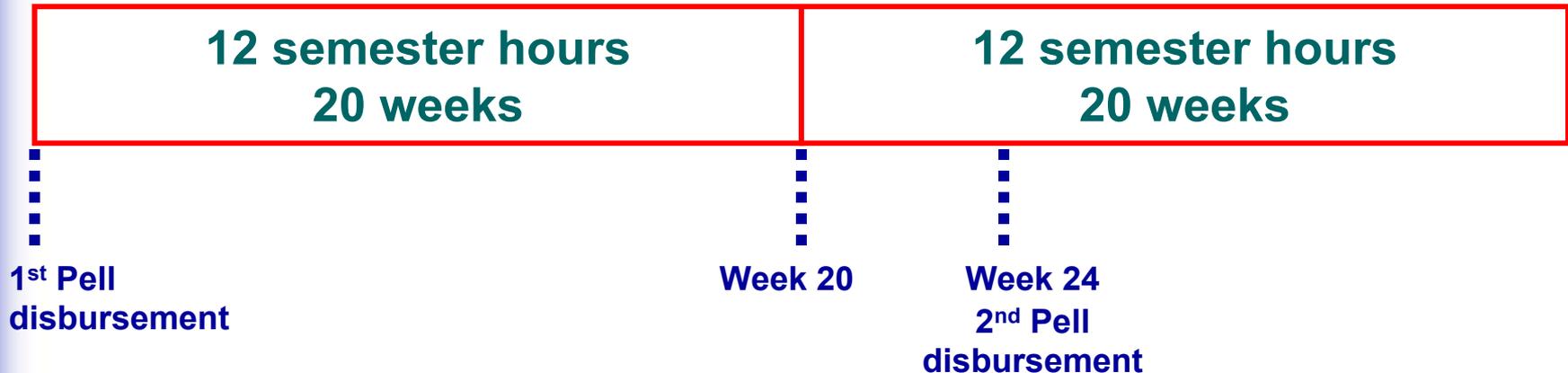


- Student A's 2nd Pell and loan disbursements do not coincide.



Nonterm

Example – Nonterm Bachelor’s Program (self-paced)

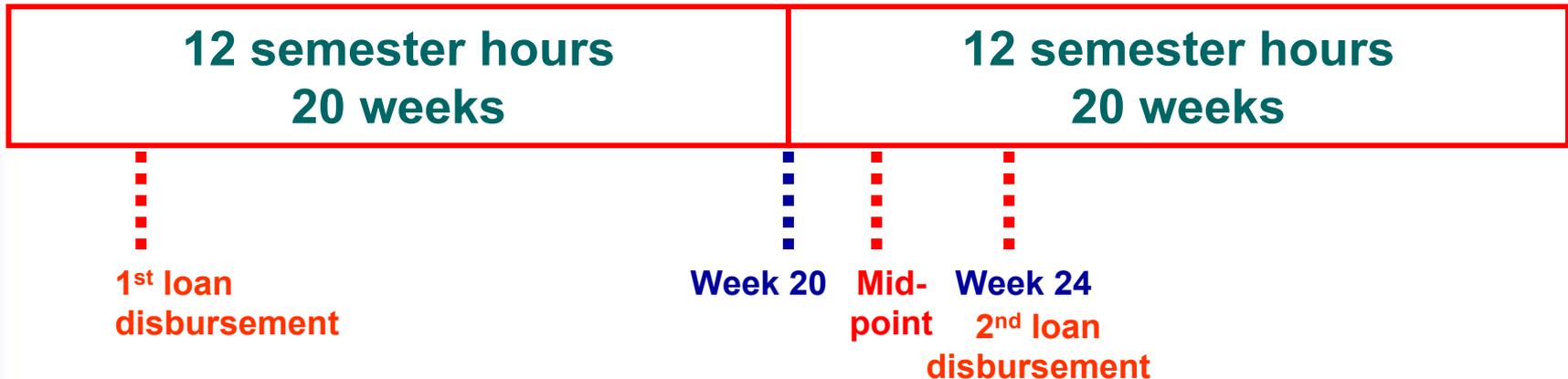


- **Student B**, a first-year student, successfully completes 12 semester hours in 24 weeks of instructional time.
- School may disburse the 2nd Pell disbursement in the 25th week of instructional time.



