



# **Term-based Nontraditional Academic Calendars and Delivering Title IV Aid**

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**Office of Postsecondary Education**

## Session Agenda

- Overview
- Getting Started
- Program Requirements
- Case Studies
- Additional Handouts
  - ▼ Toolbox
  - ▼ Additional Case Studies

## Focus

- Nonstandard, term-based educational programs
- Federal Pell Grant Program
- Loan Programs: FFEL and DL
- Determination of payment amounts
- Disbursement dates

## Engaging the Nontraditional

- **Expectations**
- **Frustrations**
- **Help**



# Getting Started

# Getting Started

## For Each Academic Program

- **Academic calendar**
- **Program's weeks of instructional time**
- **Definitions for Title IV**
- **Payment periods**
- **Loan periods**

# Term and Nonterm

## A Term

- **Definition:** A discrete period of time during which all courses in the term are scheduled to begin and end
- **Within a term:** full-length courses, compressed courses or modules, courses offered sequentially

# Term and Nonterm

## Standard Term

- A traditional semester, quarter, or trimester
- Nontraditionally offered
  - ▼ Term configuration, e.g., compressed courses within the term
  - ▼ Academic calendar, e.g., a new semester starting on first day of each month

# Term and Nonterm

## Nonstandard Term

- Does not meet requirements for a standard term
- For example, may be the length of a standard term but academic progress not measured with the appropriate credit hours such as a quarter using semester hours



# Term and Nonterm

## Academic calendar no longer term-based

- All classes do not start and stop within the beginning and end dates of the term.

# 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.**

# Term and Nonterm

## Case Study #1

Fall		Spring	
Session A – 15 weeks		Session B – 15 weeks	
Session C – 11 weeks	Session D – 11 weeks	Session E – 11 weeks	
S. F – 8 weeks	S. G – 8 weeks	S. H – 8 weeks	S. I – 8 weeks

- If a student is able to register at the same time for classes for his or her educational program in any of these sessions, is it a term-based program?
- Can there be an academic calendar that is term-based with courses offered in these sessions?

# Term and Nonterm

## Case Study #2

Fall

Spring

Session A – 15 weeks

Session B – 15 weeks

S. C – 8 weeks

S. E – 8 weeks

S. D – 8 weeks

S. F – 8 weeks

S. G – 5 w

S. H – 5 w

S. I – 5 w

S. J – 5 w

S. K – 5 w

S. L – 5 w

- If a student is able to register at the same time for classes in any of these sessions for his or her educational program, is it a term-based program?
- Can there be an academic calendar that is term-based with courses offered in these sessions?

## Case Study #3

5 weeks 4 hours					
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- A certificate program consists of 6 courses or modules, each 5 weeks of instructional time in length with 4 semester hours in each module.
- Is this program a nonterm or term-based program?
  - ▼ Nonterm?
  - ▼ 2 semesters?
  - ▼ 3 10-week nonstandard terms?
  - ▼ 6 5-week nonstandard terms?
  - ▼ Some other combination of modules into terms?

## Case Study #4



- This educational program consists of 24 semester hours and can be completed in 2 semesters. A new semester starts on the first workday of each month.
- If a student is able to register for classes in any of these terms at the same time, is it a term-based program?
- Can there be an academic calendar that is term-based with courses offered in these terms?

# Nonstandard Terms

## Academic Progress

- Progress determined by the number of credit hours attempted by term. Credit hours earned do not affect progressing to the next payment period.
- For DL and FFEL, hours attempted applies only for standard terms and for substantially equal nonstandard terms.

## Payment Period

- A term

## Enrollment Status

- **Enrollment status must be calculated for each term for an undergraduate program 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

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Weeks of instructional  
time in the term

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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

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

# Program

# Requirements



# Program Requirements

## Federal Pell Grant Program

- Scheduled award
- Annual award
- Payment period
- Pell formulas

# Program Requirements

## Loan Programs - FFEL and DL

### Consider

- ▼ Academic year
  - ▼ Payment periods
  - ▼ Weeks of instructional time
  - ▼ Calendar time
  - ▼ Credit or clock hours
- 
- **May determine**
    - ▼ Loan period
    - ▼ Delivery of proceeds
    - ▼ Loan maximums

## Pell - Enrollment Status

- **Must recalculate if student does not begin attendance in all classes**
- **Options if begins attendance in classes**
  - ▼ Recalculate for all changes during a term,
  - ▼ Not recalculate during a term, or
  - ▼ Recalculate up to a census date:
    - single census date for term, e.g., end of drop/add, or
    - census date of individual student's last class in programs with compressed course work

## Loans - Enrollment Status

- 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

## FFEL and DL – Loan Period

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

## FFEL and DL – Delivery

- If terms are substantially equal in length, delivery is in substantially equal amounts by payment period, i. e., by 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 loan period's first and last scheduled days of class.

## 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.

# Case Study

## #1

- **Illustrates determining Pell and loans for a basic nonstandard-term program**
  
- **Also illustrates--**
  - ▼ **Credit/clock-hour conversion**
  - ▼ **Affect of a student withdrawing during a term**

# Case Study #1

5 weeks 4 hours					
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- An undergraduate certificate program is at a four-year college that awards certificates and bachelor's degrees.
- The program consists of 6 courses offered as 5-week consecutive modules.

5 weeks 4 hours					
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## ■ Credit-hour/Clock-hour conversion

- ▼ Program is subject to conversion: one of the courses not acceptable as full credit toward a bachelor's degree at the institution.
- ▼ Each course has 120 clock hours and qualifies for 4 semester hours.

## ■ Reminders

- ▼ Must continue to offer the program with the 720 clock hours that make up the 24 semester hours
- ▼ Must provide that upon completing the program's credit hours the student has also completed all academic requirements including any required seat time and receives certificate after completing credit hours



## ■ Academic calendar

- ▼ 30 weeks of instructional time and 24 semester hours over three nonstandard terms.
- ▼ Each term has 2 sequential modules of 5 weeks of instructional time and 4 semester hours.
- ▼ A new cohort of students starts on the first Monday of each month. Students are not allowed to cross-register at the same time into courses offered in another cohort.



- **Academic year**

- ▼ 30 weeks of instructional time and 24 semester hours

- **Payment Periods**

- ▼ Term



- Calculate full-time enrollment status for each term

24 semester hours  
(in the defined  
academic year)

×

10 weeks of instructional time  
in the payment period

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30 weeks of instructional  
time (in the defined  
academic year)

# Case Study #1



- Full-time enrollment status for each term

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



- Pell payment for a payment period

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



- For Pell **Student A** has a \$4,000 Scheduled Award and attends all classes in each term.

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

\*\$1,334 for the first payment period



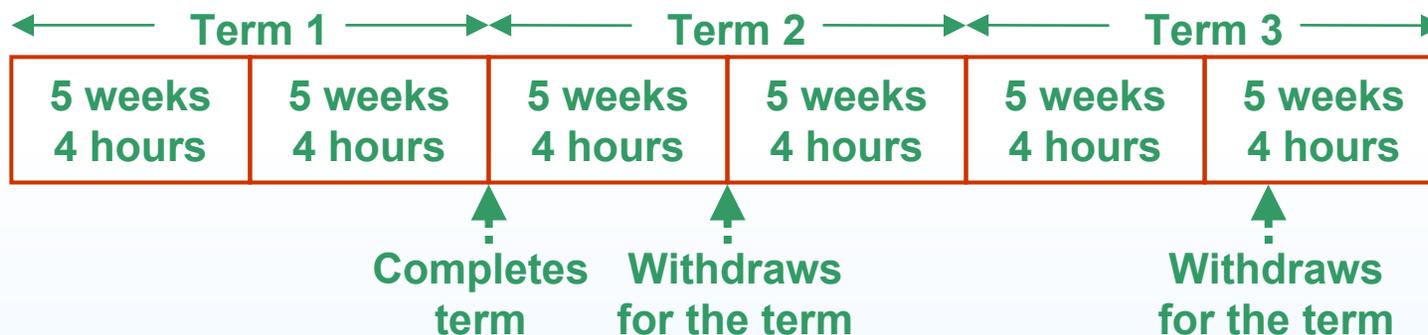
- **Student A's Pell Grant is disbursed in three disbursements at the beginning of each term.**



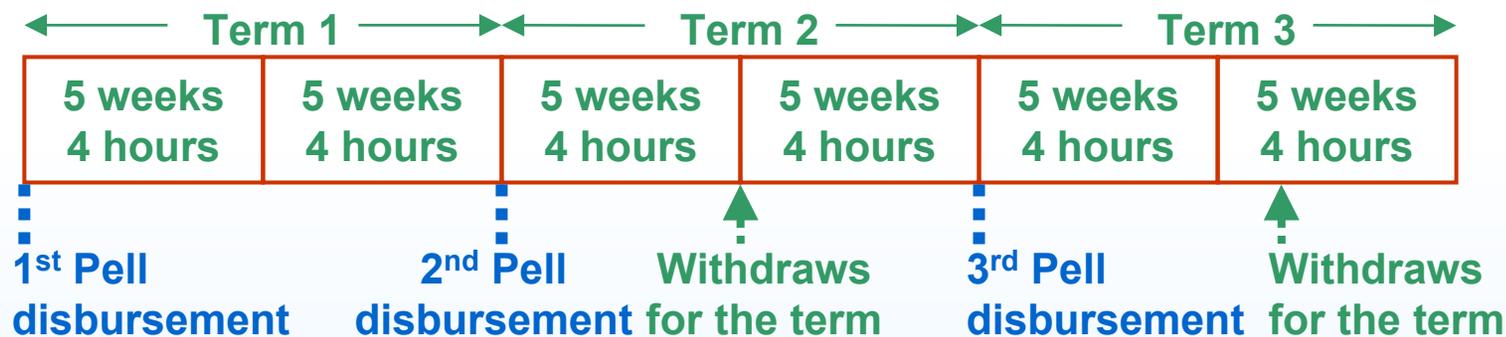
- School must use a BBAY.
- Loan period is for the length of the program which is also the length of the academic year.
- **Student A's** loan has three substantially equal disbursements, one for each payment period.



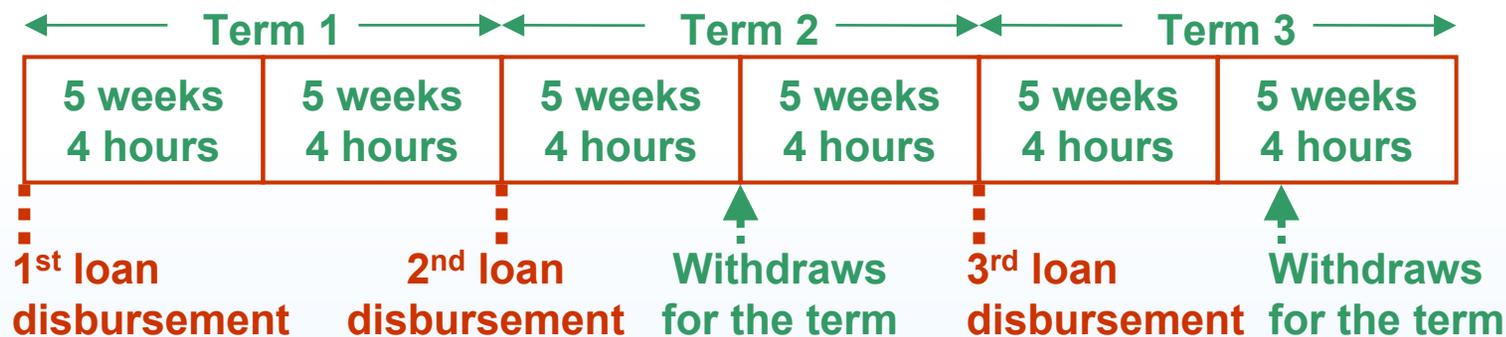
# Case Study #1



- **Student B** also enrolls for the program to attend full-time for each term.
- She completes Term 1 and the first course of Term 2 but does not attend the second course.
- She does inform the institution that she will be enrolling for Term 3 as full-time.
- She completes the first course of Term 3 but withdraws from the second course after starting attendance.



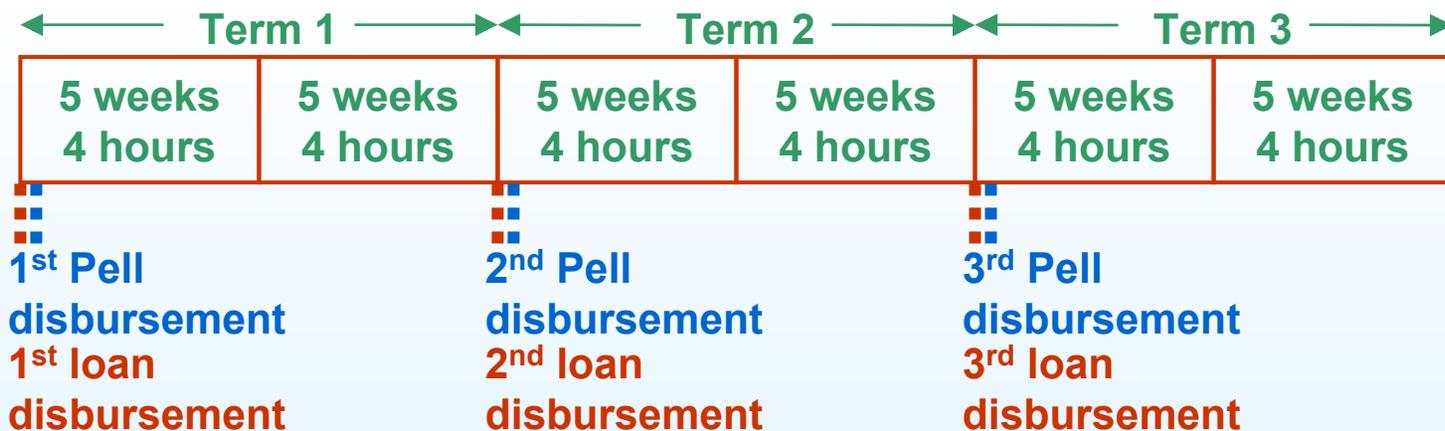
- **Student B** receives a full-time payment for the payment period for each term.
- However, the payment for Term 2 must be recalculated for a change in enrollment status to half-time since she never starts attendance in the second course.
- Student B will have remaining eligibility when she enrolls in a subsequent term in the award year to complete her certificate program.



- **Student B** receives a loan disbursement for each term.
- She has no remaining loan eligibility when she returns to complete her certificate program.

# Case Study #1

## Pell and Loans



- **Student B's Pell and loan disbursements coincide.**
- **She has remaining Pell eligibility to use to complete her program.**

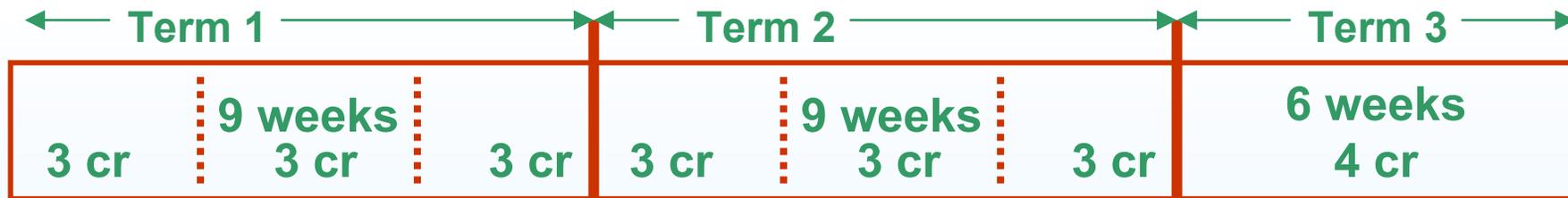
# Case Study

## #2

## Case Study #2

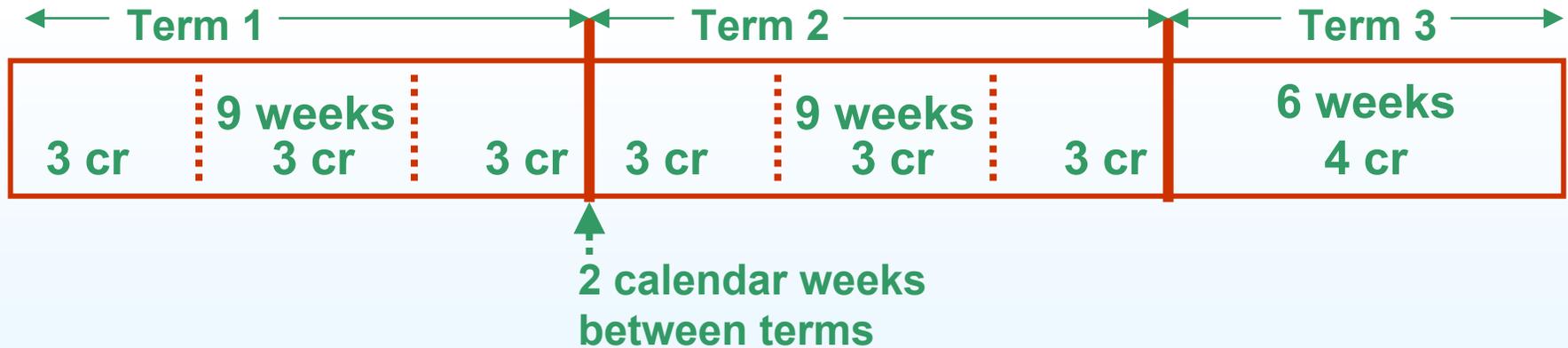
- **Illustrates determining Pell and loans for a nonstandard-term program with unequal terms**
  
- **Also illustrates--**
  - ▼ **Credit/clock-hour conversion**
  - ▼ **Affect of a student withdrawing and reenrolling in a term**
  - ▼ **Affect of failing a compressed course within a term**
  - ▼ **Affect of overlapping loan period for a transfer student**

## Case Study #2



- Undergraduate certificate program at a community college is offered using credit hours.
- Each course is acceptable for full credit towards an associate degree. Program is not subject to credit-hour/clock-hour conversion.

