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FOR MINI-TERMS/MODULES

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Changing Patterns in Education

- **Short term and sequential course enrollment**
- **Courses are now often offered in modules (usually 1- 8 weeks in length)**
- **Programs are designed such that these modules-**
  - **compose an entire program; or**
  - **are offered in conjunction with other full-term length courses.**

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Changing Patterns in Education

- Overlapping terms
- Courses that begin in one term and end in another term
- Greater flexibility for schools generally

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The Department permits, but does not require, schools to combine a series of mini-sessions or modules into a single term.

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General Rule

When mini-terms or modules occur within a standard term, the general Title IV rules regarding standard terms apply.

Common Term Configurations

Example 1. **A series of mini-terms/modules within a standard sixteen-week term.**

Semester-Sixteen Weeks			
Module I- Four Weeks	Module II- Four Weeks	Module III- Four Weeks	Module IV- Four Weeks
Module 1 Eight Weeks		Module 2 Eight Weeks	

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Term Configurations

Example 2. **A standard term that runs concurrently with several mini-terms that overlap.**

Semester-Sixteen Weeks		
Module I- Five Weeks	Module II- Five Weeks	Module III- Five Weeks

Module IV- Beginning at Four Weeks

Module V- Four Weeks

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Term Configurations

Example 3.

A standard term that runs simultaneously with three modules; one that begins and/or one that ends after the start and end dates of the standard term. (As long as that period does not greatly exceed the duration of the standard term.)

	Semester-Sixteen Weeks	
Module I- Six Weeks	Module II- Six Weeks	Module III-Six Weeks

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<u>Principle I</u>

An institution that uses a standard academic term calendar (semesters, trimesters, or quarters) <u>must</u> comply with the requirement for determining a period of enrollment for which the student has been charged, and the timely determination of withdrawal, based on the institution’s standard term even if the institution offers classes in separate modules throughout the standard term.

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Principle I

Example: Student enrolls in 3 of 4 modules.

- Adjust the COA downward to reflect the costs of the actual period of enrollment.

- If module of non-enrollment is the first or last module, do not include that module in the loan period.

Principle II

If the student withdraws or drops out after completing at least one course in one or more modules for which the student was awarded credit in any of the examples above, the student is not considered to have withdrawn and return to Title IV funds calculation is not required. This mirrors the situation in a traditional term-based program where a student takes courses concurrently, if the student completes one course but drops all others, the student would not be considered a withdrawal.

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<u>Principle II</u>

How do you treat this student?

- This is a change in enrollment status

- It is <u>not</u> a withdrawal

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<u>Principle II-</u>continued

- **FFELP/DL: If the change in enrollment status was to less than half-time, subsequent disbursements may <u>not</u> be made**

Lender and NSLDS should be notified and student begins grace period

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Principle III

If a student withdraws or drops out without completing at least one course in a module, the student must be considered to have withdrawn and a return of Title IV funds calculation is required.

(Student begins but does not complete at least one of the courses and has not earned any credit at the time of ceasing enrollment.)

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Principle III

How do you treat this student?

- Status- Withdrawn (not a change in enrollment.)
- FFELP/DL- Student has established eligibility by beginning attendance.
- Return of Title IV calculation required.

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Principle IV

The period for which the student has been charged is the period of time that includes all of the modules that the student registered for, enrolled in, otherwise was scheduled to attend, beginning with the module that included the student's first day of attendance for the semester. Module starts prior to the start of the standard term.

(illustrated by example 3)

Principle IV

How do you treat this student?

Loan period begins on the first day of scheduled attendance, that is, the first day of the module.

Principle V

For purposes of determining when a first disbursement of a loan may be made, the actual first day of expected attendance should be used.

This may not correspond to the first day of semester.

(Illustrated by example 3)

Principle V

How do you treat this student?

FFELP/DL-

Prior borrower- Disburse 10 days before student actually starts attendance.

New borrower- 30 day clock begins ticking on the day the student actually begins attendance.

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Principle VI

When a student is not enrolled in all the modules in a term, the second disbursement of a FFELP or Direct Loan may not be made until the mid-point is reached when the student is actually enrolled and in attendance.

(illustrated by example 1)

How do you treat a student enrolled in modules one and four?

Second Disbursement may not be made until the start of the fourth module when the student is actually enrolled, though the mid-point of the term is the start of module three.

Description--

- Two or more modules within a term.
- Courses are sequential rather than concurrent.
- Modules may overlap.
- Enrollment can begin at the beginning of any of the modules.
- Students may skip one or more modules within the term.