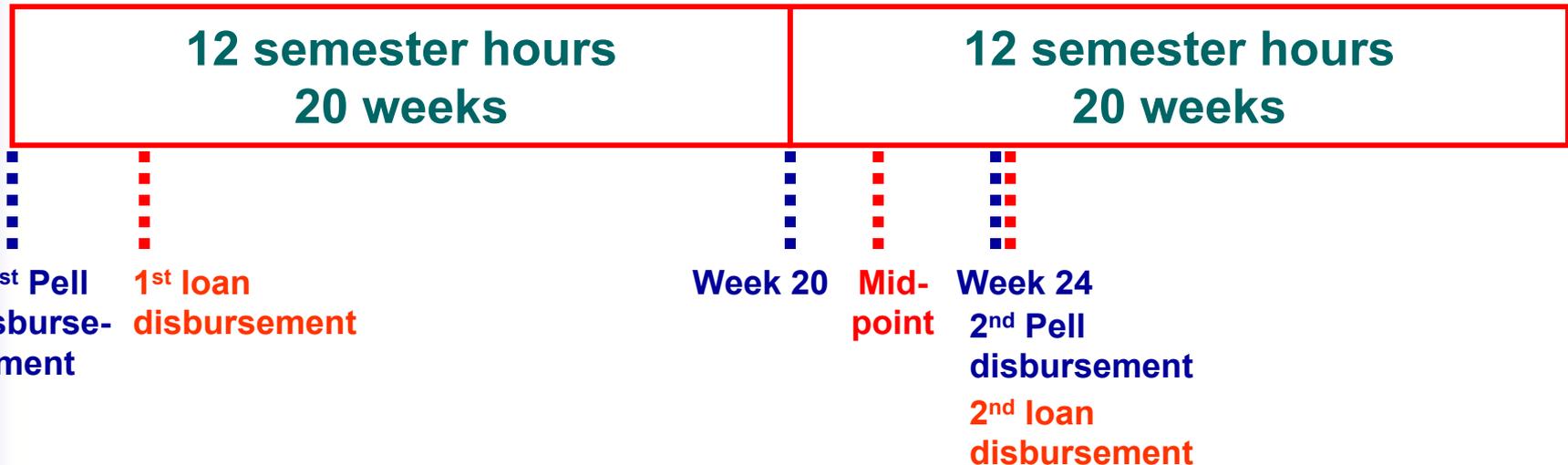
Nonterm

Example – Nonterm Bachelor’s Program (self-paced)



- Student B is a first-time, first-year borrower. Thirty-day delay of first disbursement applies.
- The school may disburse Student B’s second loan disbursement in the 25th week of instructional time.

Example – Nonterm Bachelor’s Program (self-paced)



- Student B’s first Pell and loan disbursements do not coincide but the second disbursements do coincide.



Contact Information

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Appendix:

Additional Case Studies



Additional Case #1

Points Illustrated

- **Clock-hour example**
- **Payment periods only in hours**
- **Determination of weeks of instructional time to complete the hours in the defined academic year**
- **Reduced Pell disbursement to assure do not exceed Scheduled Award**
- **Calendar midpoint drives 2nd loan disbursement**



Additional Case #1

Example – Nonterm Undergraduate Certificate Program

- **Academic calendar = 1200 clock hours over 30 weeks of instructional time**
- **Academic year = 900 clock hours and 30 weeks of instructional time**
- **Full-time = 24 clock hours per week of instructional time**
- **Pell Scheduled Award = \$1000**



Additional Case #1

Example – Nonterm Undergraduate Certificate Program

450 clock hours	450 clock hours	300 clock hours
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- Payment periods = 450 clock hours, 450 clock hours, and 300 clock hours
- Loan period must be for the program.