# Case Study #2



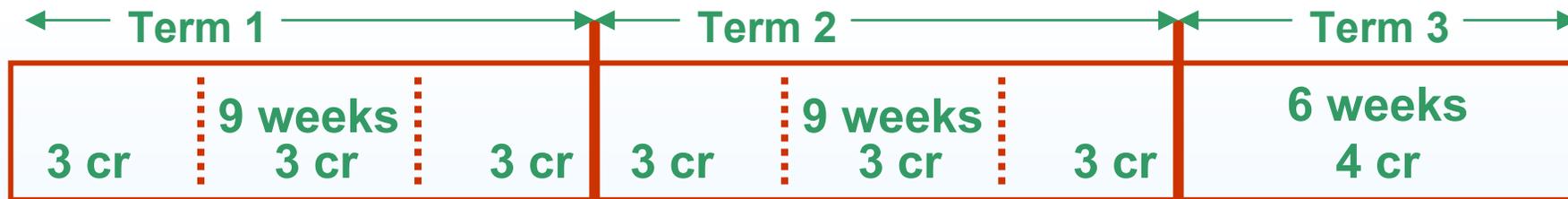
## ■ Academic calendar

- ▼ 24 weeks of instructional time and 22 semester hours offered over 3 nonstandard terms
- ▼ A two-calendar-week holiday between the first two terms.

## ■ Academic year

- ▼ 30 weeks of instructional time and 24 semester hours

# Case Study #2



- **Payment periods =**

- ▼ 9-week term - 9 credits

- ▼ 9-week term - 9 credits

- ▼ 6-week term - 4 credits

} Three 3-credit, 3-week courses  
taken sequentially in each term

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

# Case Study #2



- Calculate full-time enrollment status for each term

24 semester hours  
(in the defined  
academic year)

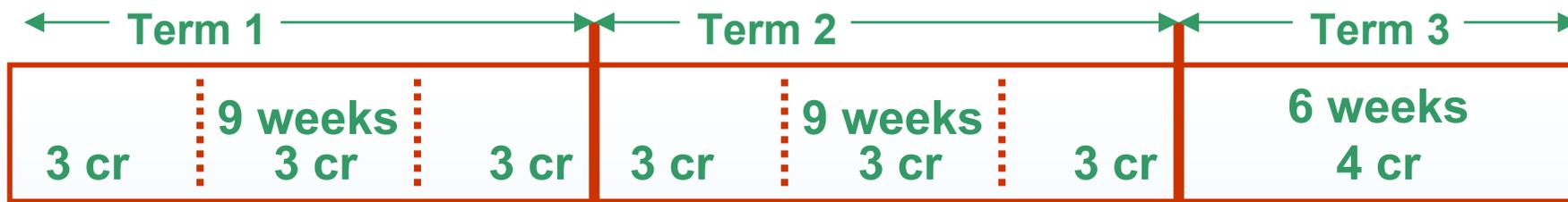
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Weeks of instructional time in  
the payment period

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30 weeks of instructional  
time (in the defined  
academic year)

# Case Study #2



## ■ Full-time enrollment status for each term

$$24 \times \frac{9}{30} = 7.2 \text{ cr}$$

Round up to **8** semester hours required for full-time

$$24 \times \frac{9}{30} = 7.2 \text{ cr}$$

Round up to **8** semester hours required for full-time

$$24 \times \frac{6}{30} = 4.8 \text{ cr}$$

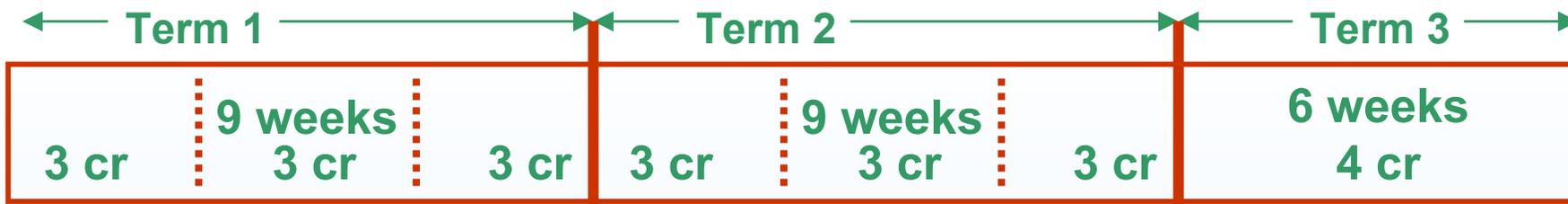
Round up to **5** semester hours required for full-time

**Note:** Only 4 semester hours in the third term.  
4 (hours attending) / 5 (hours for full-time) = .8.  
Student is three-quarter time for the third term.



- Pell payment for a payment period

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

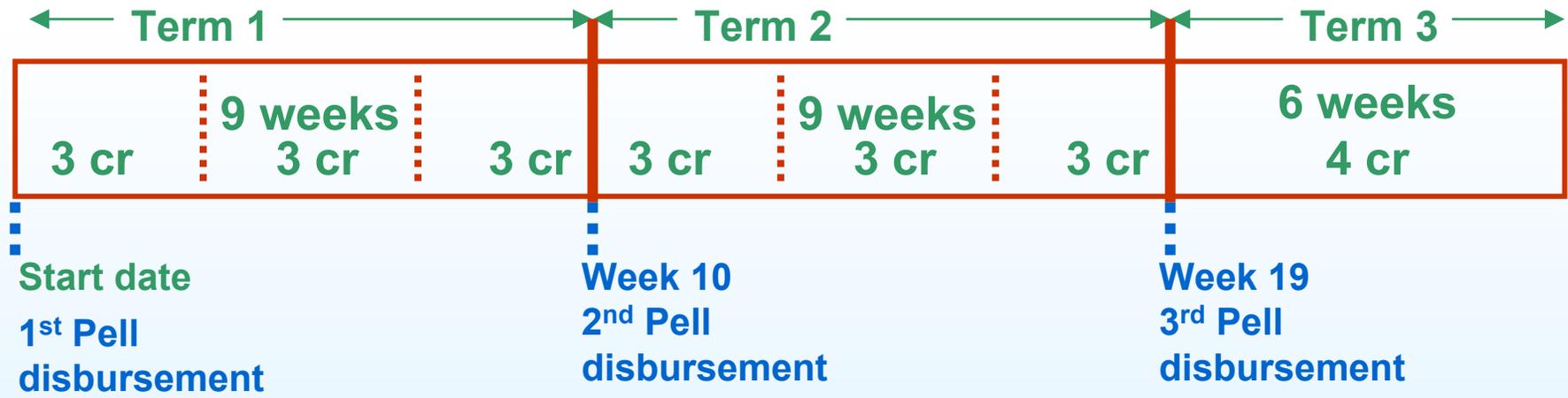


- For Pell, **Student A** has a \$4,000 Scheduled Award and attends all classes in each term.

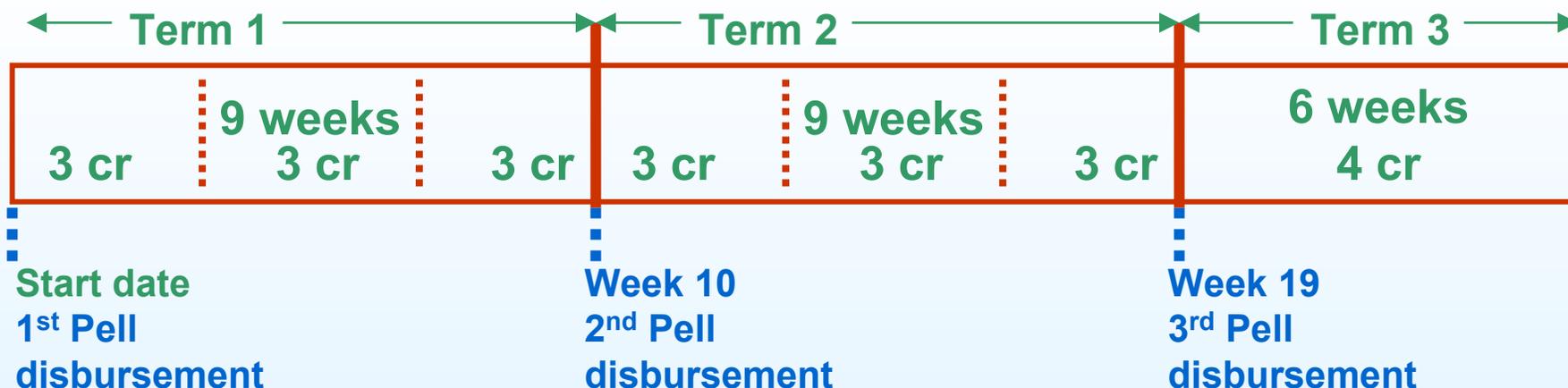
$$\$4,000 \times \frac{9}{30} = \$1,200$$

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

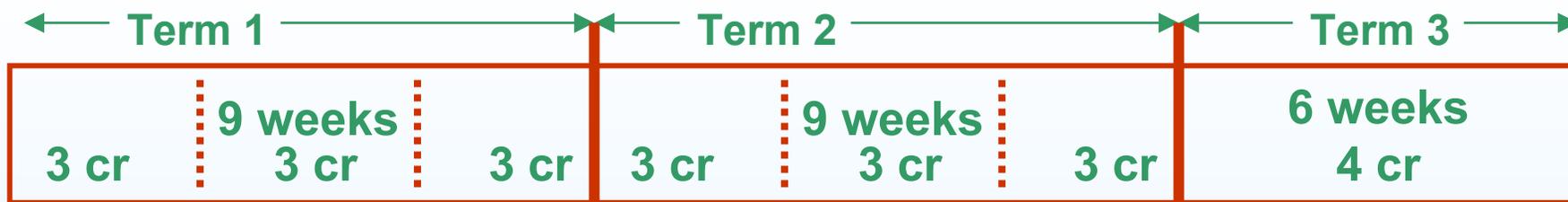
$$\$3,000 \times \frac{6}{30} = \$ 600$$



- Pell disbursements are for each nonstandard term.
- **Student A** completes the program and receives \$3,000 of the \$4,000 Scheduled Award (\$1,200 + \$1,200 + \$600 for each payment period)



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



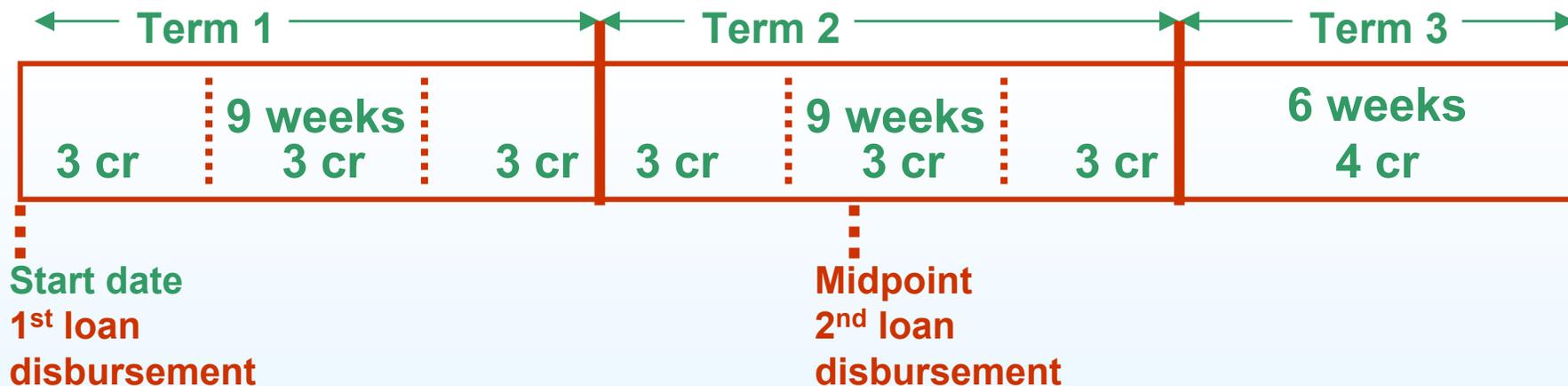
- The loan period is the length of the program.
- The loan limit is prorated by the lesser of:

$$\frac{\text{Hours enrolled (22)}}{\text{Hours in defined academic year (24)}}$$

or

$$\frac{\text{Weeks in program (24)}}{\text{Weeks in defined academic year (30)}}$$

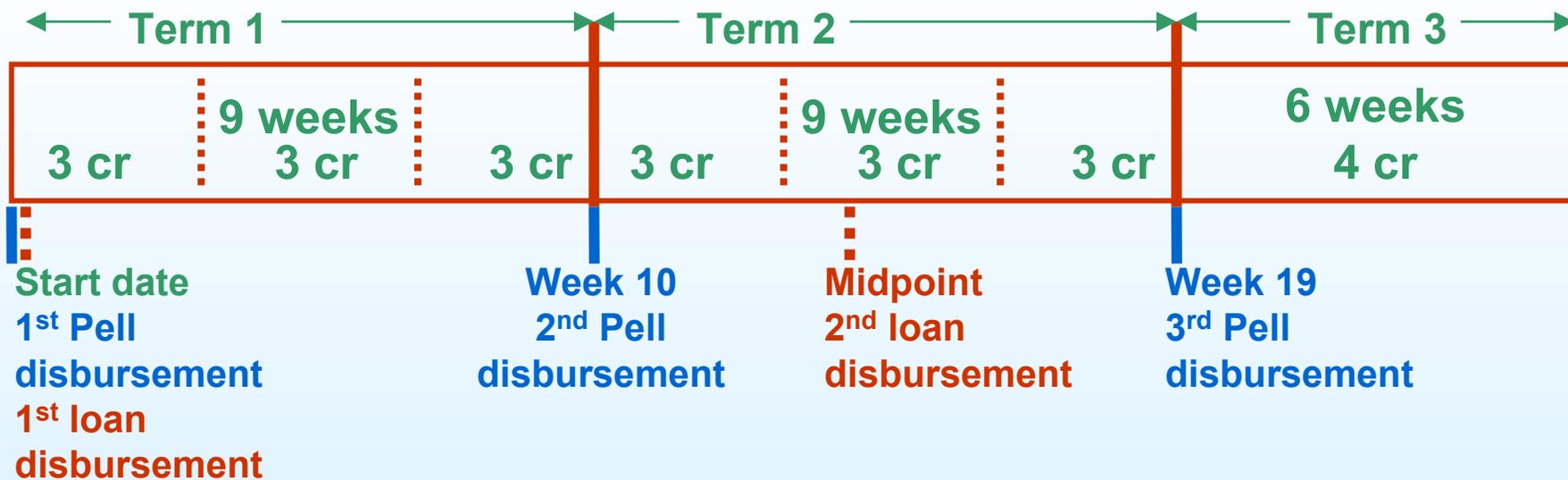
- 24/30 is the lesser fraction.