Enrollment Status--

- **Combine enrollment from all modules within term.**
- **Students must begin attendance in all credits, or re-calculation rules apply.**

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Use earliest attendance for first disbursement.

- **Payment period begins with the module which included the student's first day of attendance for the term.**

- **COA excludes periods of non-attendance.**

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Return of Title IV Aid--

- **Leave after completing at least one course in one module is not a withdrawal and the Return of Title IV regulations do not apply.**
- **Leave before completing a course in at least one module is a withdrawal and the Return of Title IV regulations apply.**

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FOR CROSSOVER PERIODS

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WHAT IS A CROSSOVER PERIOD?

In awarding financial aid, crossover periods are periods that overlap two award years.

An award year begins on July 1st of one year and ends on June 30th of the following year.
(34 CFR 600.2)

A CROSSOVER PERIOD REFERS TO:

A "payment period" for the Federal Pell Grant, Federal Perkins Loan and FSEOG Programs.

An "award period" for the Federal Work Study Program.

A "loan period" for the Federal Direct Loan and the Federal Family Education Loan (FFEL) Program.

CROSSOVER PERIODS AT A TERM-BASED SCHOOL ARE, GENERALLY:

Summer sessions or several mini-sessions combined into a single term.

Or

Loan periods that combine spring/summer or summer/fall terms.

SELECTING AWARD YEAR (AY) EXPECTED FAMILY CONTRIBUTION (EFC) FOR CROSSOVER PERIODS

School may choose AY EFC with two exceptions:

- **When awarding FWS to a student not attending classes**
- **When six months of Pell Grant recipient's Payment period falls into one award year (34 CFR 690.64)**

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AWARD YEAR EFC FOR CROSSOVER PERIODS

For award year selected, school must have official EFC calculated by Department of Education's central processing system (CPS).

For award year selected for Federal Pell Grant Program, the student must have valid Student Aid Report (SAR) or Institutional Student Information Record (ISIR).

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AWARDING FWS STUDENTS NOT ATTENDING CLASSES IN A CROSSOVER PERIOD

Use COA and EFC for upcoming scheduled period of enrollment to establish eligibility.

FWS earnings are included as a resource and estimated financial assistance for student's upcoming period of enrollment (34 CFR 675.25(b)).

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AWARD YEAR EFC FOR CROSSOVER PERIODS

Schools may choose award year EFC on a student-by-student basis or use one award year EFC for all students.

Schools must use same award year EFC to determine eligibility for Perkins, FWS, FSEOG, Direct Loan and FFEL Program crossover periods.

Schools may use either award year EFC to determine eligibility for Pell Grants.

AWARD YEAR FUNDING AND AWARD YEAR EFC

FWS, Perkins and FSEOG awards do not have to be funded from same award year's allocation that EFC represents.

Under FWS, award year from which wages are paid depends on award year when wages are earned. (34 CFR 675.16)

For FISAP reporting purposes, a Perkins Loan advance is reported in the award year in which it is made.

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AWARD YEAR FUNDING AND AWARD YEAR EFC (cont.)

Federal Pell Grants must be paid from the same award year as the award year of the EFC.

Issue of award year funding not applicable to Federal Direct and FFEL Programs because annual loan limit is driving factor.

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FSEOG PRIORITY AWARDING REQUIREMENTS AND CROSSOVER PERIODS

FSEOG priority awarding requirements in 34 CFR 676.10

Student satisfies FSEOG priority awarding requirements for summer crossover regardless of which award year Pell funds are attributed to if:

Student receives a Pell Grant for summer crossover

or

Student will receive a Pell Grant in award year to which summer crossover is attributed for Pell Grant purposes.

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AWARD YEAR EFC FOR CROSSOVER PERIODS AND ANNUAL LOAN LIMITS IN TERM-BASED PROGRAMS

Selecting award year EFC is independent of determining annual Direct Loan and FFEL Program loan limits:

- **Dear Colleague GEN-94-41**
- **Dear Colleague GEN-97-3**

Loan limits in non-term programs based on student's progression in the program.