Additional Case #1

Example – Nonterm Undergraduate Certificate Program

- Program is not self-paced.
- For Pell full-time students are completing the hours in the academic year in 23 weeks of instructional time.

$$900/1200 \times 30 = 23 \text{ (22.5 rounded up)}$$

$$\frac{\text{hours in academic year}}{\text{hours in the program}} \times \text{weeks of instructional time in the program}$$



Additional Case #1

Example – Nonterm Undergraduate Certificate Program

- Payment for a payment period calculation for first two payment periods

Step 1

$$\text{Scheduled Award} = \$1000$$

Step 2

$$\frac{23}{30} \times \$1000 = \$766.66$$

Step 3

$$\frac{450}{900} \times \$766.66 = \$383.33$$



Additional Case #1

Example – Nonterm Undergraduate Certificate Program

- Payment for a payment period calculation for third payment period

Step 1

$$\text{Scheduled Award} = \$1000$$

Step 2

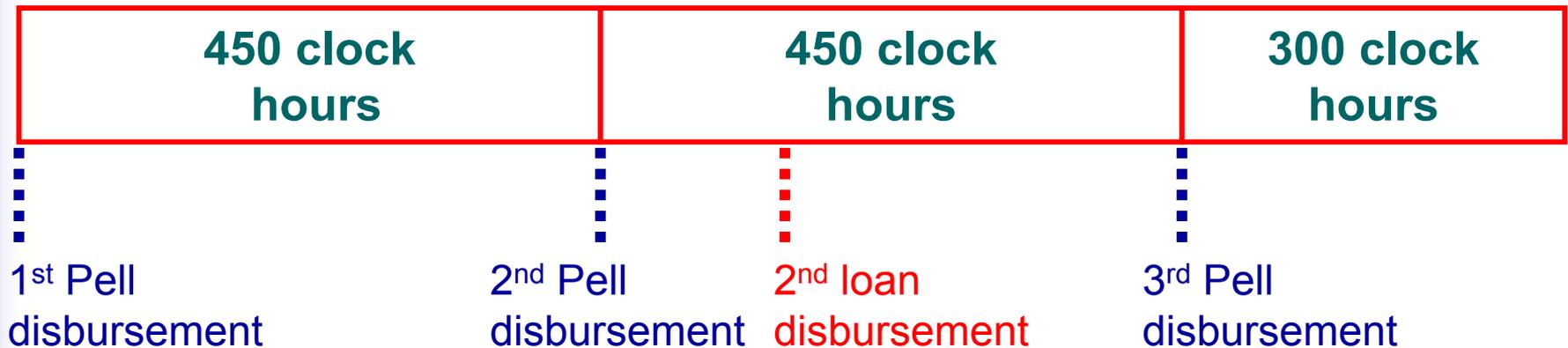
$$\frac{23}{30} \times \$1000 = \$766.66$$

Step 3

$$\frac{300}{900} \times \$766.66 = \$255.56$$

Additional Case #1

Example – Nonterm Undergraduate Certificate Program



- **Second Pell disbursement after student completes 450 clock hours, and third disbursement after 900 clock hours.**
- **If in same award year, Pell third disbursement is reduced to \$233.34.**
- **Second loan disbursement is after reaching the calendar midpoint and 600 clock hours.**



Additional Case #2

Points Illustrated

- Program less than an academic year in length because one measure is less than an academic year
- Proration of maximum loan amount



Additional Case #2

Example – Nonterm Undergraduate Certificate Program

- **Academic calendar = 40 quarter hours over 24 weeks of instructional time**
- **Academic year = 36 quarter hours and 30 weeks of instructional time**



Additional Case #2

Example – Nonterm Undergraduate Certificate Program

20 quarter hours 12 weeks	20 quarter hours 12 weeks
------------------------------	------------------------------

- Program < academic year in length
- Two payment periods
- Maximum loan amount prorated by $24/30$; lesser of wks in program/wks in ac yr or hrs in program/hrs in ac yr.