- **Student A's second disbursement after earning half the hours in the program (11 credit hours) and passing calendar midpoint:**
  - ▼ 12 credits after 1<sup>st</sup> module of 2<sup>nd</sup> term
  - ▼ Passes calendar midpoint (after 13 calendar weeks from the start date) during 2<sup>nd</sup> module of 2<sup>nd</sup> term

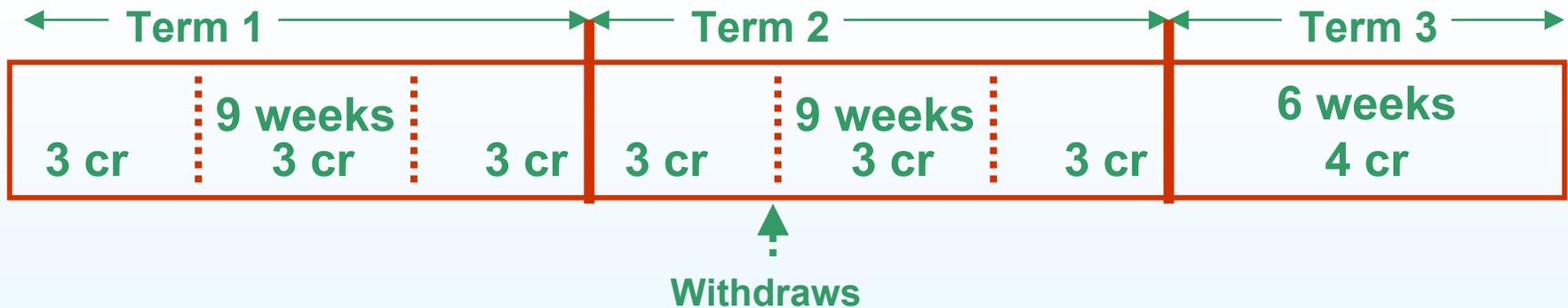
# Case Study #2

## Pell and Loans



- Pell and loan disbursements do not coincide.

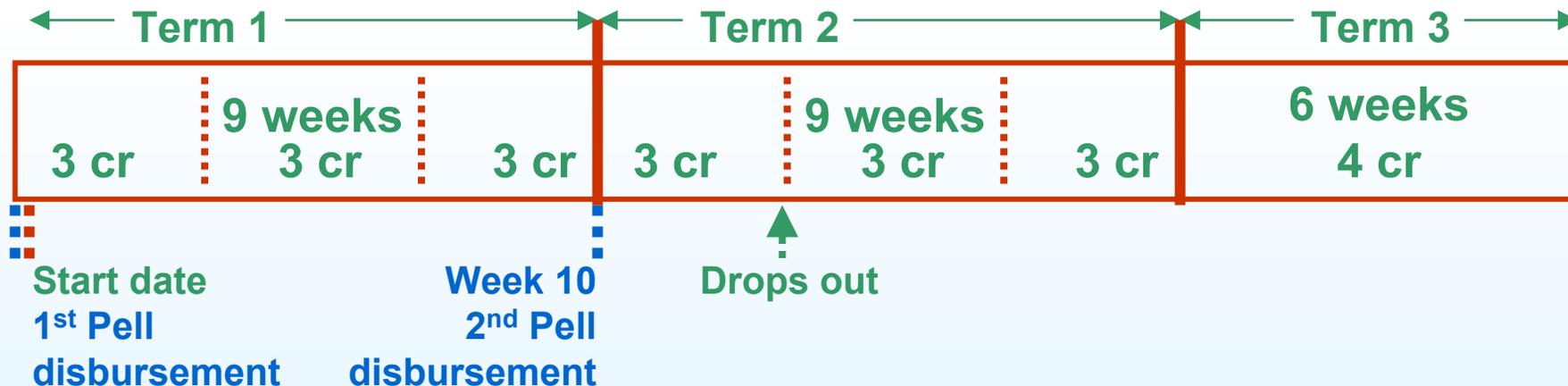
# Case Study #2



- **Student B** also is expected to attend all classes in each term. The student also has a \$4,000 Scheduled Award and is receiving a loan.
  
- **Student B** completes first module of Term 2, then withdraws from the institution and never starts attendance in the second class.

# Case Study #2

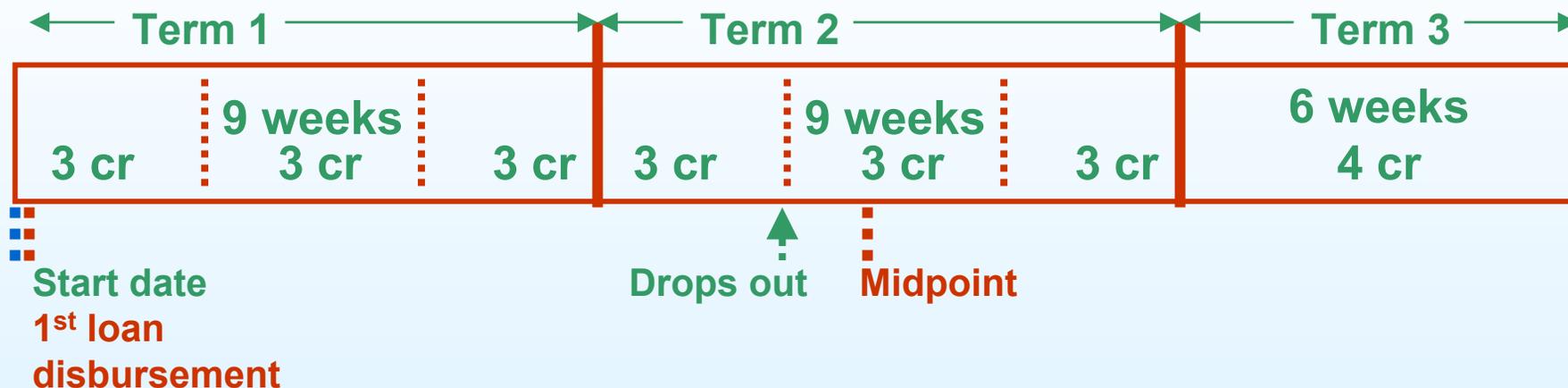
## Pell



- Student B** received 2<sup>nd</sup> \$1,200 Pell disbursement at the beginning of the 2<sup>nd</sup> term.
- Must recalculate payment for 2<sup>nd</sup> payment period as a less-than-half-time student.
- Payment is now \$300:  $\$1,000 \times \frac{9}{30} = \$300$

# Case Study #2

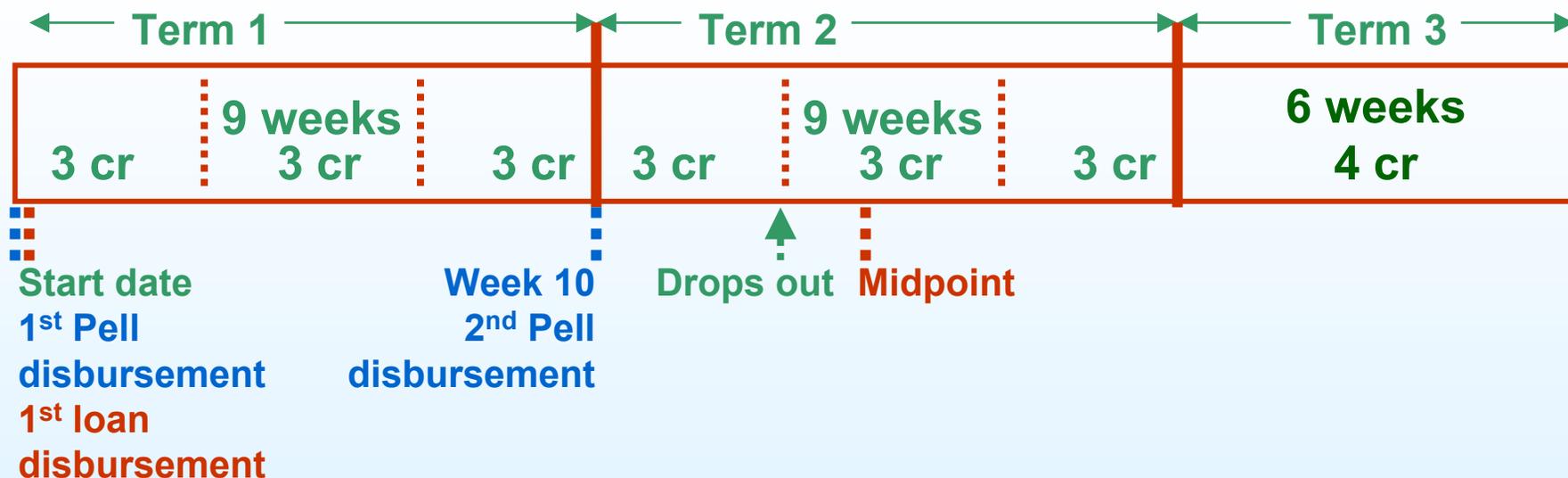
## Loans



- **Student B does not receive 2<sup>nd</sup> loan disbursement.**

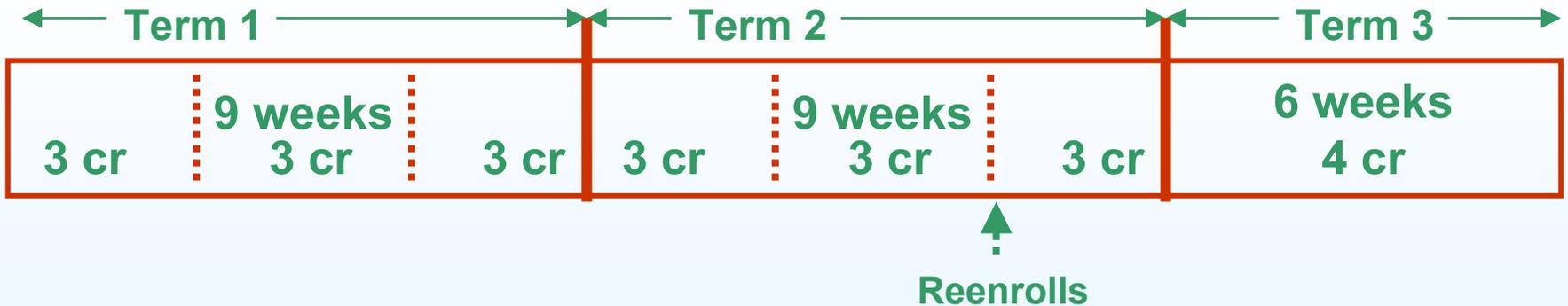
# Case Study #2

## Pell and Loans



- Each time a disbursement is made, institution must confirm student eligibility, e.g., half-time enrollment status for loans.
- No return of title IV; student completed a course.

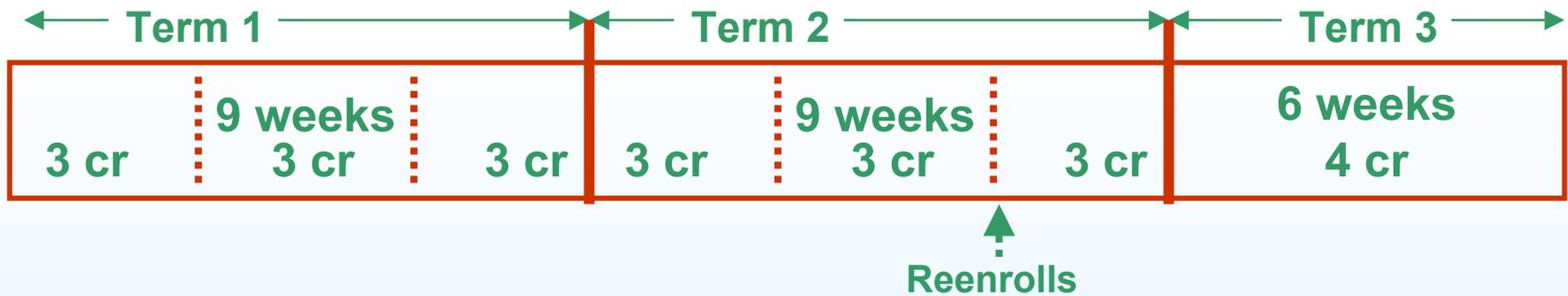
# Case Study #2



- **Student B** reenrolls in the program for the last module of the second term and will complete the missed module during the second term of the next offering of the program.

# Case Study #2

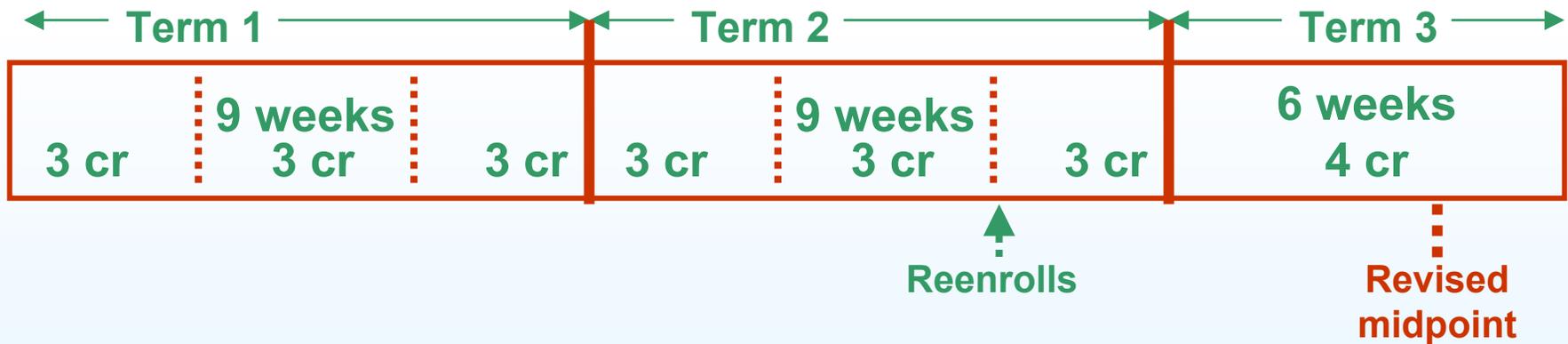
## Pell



- The institution has a census date for Pell 14 days into the term after which it does not recalculate for changes in enrollment status.
- For Pell, **Student B** remains a less-than-half-time student for the term.
- When the student completes the missed course in a future term, the student will be less-than-half-time.

# Case Study #2

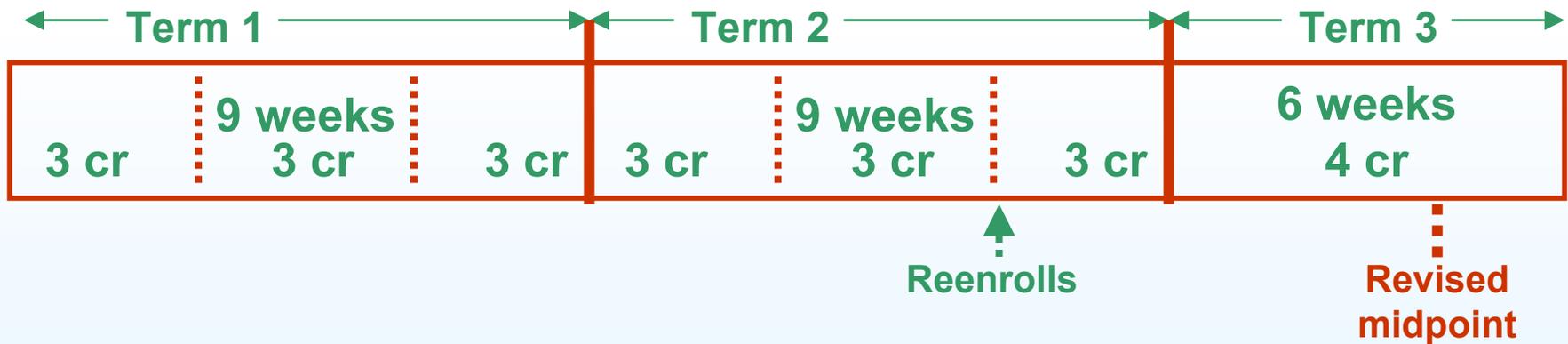
## Loans



- For FFEL, the institution may certify a revised loan period using—
  - ▼ The original loan period start date,
  - ▼ A revised end date not to exceed 12 months,
  - ▼ A newly scheduled second disbursement date, and anticipated graduation date.
- For DL, simply change disbursement date and loan period end date in COD

# Case Study #2

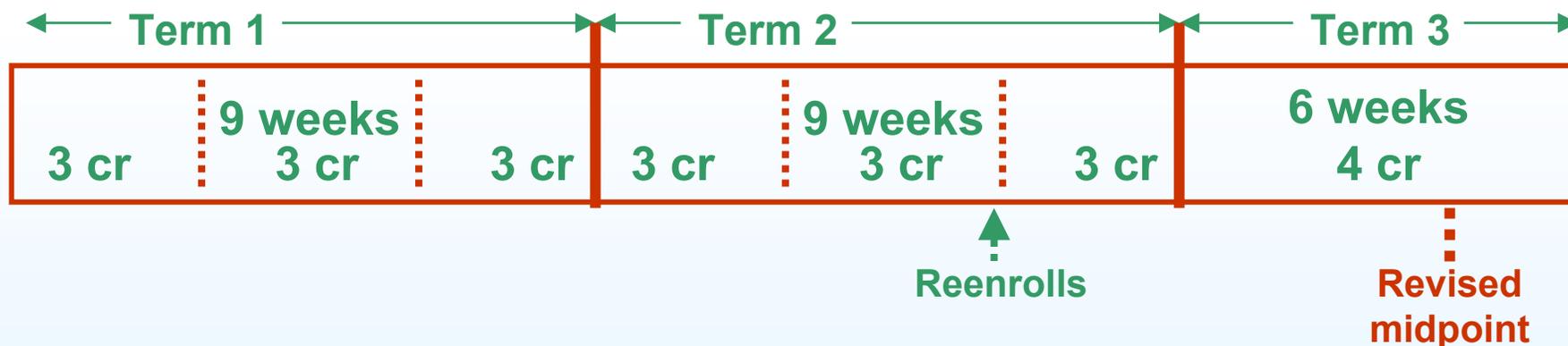
## Loans



- If the anticipated graduation date moves the revised calendar midpoint beyond the end of the third term—
  - ▼ The student will be less-than-half-time when enrolling to make up for the single module in the second term of the program, and
  - ▼ The student will not be eligible for the second disbursement.