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BASIC TITLE IV AWARDING REQUIREMENTS FOR CROSSOVER PERIODS FOR THE FEDERAL PELL GRANT, CAMPUS-BASED, DIRECT LOAN AND FFEL PROGRAMS					
Program Name	**Choice of the award year (AY) EFC?**	**Must same AY EFC be used for all students?**	**Must same AY EFC be used to award a student other aid?**	**Must available AY funds be same as the AY EFC?**	**Choice of academic year annual loan limit regardless of AY EFC?**
Federal Pell Grant	Yes[1]	No	No	Yes	Not Applicable
Federal Perkins Loan	Yes	No	Yes, except Federal Pell Grant	No	Yes[2]
FWS	Yes, if student attending classes[3]	No	Yes, except Federal Pell Grant	No, disbursement from AY in which hours were worked	Not Applicable
FSEOG	Yes	No	Yes, except Federal Pell Grant	No	Not Applicable
Direct Loan	Yes	No	Yes, except Federal Pell Grant	No[4]	Yes, for term-based programs[5]
FFEL	Yes	No	Yes, except Federal Pell Grant	Not Applicable	Yes, for term-based programs[5]
NOTE: For the award year selected, the student must have an official EFC calculated by CPS and for a Federal Pell Grant, the student must have a valid SAR or ISIR.					

1 If more than 6 months of the crossover payment period falls within one award year, that payment period must be placed in that award year and the school must use that AY's EFC.

2 Annual loan limit applies to award year, not to academic year.

3 If the student is not attending classes for the crossover period, the school must use the EFC that applies to the next period of enrollment and the net earnings apply to the student's need for that next period.

4 Note that Direct Loans must be reconciled by Program Year regardless of which EFC is used.

5 Choice of academic year annual loan limit does not apply to non-term programs.

CALCULATING EFCs FOR PERIODS GREATER THAN 9 MONTHS

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- 1998 HEA Amendments modified the calculation of EFCs, including student contributions for periods greater than (>) 9 months
- Although ED has not issued official guidance on this issue, NASFAA, in consultation with ED, issued guidance in a document posted on NASFAA's website August 8, 2000
- On May 9, 2001, ED issued Electronic Announcement on IFAP clarifying that schools may continue to use this NASFAA guidance or their own reasonable interpretation of the statutory requirements

- Schools have options when determining EFC for periods of enrollment greater than 9 months
  - use alternate EFC calculated by CPS
  - use NASFAA guidance
  - use reasonable interpretation of statutory requirements

- For dependent or independent **student contribution**, the statute specifically addresses adjusting EFC downward for periods of enrollment less than 9 months, but statute is silent for periods of enrollment greater than 9 months
- Statute does address adjusting **parent contribution** for all periods of enrollment (less than & greater than 9 months)
  - IPA assumes student not in household for 9 months
  - When enrolled greater than 9 months, formula accounts for the student being out of the household for more than 9 months

- ED is prohibited from promulgating regulations on need analysis provisions, except to update certain tables in the formula for calculating EFCs
- Because there are alternate EFC calculations for periods greater than 9 months, schools are encouraged to package for the entire period of enrollment when the student is attending greater than 9 months at that school
  - Example: If student will be enrolled for 9-month fall and spring semesters, then the 3-month summer term, school may package for all 12 months using alternate 12-month EFC
    - use COA and resources/EFA for all 12 months

NASFAA issued two approaches to address situations where student enrolled for periods greater than 9 months and school does not package for the entire enrollment period

– **Subtraction Approach**
  - Most reasonably suited for dependent students
  - Subtracts EFC representing months already enrolled from EFC representing total months enrolled in the entire year; difference is EFC for remaining (e.g., summer) period

– **Monthly Share Approach**
  - Most reasonably suited for independent students
  - Distributes the total EFC over the student’s entire enrollment period for the year

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Take EFC representing total enrollment for year (12 months), subtract EFC representing period already attended (9 months). Difference is EFC for remaining period of enrollment*

9425 - 9026 = 399

* always use 9-month EFC for Pell eligibility, which is 9026 for this example

3-month EFC	3179
9-month EFC	9026
12-month EFC	9425

Student transfers in for 3-month summer term after enrolled 9-month fall and spring semesters

- Divide EFC representing total enrollment for year (11 mos.), by the number of months (11) to get monthly share of EFC. Multiply that figure by period of enrollment.*
- 1800/11 = 164
- 164 x 9 = 1476
- 164 x 2 = 328

* always use 9-month EFC for Pell eligibility, which is 1800 for this example

2-month EFC	400
9-month EFC	1800
11-month EFC	1800

Student attends 2-month summer term after enrolled for 9-month fall and spring semesters

Remember:

– No matter what approach you use to package a student who, during an award year, is enrolled for greater than 9 months, you must always use the official 9-month EFC calculated by the CPS to determine Federal Pell Grant award amounts

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