Additional Case #3

Points Illustrated

- **Determination of weeks of instructional time to complete the hours in the defined academic year**
- **Reduced Pell disbursement due to compressed coursework by most full-time students**
- **No payment period for final hours of a program**



Additional Case #3

Example – Nonterm Undergraduate Certificate Program

- **Academic calendar = nonterm; 30 semester hours; self-paced**
- **Academic year = 24 semester hours and 30 weeks of instructional time**
- **Full-time = 24 semester hours over 30 weeks of instructional time**
- **Pell Scheduled Award = \$1000**



Additional Case #3

Example – Nonterm Undergraduate Certificate Program

12 hours 15 weeks	12 hours 15 weeks	6 hours
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- Payment periods = 2 payment periods of 12 hours and 15 weeks of instructional time
- No payment period for final 6 hours
- Loan period must be for the program.



Additional Case #3

Example – Nonterm Undergraduate Certificate Program

- The school reviews the completion time of its full-time students for the prior award year and determines:
 - ▼ 1 student completed program in 21 weeks of instructional time, 2 in 23, 4 in 24, 2 in 25, and 1 in 27 weeks.
 - ▼ The school averages the student completions:
$$240 \text{ weeks} / 10 \text{ students} = 24 \text{ weeks of instructional time}$$

for most full-time students to complete the program



Additional Case #3

Example – Nonterm Undergraduate Certificate Program

- For Pell full-time students are completing the hours in the academic year in 20 weeks of instructional time.

$$24/30 \times 24 = 19.2 \text{ (round up to 20)}$$

$$\frac{\text{hours in academic year}}{\text{hours in the program}} \times \text{weeks of instructional time for most full-time students to complete the hours in the program}$$



Additional Case #3

Example – Nonterm Undergraduate Certificate Program

- Payment for a payment period calculation for the two payment periods

Step 1

$$\text{Scheduled Award} = \$1000$$

Step 2

$$\frac{20}{30} \times \$1000 = \$666.66$$

Step 3

$$\frac{12}{24} \times \$666.66 = \$333.33$$

Additional Case #3

Example – Nonterm Undergraduate Certificate Program

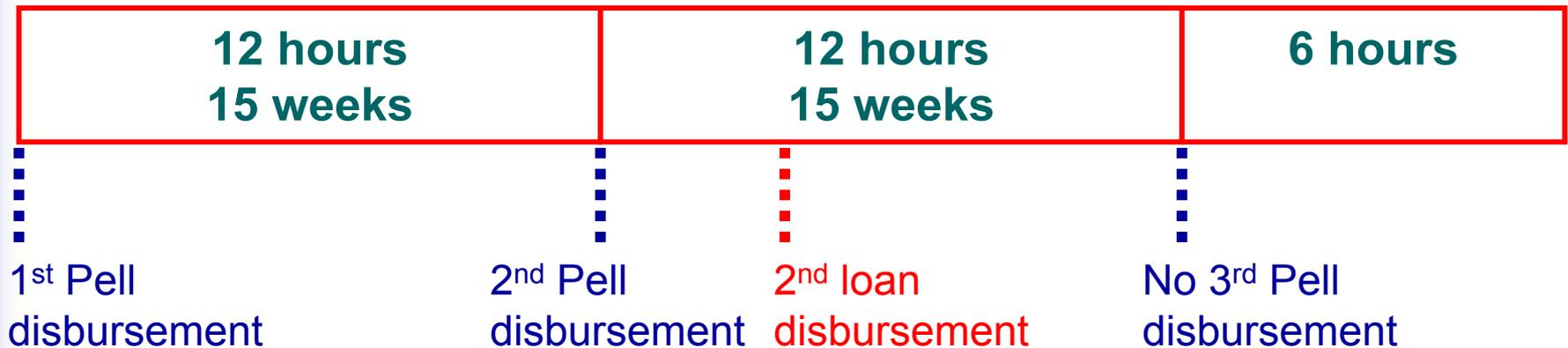


- **Second Pell disbursement after student completes 12 semester hours and 15 weeks of instructional time**
- **No third Pell disbursement**



Additional Case #3

Example – Nonterm Undergraduate Certificate Program



- Second loan disbursement is after reaching the calendar midpoint and 15 semester hours.
- SPECIAL NOTE: For this program, the school may want to consider defining its academic year as 30 hours and 30 weeks. Students would receive more favorable Pell treatment.