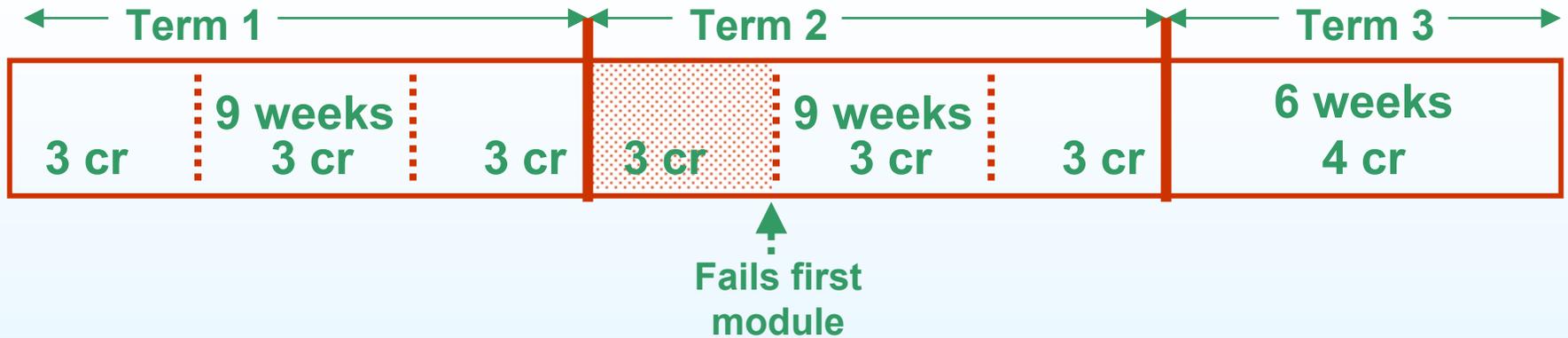
# Case Study #2

## Loans



- If the student had only “stopped out” for the one module (not withdrawn) –
  - ▼ FFEL: should notify the lender, request retention of the second disbursement, and provide a rescheduled second disbursement.
  - ▼ DL: simply change disbursement date and loan period end date in COD.
- To receive the second disbursement, the revised midpoint must fall in a time when the student is enrolled as at least half-time.

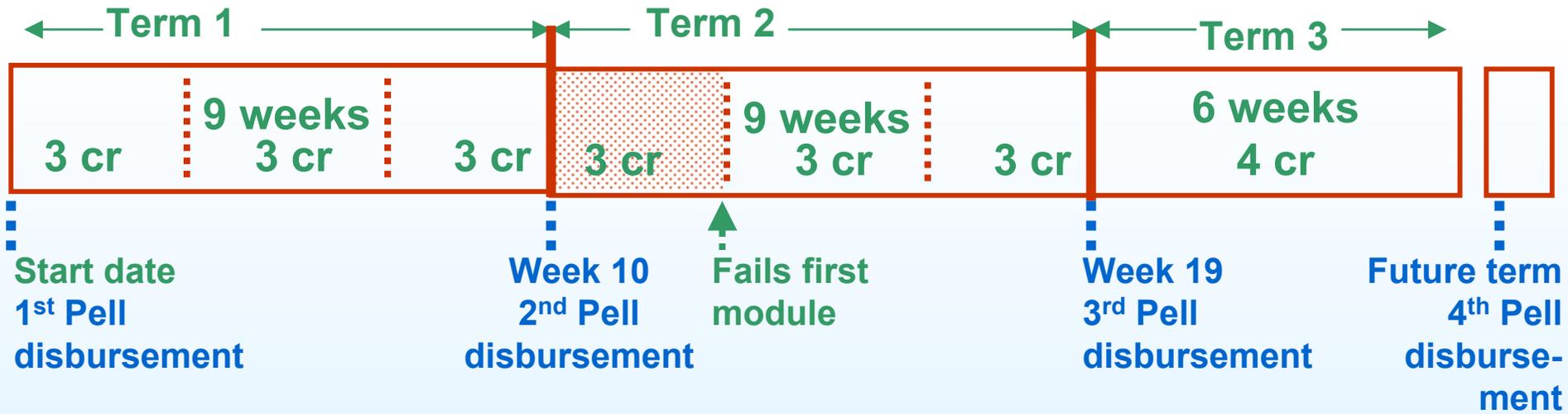
# Case Study #2



- **Student C** also is expected to attend all classes in each term. The student also has a \$4,000 Scheduled Award and is receiving a loan.
- **Student C** fails the first module of Term 2.

# Case Study #2

## Pell

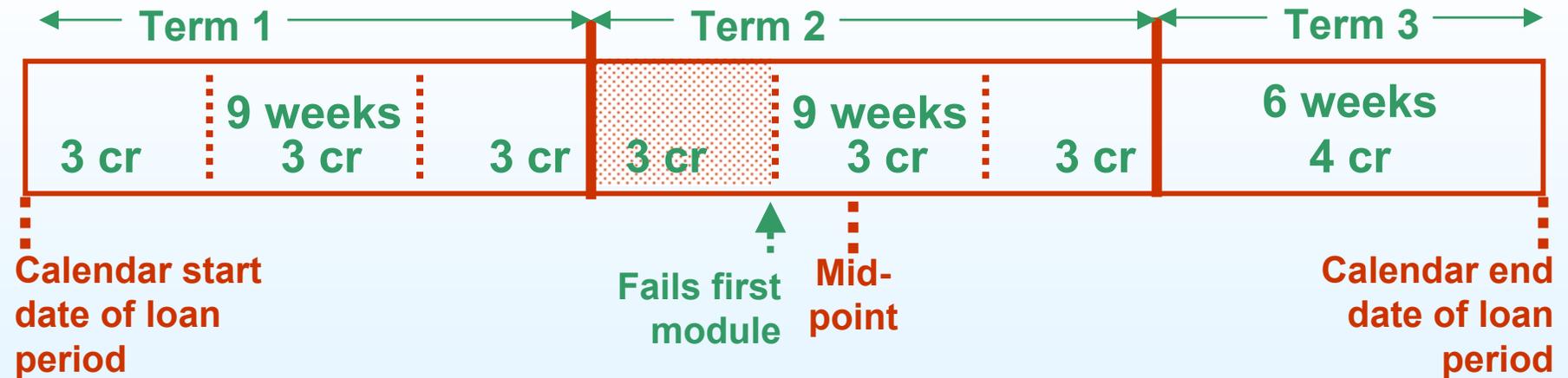


- **Student C** receives the same Pell payments at the same time as **Student A** for Terms 1, 2, and 3: \$1,200, \$1,200, and \$600.
- If **Student C** makes up the 3 credits in a subsequent Term 2 offered at the institution, the student receives a less-than-half-time Pell payment for that payment period.

# Case Study #2

## Loans

Prior loan period

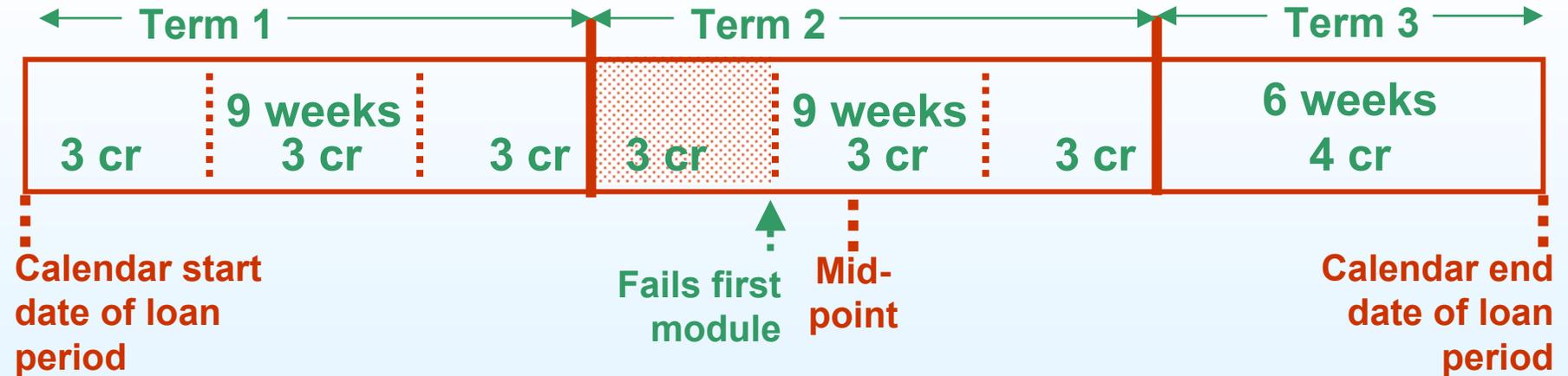


- **Student C** is a transfer student with an overlapping loan period from the prior institution.

# Case Study #2

## Loans

Prior loan period

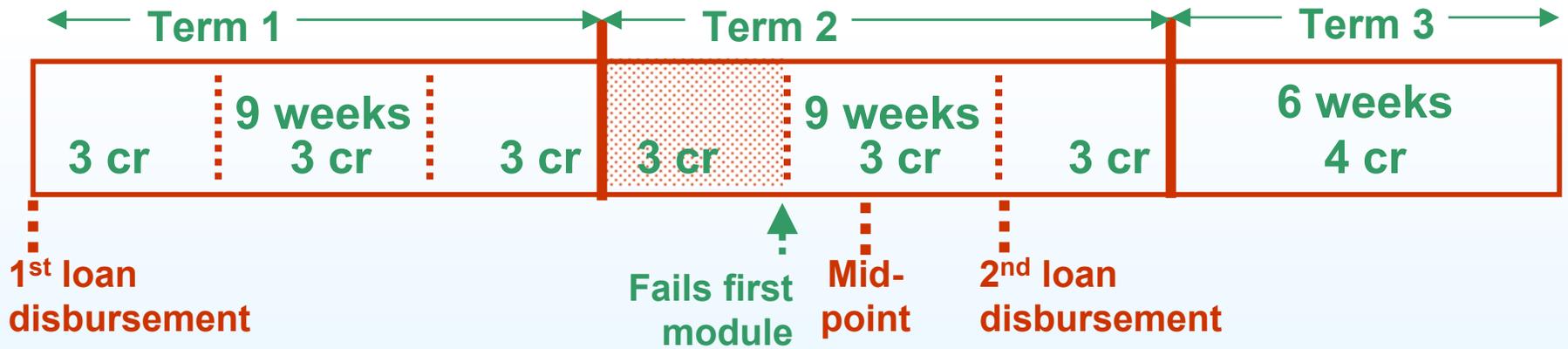


- Student C is eligible for an amount determined by subtracting the gross amount received at the prior institution from the loan limit for the new loan.
- Since the program must use BBAY, the institution must certify the reduced loan amount for the length of the program because it is less than an academic year in length.

# Case Study #2

## Loans

Prior loan period

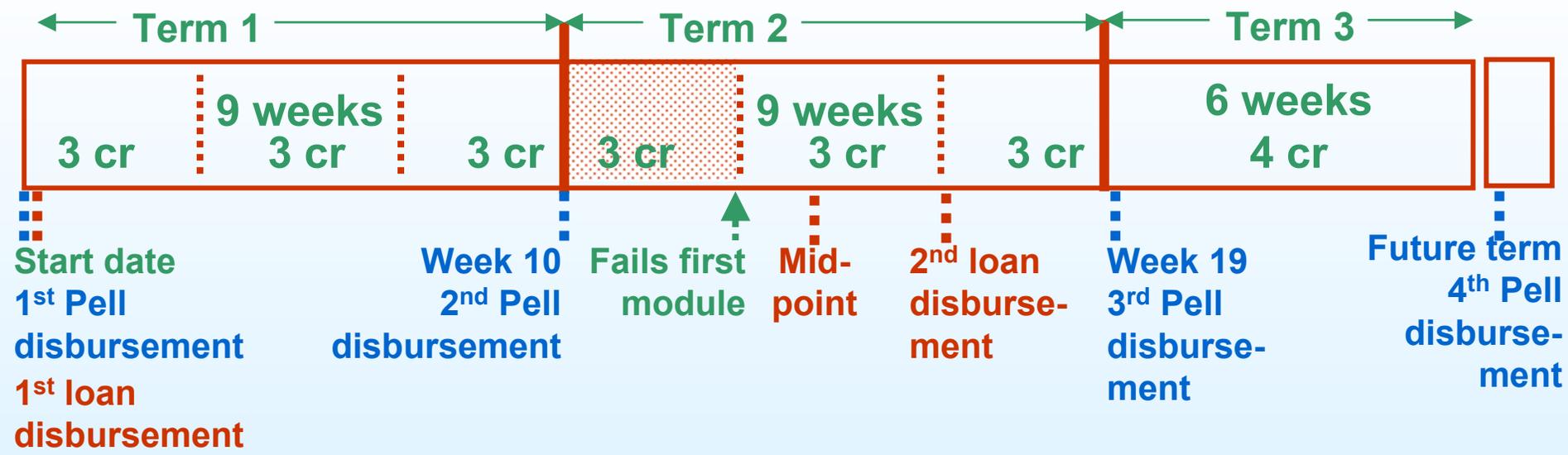


- **Student C's** second loan disbursement cannot be made until the student successfully completes half the hours in the loan period, i.e., 11 credit hours.

# Case Study #2

## Pell and Loans

Prior loan period



- **Student C's Pell and loan disbursements do not coincide.**



# Contact Information

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# Toolbox

# Getting Started

## For Each Academic Program

- **Determine academic calendar**
  - ▼ **Term using credit hours**
    - **Standard Term**
    - **Nonstandard Term**
  - ▼ **Nonterm credit hour**
  - ▼ **Clock hour – term and nonterm**
- **Determine weeks of instructional time (defined in subsequent section)**
  - ▼ **Not same as calendar time**

## For Each Academic Program

- **Define for Title IV**
  - ▼ **Academic year**
    - Weeks of instructional time**
    - Hours (for undergraduate) – clock or credit**
  - ▼ **Full-time for terms or program**

# Getting Started

## For Each Academic Program

- **Identify the payment periods**
  - ▼ **Terms using credit hours**
  - ▼ **Nonterm with credit hours**
  - ▼ **Clock-hours**

## For Each Academic Program

- **Determine loan periods with terms as payment periods**
  - ▼ Standard-term programs
  - ▼ Nonstandard-term programs with terms substantially equal in length (all terms within two weeks of instructional time in length)
- **Determine loan periods without payment periods**
  - ▼ Nonstandard-term programs with terms unequal in length
  - ▼ Nonterm credit-hour programs
  - ▼ Clock-hour programs

# Week of Instructional Time

# Week of Instructional Time

## 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**

# Week of Instructional Time

## 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

# Term and Nonterm Academic Calendars

# Term and Nonterm

## A Term

- **Definition:** A discrete period of time during which all courses in the term are scheduled to begin and end
- **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 beginning and end dates of the term.

