Arizona State University	Because of the high completion rate of graduating students, the risk of providing additional funds to undeserving individuals is low. As Arizona State University's data reflects, only 28 non-prorated students did not complete the term for which the non-prorated loan was awarded. There are moderate per-borrower savings associated administrative time and cost benefits that accompany foregoing proration. These savings offer additional incentives to discontinue the practice of prorating loans for graduating students.
Boise State University	We had no students who received these un-prorated loans withdraw this year. We feel this is a very successful experiment because students don't take extra classes to increase their loans, yet they don't drop out either.
Boston University	Our assertion was that students who attend only one semester and wish to graduate at the end of the term generally do not withdraw. This was proven through our experiment as only 88 out of 948 (9.3%) single-term students who would have been subject to loan proration in their graduating term actually withdrew. In each of these 88 cases, the loans were canceled prior to disbursement; therefore no loan funds needed to be returned.
Clark College	This is the second year that the number of withdrawals for students who would have had prorated loans is zero. Over 60% of the students actually graduated as well. The number of withdrawals each year in this group has been less than four borrowers since we began this experiment. The number of borrowers who would have required proration has been less than 50 each year. In light of this data, the administrative burden would seem to outweigh the prevention of a small percentage of students borrowing more money.
Colorado State University	This student population has a higher rate of completion than the general overall student population. Students enrolled in their last semester seldom drop out and are less likely to default because they did graduate. Applying this regulation for graduating students is challenging. It is difficult to systematically tell who will be graduating before the semester begins in order to prorate their loans. Some students apply for graduation late in the semester after funds are disbursed. Once we determine who is graduating, then we need to prorate their loan based on the credits for which they are enrolled and these credits fluctuate until the end of the drop/add period. This is a manual time-consuming process. Then after the proration is done, we would begin figuring ways to provide other aid to the student who has had a loan reduced because they have the need or they would not have received a larger loan in the first place. Assisting graduating students is a high priority; and we would make unusual efforts to help a student this close to graduation realize their goal. In summary, it is a lot of work that we have saved by implementing this experiment. The savings provided by this regulation is minute in a total loan program of more than $71 million at Colorado State University. And this savings actually accomplished nothing in terms of preventing withdrawals or lowering default rates, because these students stay enrolled. Nothing indicates that withholding a portion of the loan in their final semester would have prevented defaults. This regulation provides no benefit to students or taxpayers; it actually may hamper a student's ability to graduate. This regulation only served to withhold funds from students who needed them and would be likely to repay. Enforcing a modified version of this regulation not only saved work in the Financial Aid Office, it was a benefit to the students at Colorado State University and also to the taxpayers. It provided funds needed by students to complete the term and to receive a degree so they could obtain jobs and begin repaying their loans.
George Mason University	As the results of our experiment clearly show, students who receive non-prorated loans in their final non-full-year term are no less likely to complete the term successfully and/or graduate than are students who receive prorated loans. By not prorating the loans for students that needed more money in their final term, we were able to keep the borrowing of Unsubsidized funds lower and were able to preclude most students from having to pursue more costly funding options like private loans and/or credit cards.
Harvard University	This experiment is very good for us. I used to spend much time trying to estimate in advance which students would complete their programs and therefore require loan proration. In addition I spent much time trying to help students manage without the loan funds that they needed or to find the money from other sources. Since this estimation process was not always accurate in its predictions, some students would have their loans prorated more than one semester because of a changed enrollment status. It is rare that our students withdraw during their final semester so that this loan proration was much too much work for no return. The regulatory relief we have received from this experiment has been very helpful and timesaving.
Holy Cross College	Being able to treat all students and all loans in the same manner does simplify workflow, and eliminates a potential source for error.

Idaho State University	Students who are in their final semester are most likely to complete their education and need the funds to complete their program. To restrict the ability to borrow might cause harm and may prevent to student to meet goal.
Indiana University - Bloomington	The institution's withdrawal rate for students in this experiment has not been significantly affected by the absence of loan pro-ration. Increased loan amounts did not result in an increased rate of withdrawal. Ninety nine per cent of the students in this experiment completed the term, whether or not they graduated at the end of the term. If the principle governing the loan pro-ration regulation is that students have fewer costs or need to borrow less as they near graduation, our experiment would indicate that principle to be unfounded. Note: Since reduced loan amounts may be due to factors other than loan pro-ration (e.g., lower costs, lower requested borrowing amounts, or Borrower-Based Academic Year), it is not possible to identify loan amounts that might have been subject to loan pro-ration, had we applied the regulation. Therefore we reported that all students in their final term would have been subject to loan pro-ration. Students in this experiment borrowed at total of $1,702,385.
Indiana University - South Bend	Student who withdrew did receive funds but the amount was less than what they would have received if it were prorated.
Indiana University -Purdue University Indianapolis	Loan proration is very difficult to explain to students, and to incorporate into our automated loan processing system. Because the number is such a small percentage of our undergraduate population we feel that those with unprorated loans are within an acceptable tolerance.