Additional Case #4

Points Illustrated

- **Payment periods and loan period for the remaining portion of a nonterm program**
- **Determination of weeks of instructional time to complete the hours in the defined academic year**
- **Treatment when all students are less-than-full-time**
- **Determination of total Pell disbursements dependent on whether the program is in more than one award year**
- **Affects of failing courses on Pell payments and loan periods**



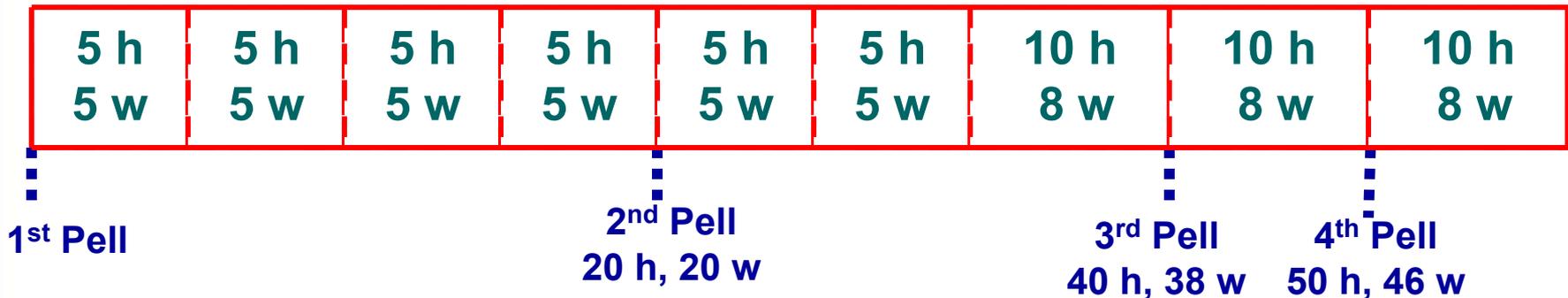
Additional Case #4

Example – Nonterm Undergraduate Certificate Program

- Academic calendar = 60 quarter hours over 54 weeks of instructional time; not self-paced
- Academic year = 36 quarter hours and 30 weeks of instructional time
- Full-time = 36 quarter hours over 30 weeks of instructional time

Additional Case #4

Example – Nonterm Undergraduate Certificate Program



- Students complete 30 quarter hours in six 5-hour modules each with 5 weeks of instructional time. And complete the second 30 quarter hours in three 8-week modules with 10 quarter hours each.
- Payment periods =
 - ▼ First two = 18 quarter hours and 15 weeks of instructional time
 - ▼ Second two = 12 quarter hours and 12 weeks of instructional time



Additional Case #4

Example – Nonterm Undergraduate Certificate Program

- Program is not self-paced.
- For Pell full-time students are completing the hours in the academic year in 30 weeks of instructional time.

$36/60 \times 54 = 32.5$ (students are less than full-time;
use 30 weeks of instructional time
in defined academic year)

$$\frac{\text{hours in academic year}}{\text{hours in the program}} \times \text{weeks of instructional time in the program}$$