# 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
- For example, may be the length of a standard term but academic progress not measured with the appropriate credit hours such as 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.**

# Nonterm Payment Periods

# Payment Period Definition

## 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

# Payment Period Definition

## Payment Periods for Nonterm Programs

- **A program one academic year or less in length (if one measure is equal to or less than an academic year)**
  - ▼ **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**

# Payment Period Definition

## 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

# Payment Period Definition

## Payment Periods for Nonterm Programs

- **Remainder of a program more than one-half an academic year (both measures), but less than a complete academic year (one or both measures), 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

# Payment Period Definition

## Payment Periods for Nonterm Programs

- For the remainder of a program not more than half an academic year in length (one or both measures)
  - ▼ The payment period is the remainder of that program.

# Enrollment Status

# Enrollment Status

## Standard Terms

<u>Status</u>	<u>Minimum hours</u>
Full-time	12 credit 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

# Enrollment Status

## Nonstandard term

### Step 1 Full-time

Credit hours in  
the academic year

×

Weeks of instructional  
time in the term

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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)

# Enrollment Status

## Nonterm

- **Full-time equals defined academic year, i.e., attends the hours of the academic year in the weeks of instructional time of the academic year.**

## Recalculation of enrollment status for term-based programs

### ■ Pell

- ▼ Must recalculate if student does not begin attendance in all classes or if making a lump-sum disbursement for work completed in prior payment periods with no disbursements.
- ▼ May have a policy of recalculating for changes in enrollment status for a term; if adopt policy, must apply to both increases and decreases

### ■ 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

# Pell and Loan

## Basic Requirements



# Program Requirements

## Federal Pell Grant Program

- **Use Scheduled Award as basis for student's Pell for an award year**
- **Calculate payments of a student's award by payment period**
- **Disburse payments by payment period**

# Program Requirements

## Pell Formulas

- Calculate payments for payment periods
- Award a grant “evenly” across defined academic year – both measures
- Consider weeks then hours in determining payments for payment periods
- Encourage educational programs offered in reasonable timeframes

# Program Requirements

## Pell Formulas

- 1 & 2 Standard term – traditional school calendars
- 3 Any term-based credit-hour program
- 4 Clock-hour and nonterm credit-hour programs
- 5 Correspondence programs



# Program Requirements

## Loan Programs - FFEL and DL: loan periods

- Award loans based on loan periods.
- Scheduled Academic Year: traditional-calendar standard-term programs may use.
- Borrower-based Academic Year: all others must use.

# Program Requirements

## Loan Programs - FFEL and DL: payment amounts

- **Traditional standard term programs and credit-hour programs with terms substantially equal in length**
  - ▼ **Divide loan proceeds evenly by the payment periods (the terms) in the loan period unless a single term is a 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: delivery

- **Traditional standard term programs and credit-hour programs with terms substantially equal in length**
  - ▼ **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, must be at least two deliveries of loan proceeds during that payment period. No second delivery until the calendar midpoint between the first and last scheduled days of class of the loan period.**

# Program Requirements

## Loan Programs - FFEL and DL: delivery

- **Clock-hour programs, nonterm credit-hour programs, or programs with unequal nonstandard terms**
  - ▼ **Deliver no more than one-half of loan until student reaches**
    - (1) **the calendar midpoint between the first and last scheduled days of the loan period, and**
    - (2) **completes half the coursework of the loan period**



# Program Requirements

## Loan Programs - FFEL and DL: delivery

- **30-calendar-day delay of the first disbursement for first-time, first-year undergraduate borrower**

# Additional Case Studies

# Additional Case #1

## Points Illustrated

- A program of standard terms in a nonstandard academic calendar
- Multiple Pell disbursements for a term greater than half an academic year in length
- Pell and loan disbursements at different times

## Example – nontraditional semester program

16 weeks	15 weeks
----------	----------

- A two-semester certificate program.
- The first term has 16 weeks of instructional time, and the second term has 15 weeks of instructional time.
- A new cohort of students starts on the first weekday of each month.

## Example – nontraditional semester program

16 weeks	15 weeks
----------	----------

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

## Example – nontraditional semester program

### Pell Formula

- **No formula 1 or 2 – because the program does not follow the traditional academic calendar of fall and spring terms and a summer session and because the terms of the cohorts of students overlap**
- **Pell formula 3 – nontraditional calendars must use**

## Example – nontraditional semester program

<b>12 hours</b> <b>16 weeks</b>	<b>12 hours</b> <b>15 weeks</b>
------------------------------------	------------------------------------

- **Student enrolls for 12 semester hours in each term.**
- **Student has \$1,000 Pell Scheduled Award.**

## Example – nontraditional semester program



- **Payment for a payment period (formula 3)**

- ▼ **First term**

**16/30 × Scheduled Award (1<sup>st</sup> term)**

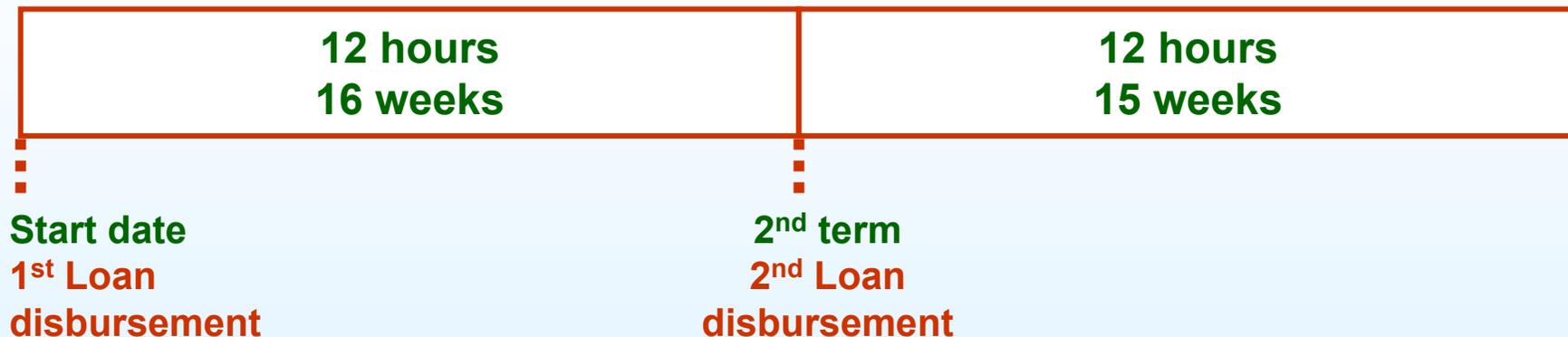
**\$533 – at least two disbursements required: \$500 and \$33**

- ▼ **Second term**

**15/30 × Scheduled Award (2<sup>nd</sup> term)**

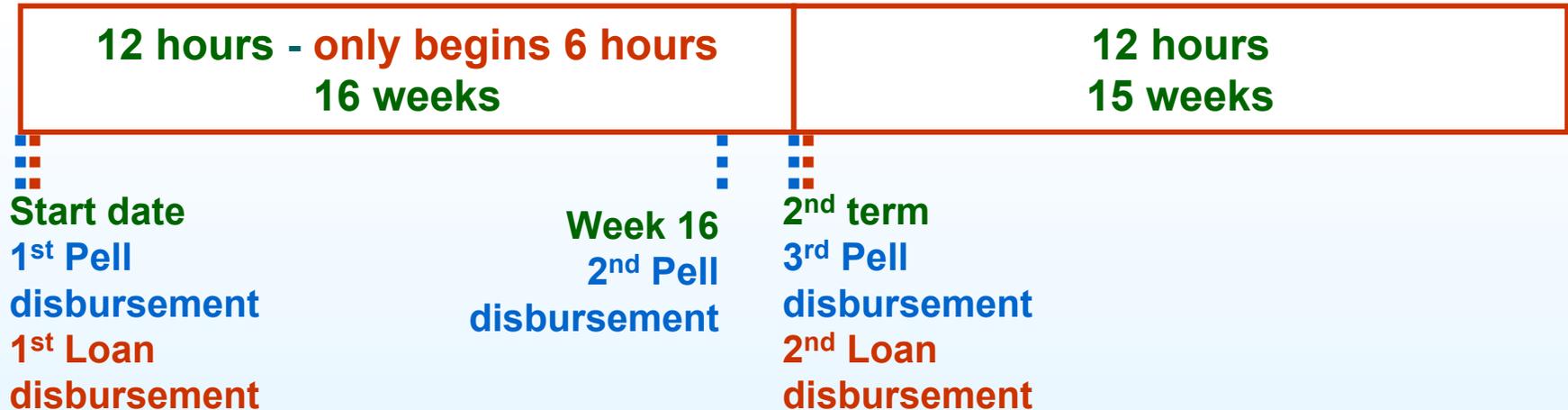
**\$500 – disburse only \$467 of Scheduled Award remaining**

## Example – nontraditional semester program



- Loan period = two terms (a loan period greater than an academic year)
- One-half of loan proceeds for each term

## Example – nontraditional semester program



- Pell and loan disbursements do not all coincide.
- Pell disbursements are unequal.

# Additional Case #2

## Points Illustrated

- **Clock-hour example**
- **Payment periods only in clock 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 2<sup>nd</sup> loan disbursement**
- **Options on loan periods**

## Additional Case #2

### 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 = \$1,000

## Additional Case #2

### 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 #2

### 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 #2

### Example – Nonterm Undergraduate Certificate Program

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

#### Step 1

$$\text{Scheduled Award} = \$1,000$$

#### Step 2

$$\frac{23}{30} \times \$1,000 = \$766.66$$

#### Step 3

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

## Additional Case #2

### Example – Nonterm Undergraduate Certificate Program

- **Payment for a payment period calculation for third payment period**

#### Step 1

$$\text{Scheduled Award} = \$1,000$$

#### Step 2

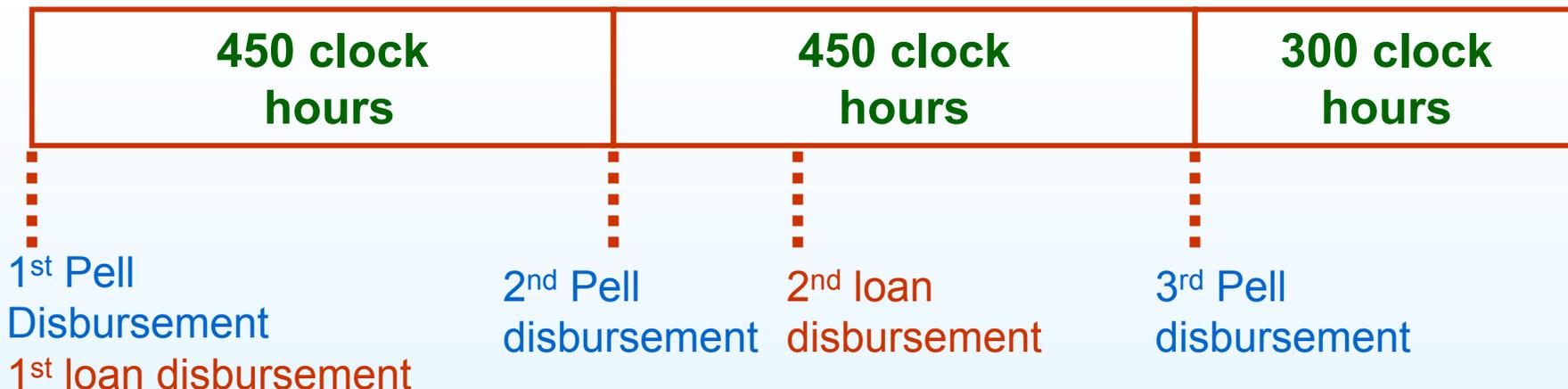
$$\frac{23}{30} \times \$1,000 = \$766.66$$

#### Step 3

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

## Additional Case #2

### 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 #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 Pell disbursement for payment period for final hours of a program for most full-time students**
- **Reduced loan maximum for program completed in less than an academic year**

## 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 = \$1,000

## Additional Case #3

### Example – Nonterm Undergraduate Certificate Program

12 hours 15 weeks	12 hours 15 weeks	6 hours 8 weeks
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- Payment periods = 2 payment periods of 12 hours and 15 weeks of instructional time
- Third payment period = 6 hours and 8 weeks (must impute weeks but are not relevant)  

$$6 \text{ (hrs in pp)} / 24 \text{ (hrs in ac yr)} \times 30 \text{ (wks in ac yr)} = 7.5 \text{ (wks in pp)}$$

## 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:  
$$240 \text{ weeks}/10 \text{ students} = \underline{24 \text{ weeks of instructional time for most full-time students to complete the program}}$$

## Additional Case #3

### Example – Nonterm Undergraduate Certificate Program

- The completion time for the program of 24 weeks of instructional time affects both Pell and loans:
  - ▼ For Pell, affects the calculation of payments for a payment period
  - ▼ For loans, affects loan period and loan amount.

## 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

- Pell payment for a payment period calculation for the first two payment periods

#### Step 1

$$\text{Scheduled Award} = \$1,000$$

#### Step 2

$$\frac{20}{30} \times \$1,000 = \$666.66$$

#### Step 3

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

## Additional Case #3

### Example – Nonterm Undergraduate Certificate Program

- Pell payment for a payment period calculation for the third payment period

#### Step 1

$$\text{Scheduled Award} = \$1,000$$

#### Step 2

$$\frac{20}{30} \times \$1,000 = \$666.66$$

#### Step 3

$$\frac{6}{24} \times \$666.66 = \$166.66$$

## Additional Case #3

### Example – Nonterm Undergraduate Certificate Program



- **Second Pell disbursement after student completes 12 semester hours and 15 weeks of instructional time, i.e., the first payment period (1/2 of the defined academic year)**
- **No third Pell disbursement for most full-time students as they are completing the program in less than 30 weeks of instructional time**

## Additional Case #3

### Example – Nonterm Undergraduate Certificate Program

Calendar time for most  
full-time students  
complete 30 hours and 24  
weeks of instructional time

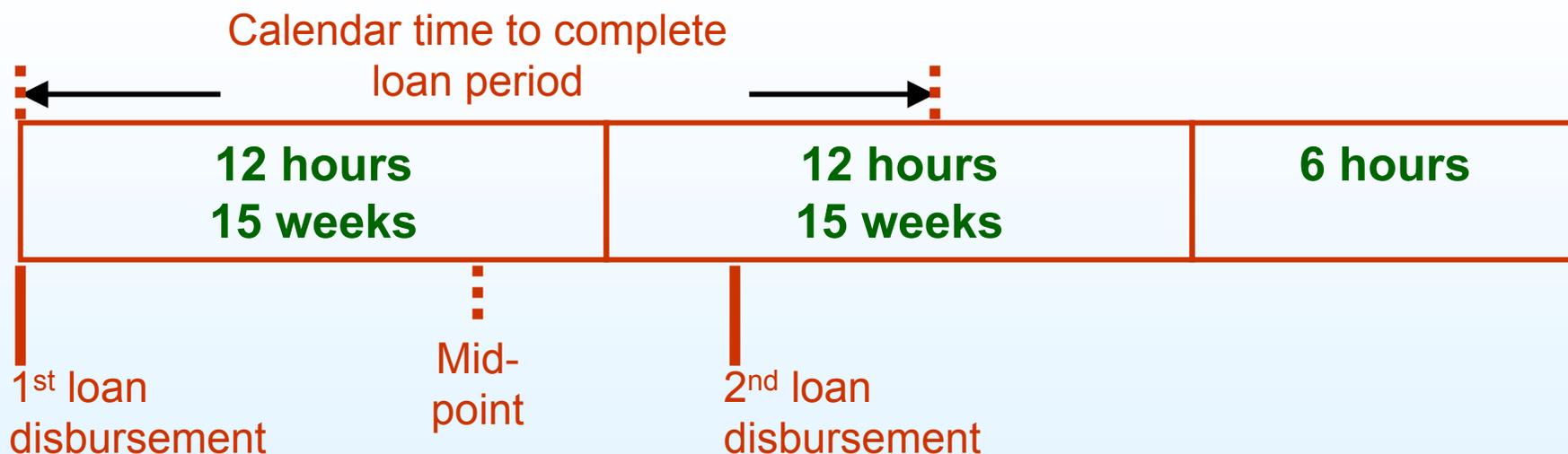


⋮  
Mid-  
point

- Since most full-time students are completing the program in 24 weeks, the loan period must be for the calendar time to complete the program in 24 weeks of instructional time.
- Only one loan period as program is considered less than an academic year in length for loans.

## Additional Case #3

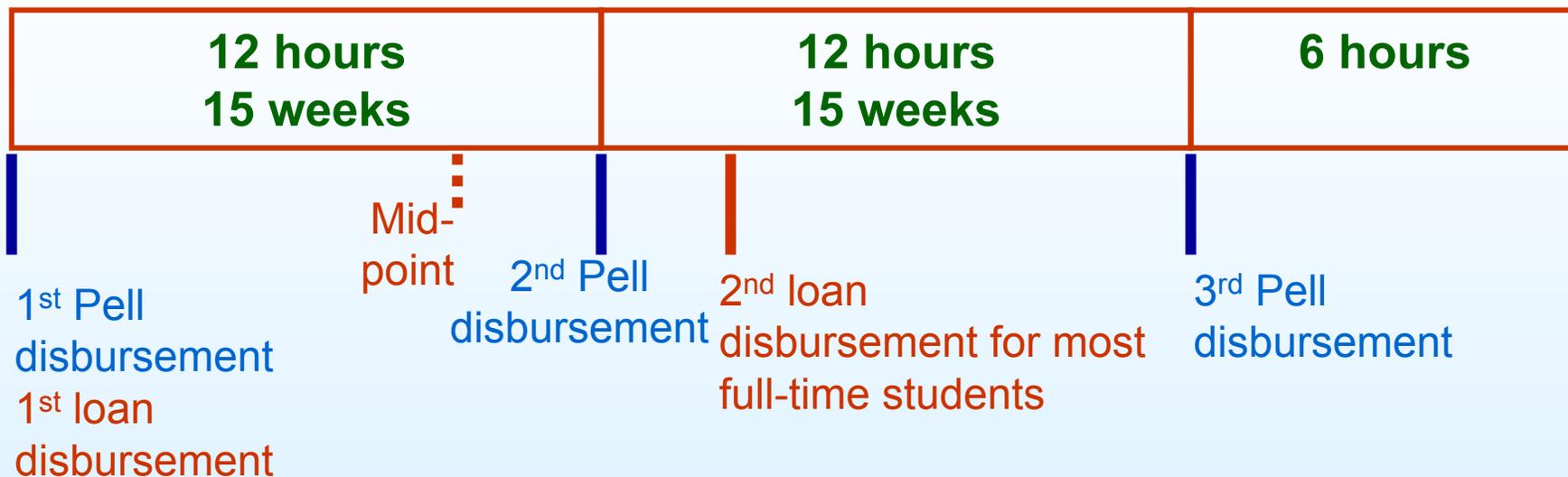
### Example – Nonterm Undergraduate Certificate Program



- **Must prorate maximum loan amount by 24/30 (lesser of the wks in program/wks in ac yr or hrs in program/hrs in ac yr).**
- **Second loan disbursement is after reaching the calendar midpoint and 15 semester hours (half the hours in the loan period).**

# Additional Case #3

## Example – Nonterm Undergraduate Certificate Program



- **Pell and loan disbursements do not coincide.**

## Points Illustrated

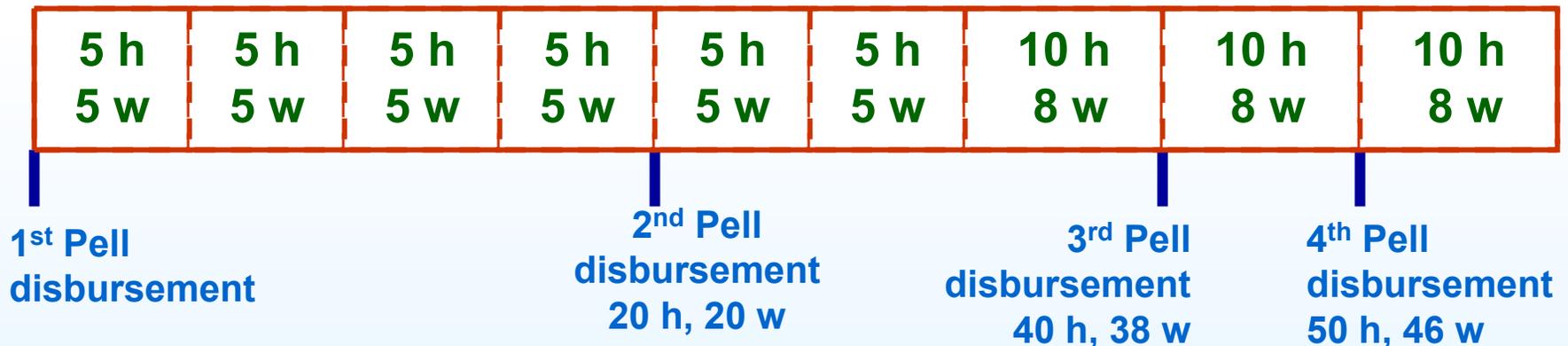
- **Payment periods and loan period for the remaining portion of a nonterm program**
- **Determination of weeks of instructional time to complete the hours in the defined academic year**
- **Treatment when all students are less-than-full-time**
- **Determination of total Pell disbursements dependent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

## 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

## 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.

$36/60 \times 54 = 32.4$  (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 1

**Determine Scheduled Award**

## 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 1

**Determine Scheduled Award**

## Step 2

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

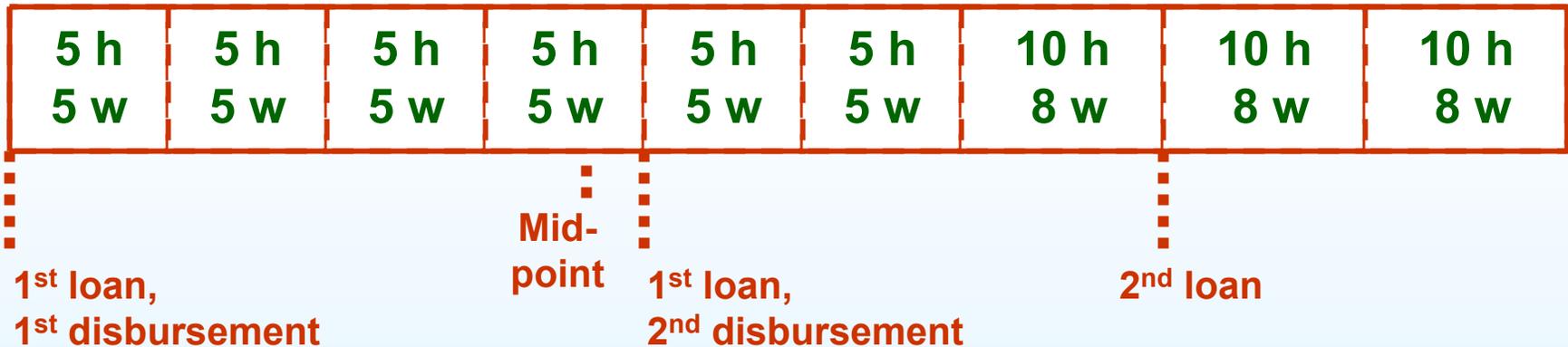
## Step 3

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

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

# Additional Case #4

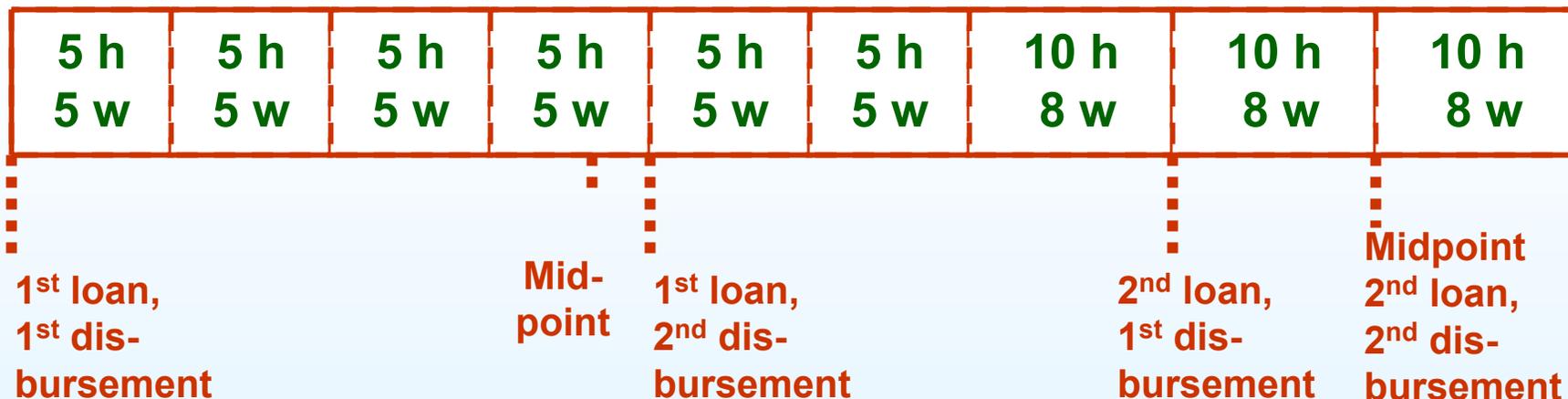
## Example – Nonterm Undergraduate Certificate Program



- First loan period = 38 weeks of instructional time and 40 quarter hours.
- The borrower-based-academic-year loan period must encompass the academic year definition in weeks and hours and must include the first 10-hour module in the loan period to have at least the 36 quarter hours of the academic year.
- The second disbursement of the loan may be made after earning the 20 quarter hours of the loan period and passing the calendar midpoint of the loan period.

## Additional Case #4

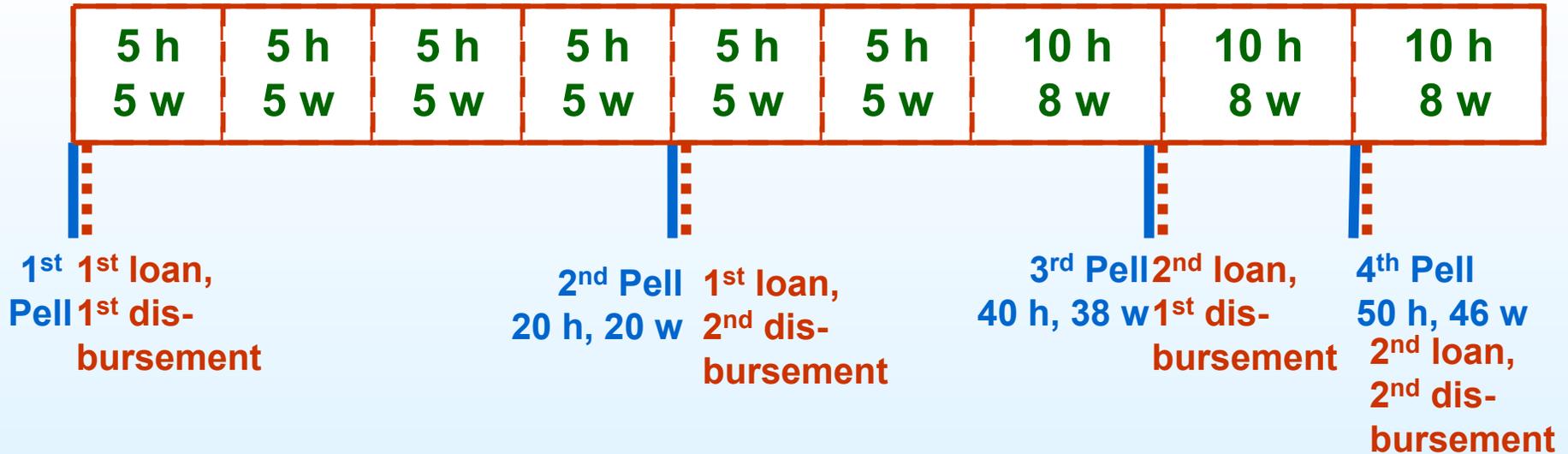
### Example – Nonterm Undergraduate Certificate Program



- Second loan period = remaining balance of the program of 20 hours and 16 weeks of instructional time.
- Prorate loan limit by  $20/36$  (hours in loan period/hours in academic year)

# Additional Case #4

## Example – Nonterm Undergraduate Certificate Program



- Loan disbursements line up with Pell in this case.

# Additional Case #4

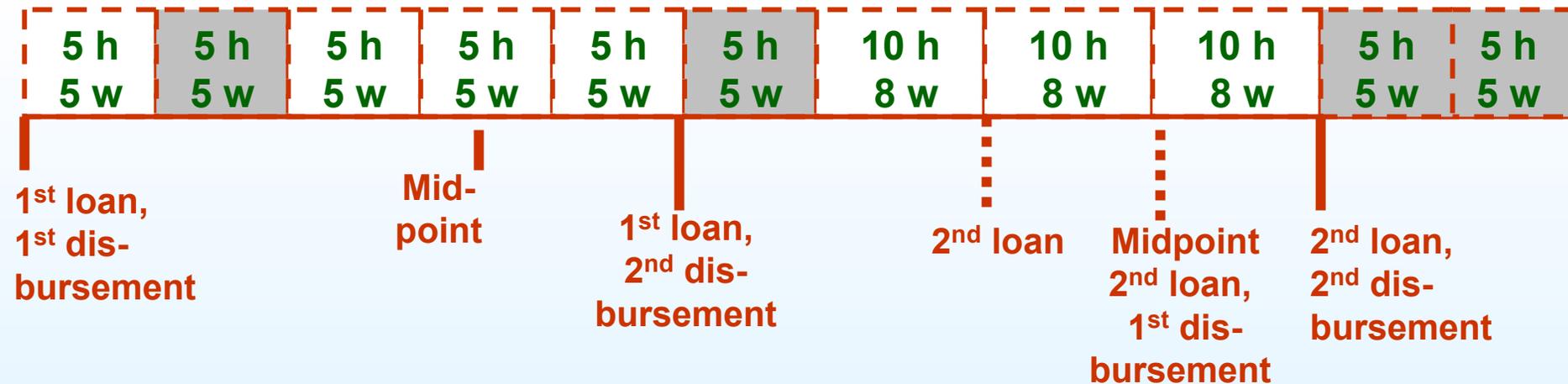
## Example – Nonterm Undergraduate Certificate Program

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 <sup>st</sup> Pell				2 <sup>nd</sup> Pell 20 h, 20 w				3 <sup>rd</sup> Pell 40 h, 36 w	4 <sup>th</sup> Pell 50 h, 44 w	

- Student fails two 5-hour classes that are completed at end of program.
- Pell payment periods are extended to successfully complete the hours and weeks of each payment period.

# Additional Case #4

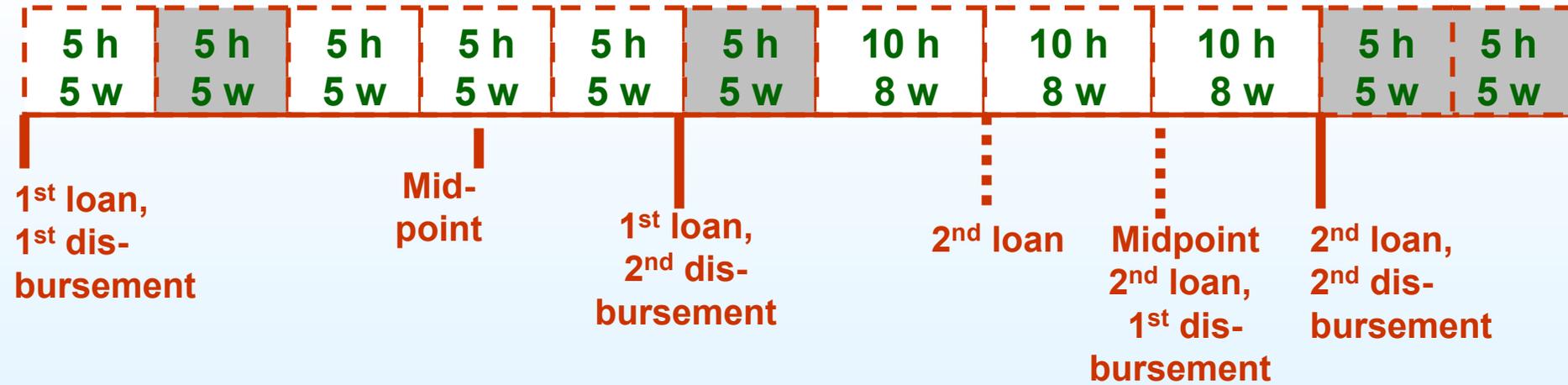
## Example – Nonterm Undergraduate Certificate Program



- Second loan period starts after the first loan period but the first disbursement of the second loan cannot be made until the student has earned the 40 hours in the first loan period at the end of the second 10-hour module.
- Second disbursement of the second loan may be made after the student completes an additional 10 hours at the end of the third 10-hour module and passes the calendar midpoint of the loan period.

# Additional Case #4

## Example – Nonterm Undergraduate Certificate Program



- Note that there are no additional costs of attendance because the period of attendance is extended.