Additional Case #4

- Payment for a payment period calculation for first two payment periods

Step 2

$$\frac{30}{30} \times \text{Scheduled Award} = \text{Step 2}$$

Step 3

$$\frac{18}{36} \times \text{Step 2} = \text{Payment for payment period}$$



Additional Case #4

- **Payment for a payment period calculation for the last two payment periods**

Step 2

$$\frac{30}{30} \times \text{Scheduled Award} = \text{Step 2}$$

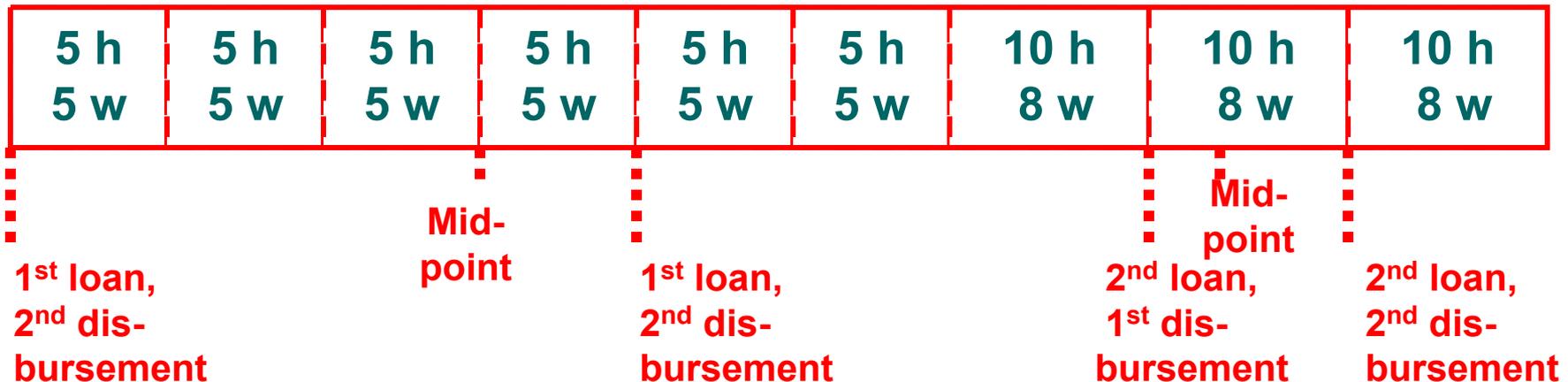
Step 3

$$\frac{12}{36} \times \text{Step 2} = \text{Payment for payment period}$$

- **Payments for the last two payment periods not available unless in a new award year**

Additional Case #4

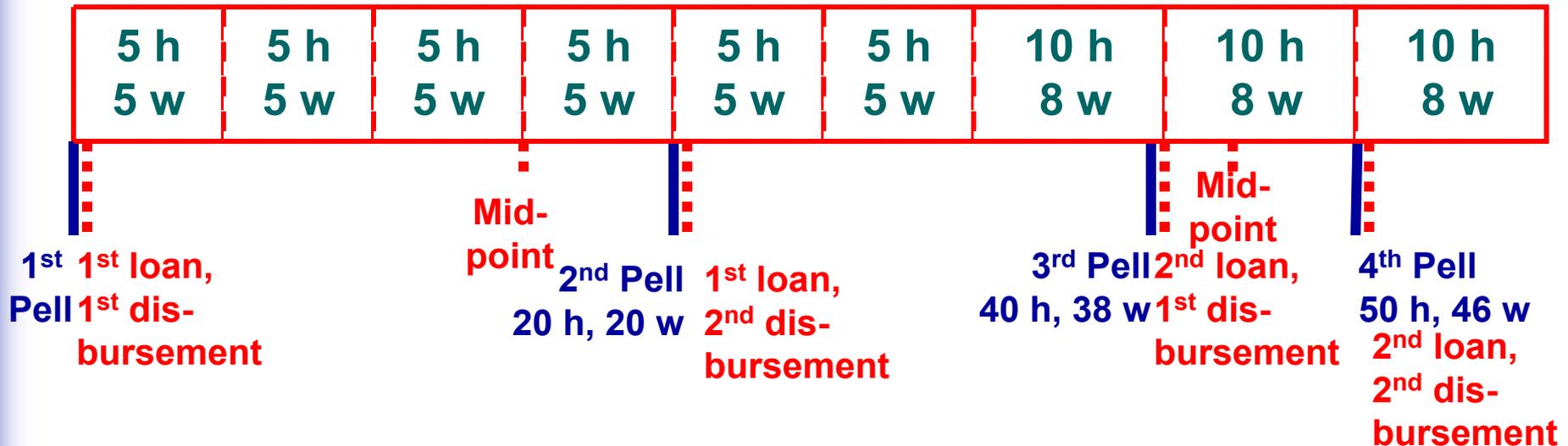
Example – Nonterm Undergraduate Certificate Program



- Loan period = 30 weeks of instructional time and 36 quarter hours
- Second loan period = remaining balance of the program

Additional Case #4

Example – Nonterm Undergraduate Certificate Program



- Loan disbursements line up with Pell in this case.