# 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

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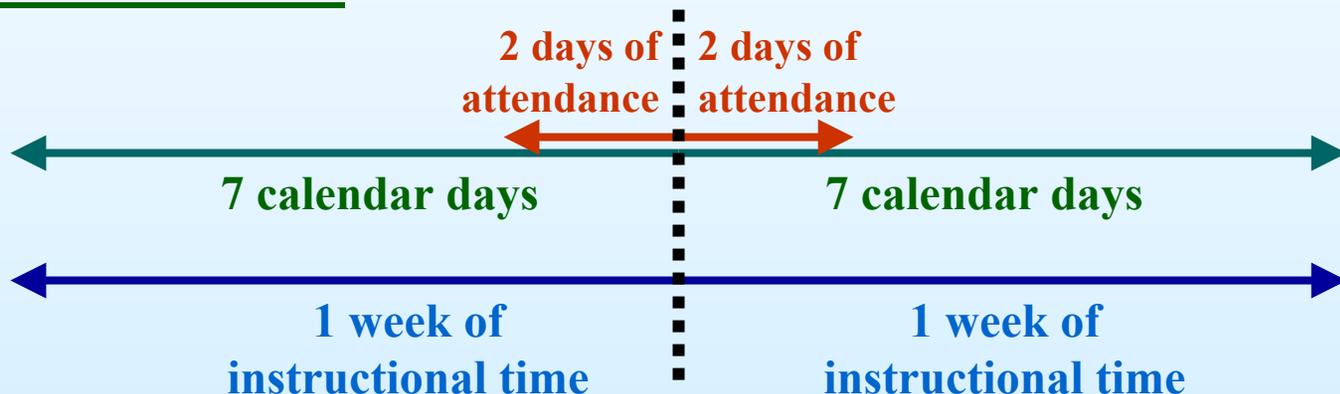
- **Program =**
  - ▼ 13 consecutive modules over 15 months
  - ▼ Each module = 4 quarter hours
  - ▼ 4 consecutive days of attendance each month for the first 12 modules
  - ▼ 13<sup>th</sup> module is a 3-month research project
- Academic year = 30 weeks of instructional time

## 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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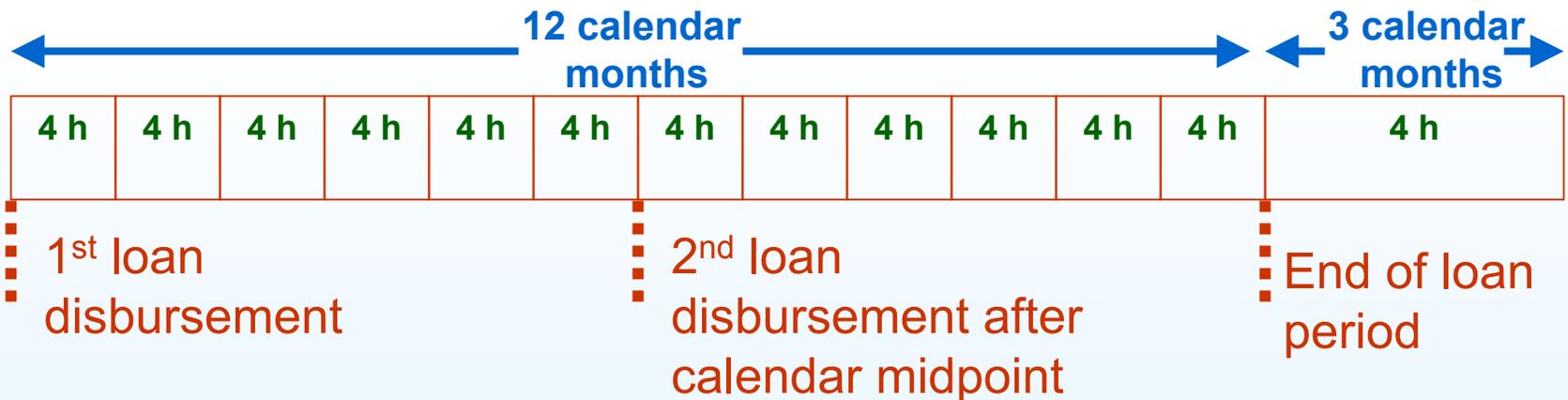
### ■ Weeks of instructional time

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



- ▼ 13<sup>th</sup> module has 3 weeks of instructional time.

## Example – Nonterm Masters Degree



- No loan period can exceed 12 calendar months.
- Loan period = 24 weeks of instructional time.
- Graduate program, is no proration.

## Example – Nonterm Masters Degree



- **FFEL:** The remaining period of 3 weeks of instructional time may be shorter than the period for which FFEL lenders and guaranty agencies generally make and guarantee loans.
- **Direct Loans** would accept a new loan.

# Additional Case #6

## Points Illustrated

- **Potential treatment of loan periods for a nonstandard-term program depending on the academic year definition adopted**

## 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
- Must use a borrow-based academic (BBAY) for loans.

## Example – Undergraduate Certificate Program

8 weeks 6 credits	10 weeks 9 credits	<del>9 weeks</del> 3 cr: 3 cr: 3 cr	10 weeks 9 credits	3 wks 3 cr
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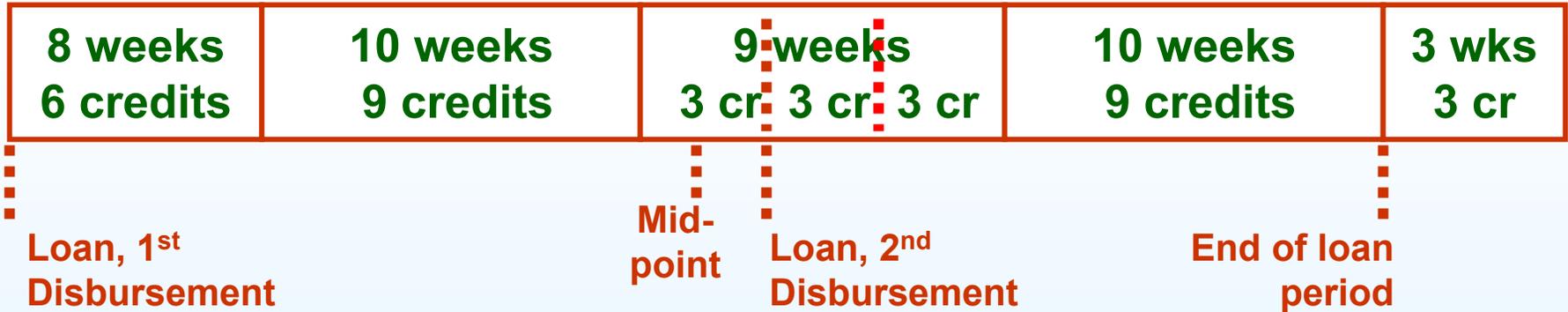
- **School may define the academic year—**
  - ▼ As greater than the minimums to coincide with the end of a term or module (Option 1), or
  - ▼ As at least the statutory minimum weeks of instructional time and hours even though they do not coincide with the end of a term or module (Options 2 and 3).

### 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 of loan period			End of loan period	

- Option 1: Academic year = 33 semester hours and 37 weeks of instructional time to coincide with the end of a term.
- Use BBAY to end of fourth term.

### Example – Undergraduate Certificate Program



- Second disbursement of the loan cannot be made until the end of the first module of the third term when half the semester hours of the loan period (17 semester hours) have been successfully completed and the loan period calendar midpoint is passed.
- The remaining balance of the program is generally too short for a second loan to be approved by FFEL lenders and guaranty agencies. DL would approve a prorated loan.

# Additional Case #6

## Options 2 and 3

### Example – Undergraduate Certificate Program

8 weeks 6 credits	10 weeks 9 credits	<del>9 weeks</del> 3 cr: 3 cr: 3 cr	10 weeks 9 credits	3 wks 3 cr
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- Options 2 and 3 - If using the minimum measures with an academic year of 24 semester hours and 30 weeks of instructional time, two options for loan periods can be identified.

# Additional Case #6

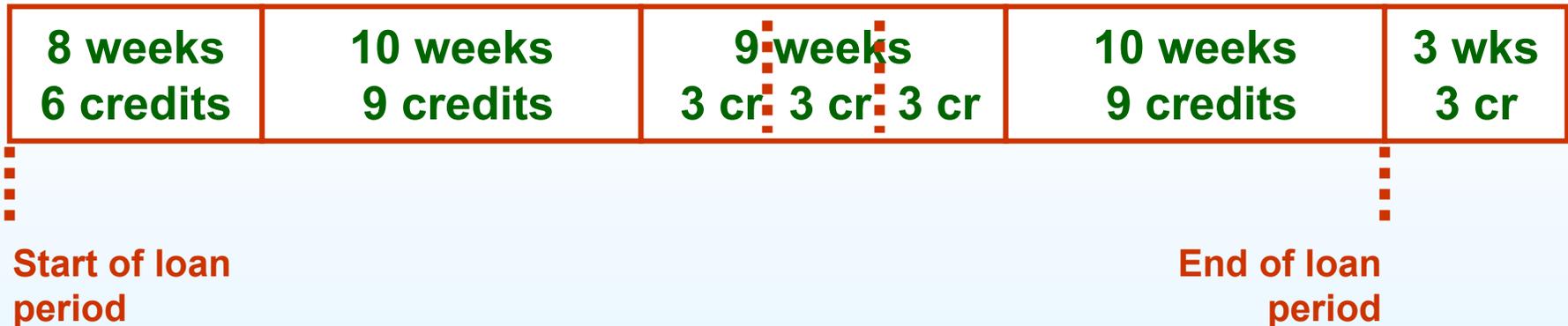
## Option 2

### Example – Undergraduate Certificate Program

8 weeks 6 credits	10 weeks 9 credits	<del>9 weeks</del> 3 cr: 3 cr: 3 cr	10 weeks 9 credits	3 wks 3 cr
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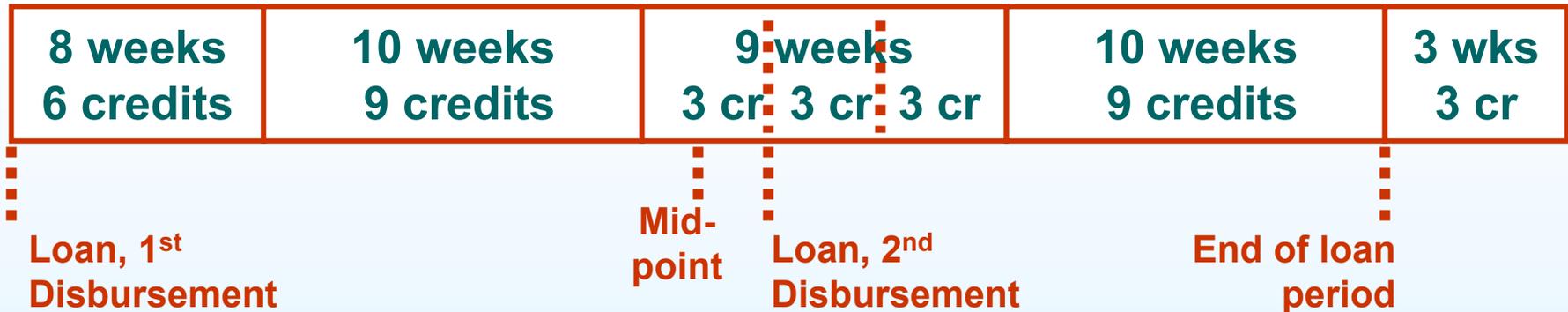
- Option 2 - Academic year = 24 semester hours and 30 weeks of instructional time and does not coincide with the end of a term or module.

### Example – Undergraduate Certificate Program



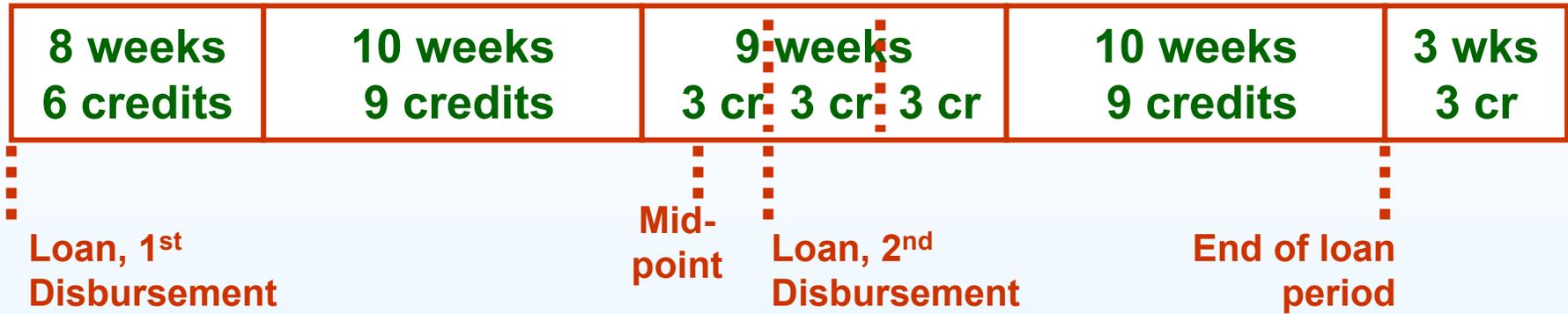
- Loan period greater than the defined academic year to coincide with the end of a term or module

### Example – Undergraduate Certificate Program



- As in Option 1, the second disbursement of the loan cannot be made until the end of the first module of the third term when half the semester hours of the loan period (17 semester hours) have been successfully completed and the loan period calendar midpoint is passed.
- The remaining balance of the program is generally too short for a second loan to be approved by FFEL lenders and guaranty agencies. DL would approve a prorated loan.

### Example – Undergraduate Certificate Program



- By using the minimum allowed defined academic year, Pell payments for a payment period are increased.
- By certifying the loan for a period greater than the minimum to coincide with the end of a module, other aspects of program administration such as return of Title IV are simplified.

# Additional Case #6

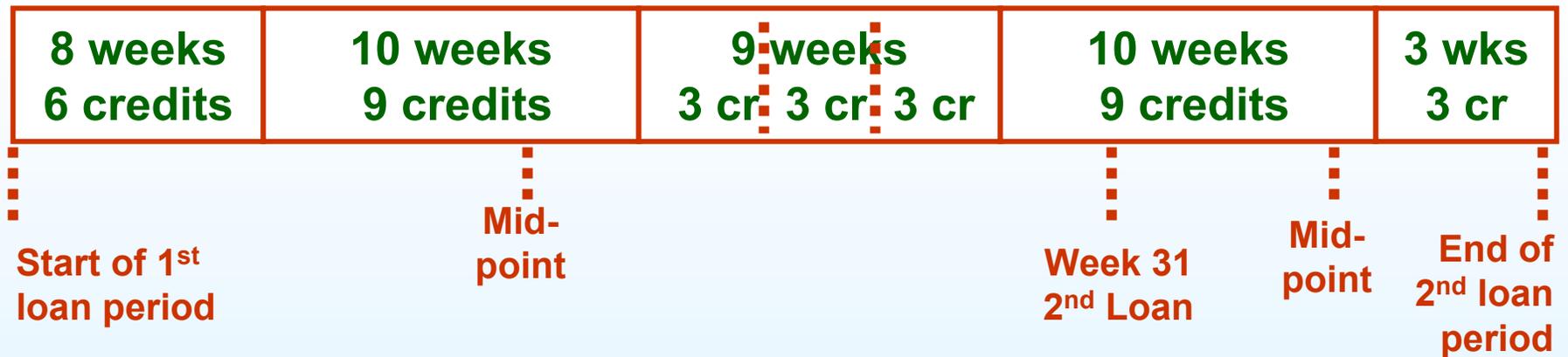
## Option 3

### Example – Undergraduate Certificate Program

8 weeks 6 credits	10 weeks 9 credits	<del>9 weeks</del> 3 cr: 3 cr: 3 cr	10 weeks 9 credits	3 wks 3 cr
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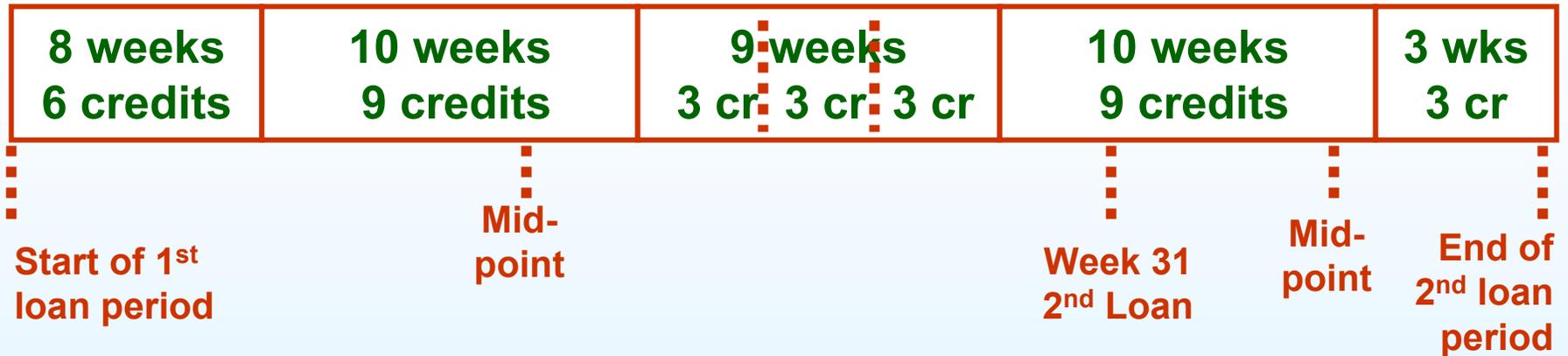
- Option 3 - Academic year = 24 semester hours and 30 weeks of instructional time and does not coincide with the end of a term or module.

### Example – Undergraduate Certificate Program



- The first loan period is for the academic year, and the second loan period is for the remainder of the program.

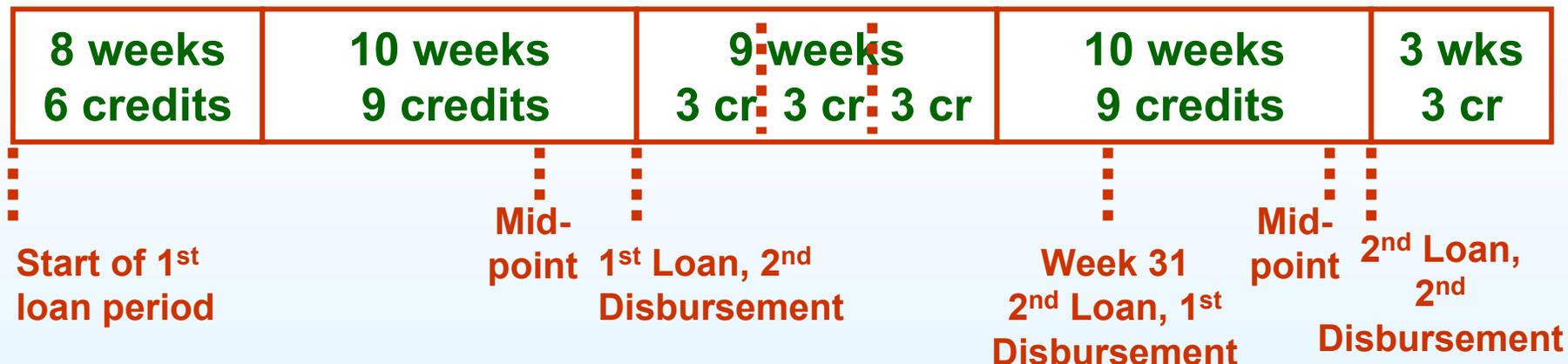
### Example – Undergraduate Certificate Program



- For the second loan period, the loan limit is prorated by the hours remaining in the program compared to the defined academic year:

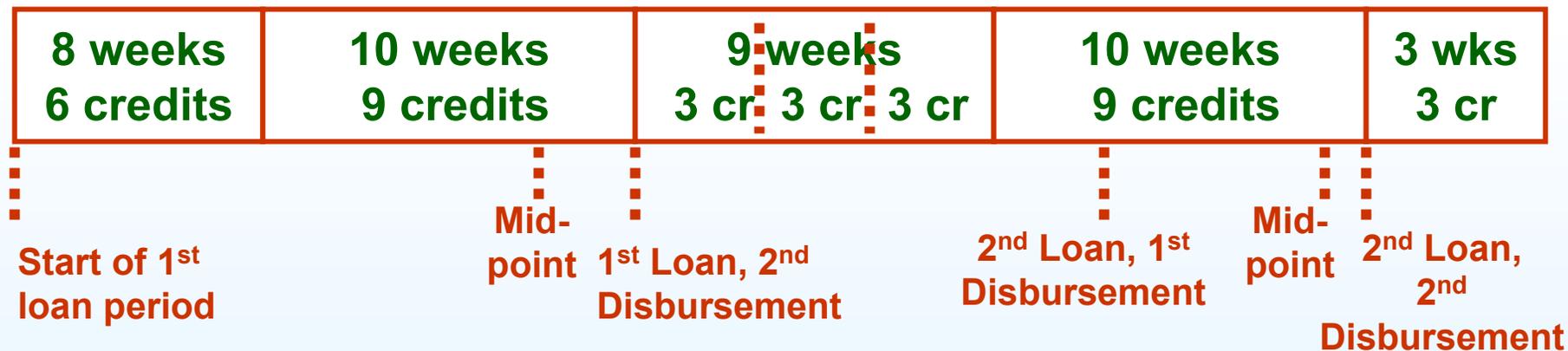
12/24

### Example – Undergraduate Certificate Program



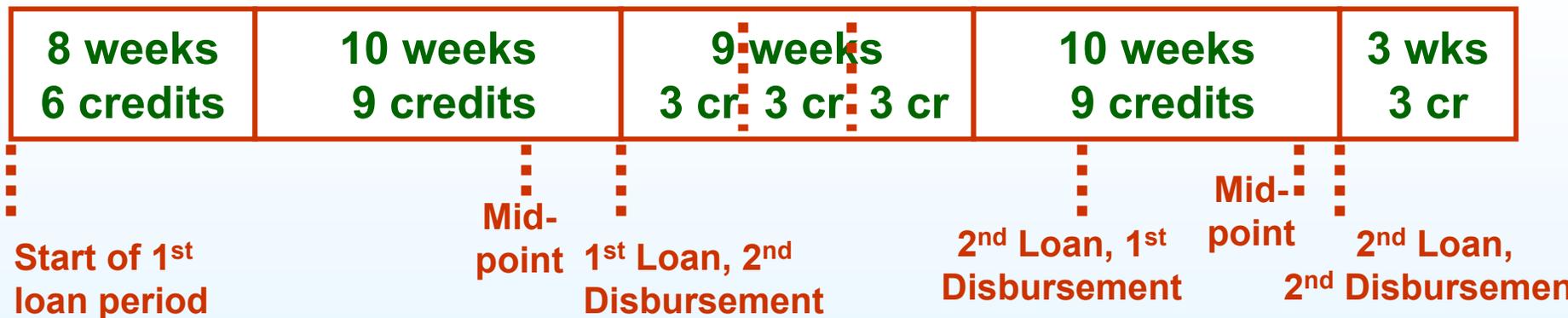
- The second disbursement of the first loan cannot be made until the end of the second term when half the semester hours of the loan period (12 semester hours) have been successfully completed and the loan period calendar midpoint is passed.

### Example – Undergraduate Certificate Program



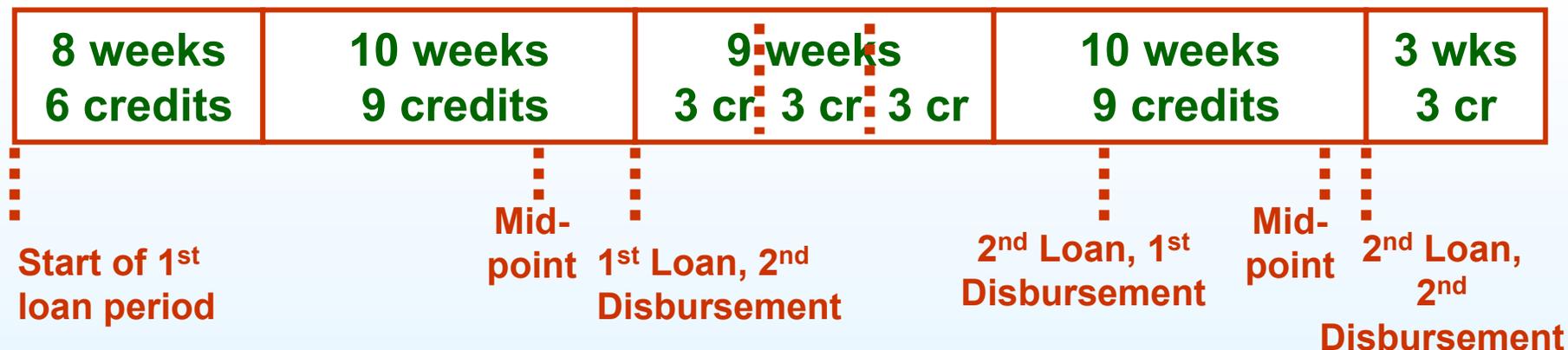
- The second loan would have a first disbursement after the 30<sup>th</sup> week of instructional time. The second disbursement would be made after the student completes 6 additional hours beyond the first loan period and passed the calendar midpoint of the second loan period.

### Example – Undergraduate Certificate Program



- Costs to be included in loan periods depends on whether the school charged up-front or by term.
- In Option 3, if costs are by the term, then the direct costs that are charged in the loan period include the fourth term but not the fifth term in the 1st loan period. The indirect costs for the 1st loan period would be those through the 30th week.
- If the institution charged up-front, all those costs would be in the first loan period with the indirect costs being through the 30th week for the first loan.

### Example – Undergraduate Certificate Program



- By using the minimum allowed defined academic year, both Pell payments for a payment period and loan amounts are increased.
- This option creates complications in other aspects of program administration such as return of Title IV.

# Additional Case #7

## Points Illustrated

- Program less than an academic year in length
- Determination of weeks for most full-time students to complete the hours in the program
- Proration of maximum loan amount

# Additional Case #7

28 quarter hours  
28 weeks of instructional time

- An undergraduate certificate program.
- The program is not self-paced.
- Students earn 28 quarter hours over 28 weeks of instructional time.

# Additional Case #7

28 semester hours  
28 weeks of instructional time

- **Academic year = 36 quarter hours and 30 weeks of instructional time**
- **Full-time = 36 quarter hours over 30 weeks of instructional time**

# Additional Case #7

<b>14 hours</b> <b>14 weeks</b>	<b>14 hours</b> <b>14 weeks</b>
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- **Payment periods = 14 quarter hours and 14 weeks of instructional time**

14 hours 14 weeks	14 hours 14 weeks
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- **Formula 4 for Pell payment for a payment period calculation**
- **Student with a Scheduled Award of \$4,000**

14 hours 14 weeks	14 hours 14 weeks
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- For Pell full-time students are completing the hours in the program in 24 weeks of instructional time.

$$28/36 \times 30 = 23.33 \text{ (round up any fraction)}$$

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

14 hours 14 weeks	14 hours 14 weeks
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- Payment for a payment period calculation for each payment period in the program

### Step 1

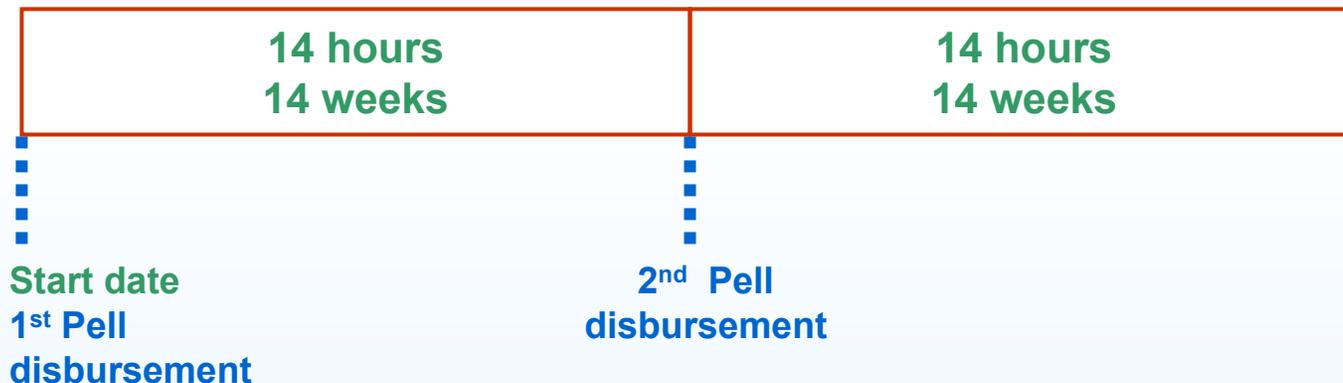
$$\text{Scheduled Award} = \$4,000$$

### Step 2

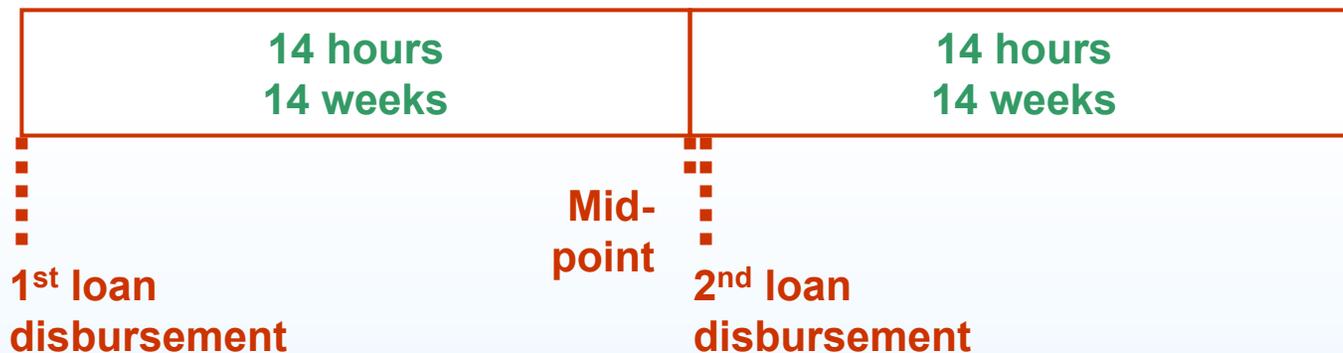
$$\frac{24}{30} \times \$4,000 = \$3,200$$

### Step 3

$$\frac{14}{36} \times \$3,200 = \$1,244$$

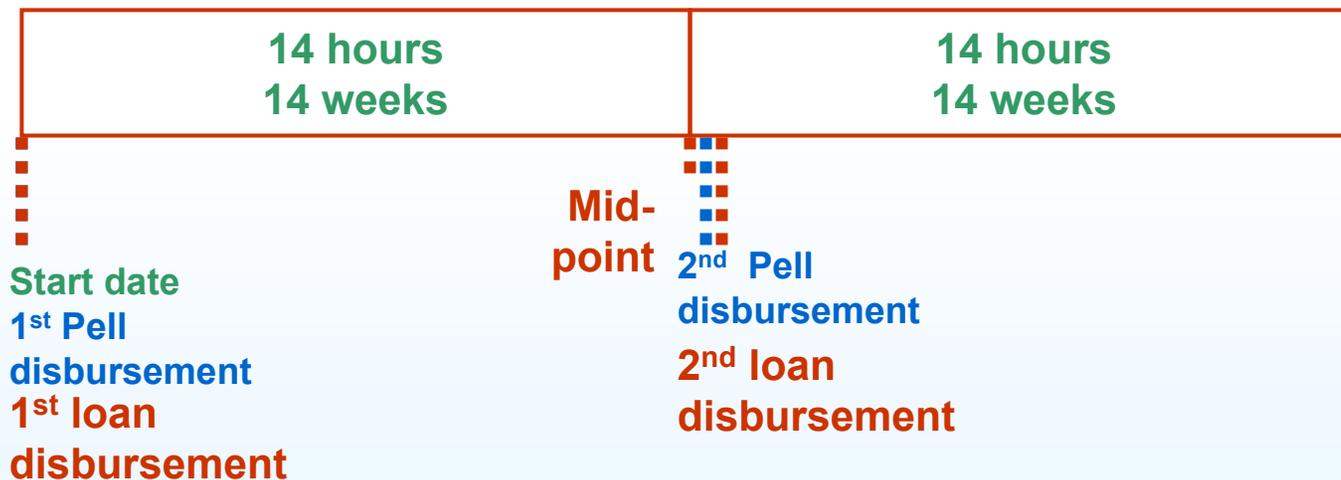


- The student receives two Pell disbursements that total \$2,488 out of a \$4,000 Scheduled Award.



- The loan period is for the program which is less than an academic year in length.
- The institution must prorate the loan limit for the loan by 28/36, the lesser of
  - wks in program (28)/wks in ac yr (30)
  - or
  - hrs in program (28)/hrs in ac yr (36)

## Pell and Loans



- Pell and loan disbursements coincide.