Additional Case #4

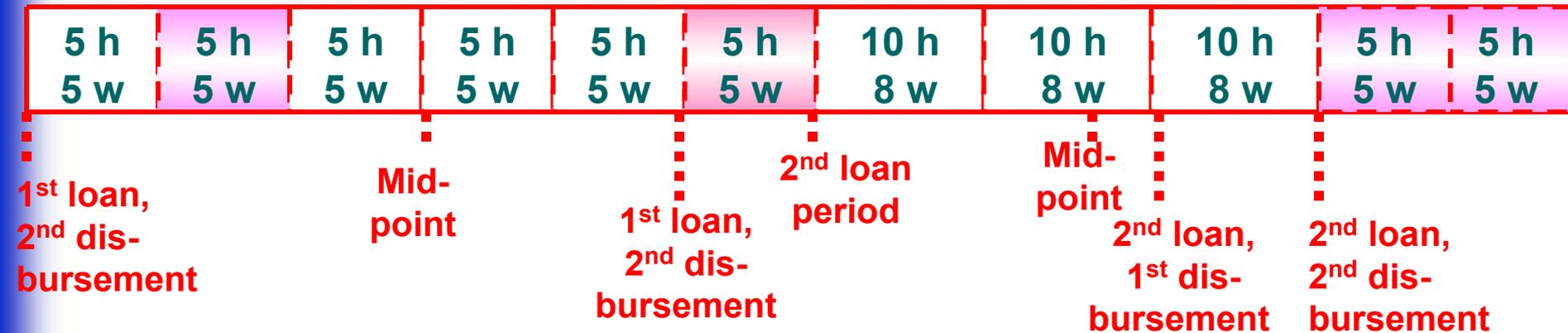
Example – Nonterm Undergraduate Certificate Program

5 h 5 w	5 h 5 w	5 h 5 w	5 h 5 w	5 h 5 w	5 h 5 w	10 h 8 w	10 h 8 w	10 h 8 w	5 h 5 w	5 h 5 w
⋮				⋮				⋮	⋮	
1 st Pell				2 nd Pell 20 h, 20 w				3 rd Pell 40 h, 36 w	4 th Pell 50 h, 44 w	

- Student fails two classes that are completed at end of program.
- Pell payment periods are extended.

Additional Case #4

Example – Nonterm Undergraduate Certificate Program



- Changed second loan period.
- Second loan period may start after the first loan period, but no first disbursement may be made until the student successfully completes 36 quarter hours for the first loan period.
- Second disbursement of the second loan may be made after the student completes an additional 12 of the remaining 24 hours in the program and passes the calendar midpoint of the loan period.



Additional Case #5

Points Illustrated

- **No loan proration for graduate program less than an academic year in length**
- **Determining weeks of instructional time**
- **No hours in academic year definition**
- **Twelve-month limit on a loan period**



Additional Case #5

Example – Nonterm Masters Degree

4 h	4 h	4 h	4 h	4 h	4 h	4 h	4 h	4 h	4 h	4 h	4 h	4 h	4 h
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- **Program =**
 - ▼ 13 consecutive modules over 15 months
 - ▼ Each module = 4 quarter hours
 - ▼ 4 consecutive days of attendance each month for the first 12 modules
 - ▼ 13th module is a 3-month research project
- Academic year = 30 weeks of instructional time

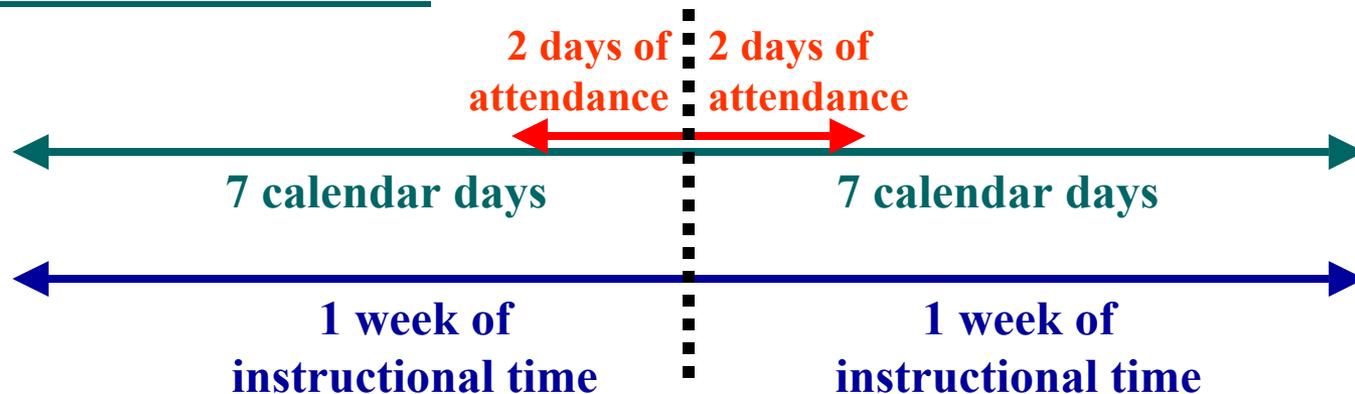
Additional Case #5

Example – Nonterm Masters Degree

4 h 2 w	4 h 3 w												
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- Weeks of instructional time**

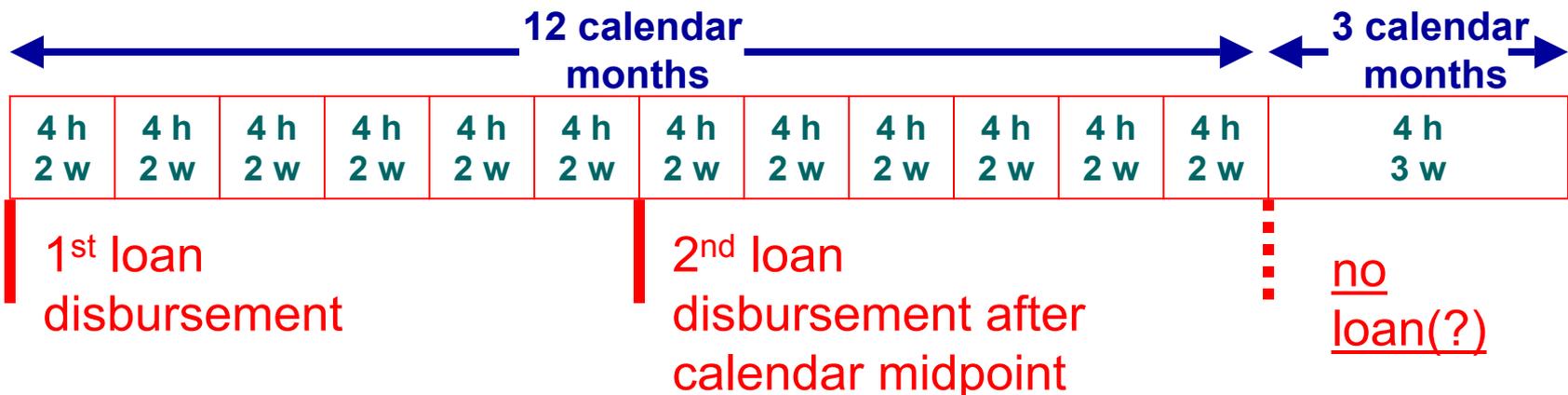
- 4 consecutive days of attendance each month = 2 weeks of instructional time



- 13th module has 3 weeks of instructional time.

Additional Case #5

Example – Nonterm Master’s Degree



- No loan period can exceed 12 calendar months.
- Loan period = 24 weeks of instructional time.
- Graduate program, no proration.
- There is likely no second loan period as the remaining period of 3 weeks of instructional time is shorter than the period for which lenders and guaranty agencies generally make and guarantee loans.