Iowa State University	This experiment has consistently proven that students who intend to graduate complete their final term of enrollment. While numbers for this experiment are exceptional in that no one withdrew from the experiment, previous years have indicated even in the event of a withdrawal, the numbers are extremely low and the monetary risk is small.
Johns Hopkins University	One hundred percent of the graduating students who received one-term non-prorated loans completed the term. Ninth semester borrowers benefited greatly from our exemption from the regulation. After completing four years of academic work, it would be unjust to deny these students the loan funds needed to complete their education. Students who graduate are less likely to default than those who do not. Some seventh semester seniors can also benefit from our exemption. Those seniors wishing to limit their expense by completing school a semester earlier are able to meet the additional cost associated with a maximum credit load through non-prorated loans. These students generally do not default. This experiment has produced the desired outcome.
Kansas State University	The legislative change allowing proration is very appropriate since very few students at the level of graduation withdraw. Students are more apt to complete graduation if they can have access to the maximum amount of loan funds, and therefore not have to worry about finances.
Kent State University	Number 2 includes all students for the entire year that graduated with loans. Question 3 deals specifically with those that would have been subject to loan proration. Of the 373 students, no students withdrew, only 5 fell below 6 hours some point in the semester. This experiment continues to demonstrate the trend that graduating borrowers are very unlikely to withdraw so close to completing their degree. In addition, by eliminating this regulation, staff is able on a case-by-case basis to allow students the opportunity to receive need-based loan funds at a time when they have added expenses of job hunting, clothing for interviews.
Massachusetts Institute Of Technology	Elimination of loan proration at MIT provides graduating borrowers with access to federal financial aid with no increased risk to the federal government.
Michigan State University	Ninety-five percent of the borrowers who applied for graduation for fall semester 2000 obtained a degree. The waiver from mandatory Direct Loan proration for graduating students allowed these students to maximize their loan eligibility as needed in their final semester as an undergraduate.
Minnesota State University Moorhead	The results were as we expected; of 178 subject to proration, only 3 did not graduate. This continues to support the results we have seen in the past five years of this initiative. Proration of loans for graduating students in their last term does not make them more likely to complete their program. On the contrary, it provides a disincentive in that many students are not properly funded in their last term and may drop classes in favor of increased work hours to maintain financial health. For that reason as well as due to the continued favorable results of this initiative, we hope to see regulatory relief on this issue soon.

Montana State University - Northern	Northern continues to have no instances of graduating non-prorated recipients withdrawing or not finishing.
Montana State University -Bozeman	The number of students withdrawing before end of term who would have been subject to loan proration in their graduating term is not significant.
New York University	In our years of participation with this particular experiment, we have not seen any negative impact of suspending proration for this population.
Northern Arizona University	This will be my first experience as the Experimental Sites Coordinator. I was assigned QA Coordinator last year and have been absorbing the duties previously assigned to others. I met with the previous Coordinator and although I was unable to obtain actual figures for labor hours and cost savings, what came of my inquiries was the estimates would be quite substantial. But more important than our own cost and hourly savings was the needs of the students are better met. By not prorating and awarding the students their eligibility based on the semester cost, we are better serving our customer and certainly making life easier for all of us!
Oklahoma State University	Of the students scheduled to graduate, approximately 35% of those students would have been subject to proration at an administrative cost of approximately $7000, more importantly increased manpower hours of approximately 174 hours. Of those students subject to proration, approximately 94% graduated. By prorating loans, approximately 32% of the students graduating would not be receiving the maximum eligibility that he/she is entitled to receive based on his/her cost of attendance.
Pennsylvania State University	1) The percent of students receiving non-prorated loans and withdrawing has not increased as measured against the benchmark year, Fall, 1995 when 2.39% of those intending to graduate withdrew. For Fall, 2000 less than 1% withdrew. 2) Studies show that students who graduate are more likely to repay their student loans. Some students may need a little extra money during their last semester. Students from Pennsylvania in particular are limited to 8 semesters of state grant. The ability to provide these students with extra loan funds for a "9th semester" needed to graduate is a big help for students from low -income families.
Portland State University	I think that the results here speak for themselves. The vast majority of seniors are so close to their graduation goal that something unplanned has to happen to keep them from their graduation. Clearly, students who end their programs of study before the traditional spring quarter, should not be penalized--the net effect of the proration requirement. The new Return of Title IV Funds methodology plays a part in this data. Only one of the students who withdrew actually withdrew early enough to have unearned funds returned.
San Diego State University	The results of this experiment show that the time, effort and administrative cost put into prorating loans at SDSU is not an effective use of resources. Only one student out of 119 did not graduate and that student withdrew after the 60% point in the term, so no funds were returned to the Title IV programs. Although students do borrow amounts greater than would be allowed under proration, the vast majority (over 99%) in this experiment graduated. National profiles prove that students with degrees are much less likely to default on their loan obligations.
Southern Illinois University - Carbondale	Limiting the amount borrowed to no more than one-half of the borrower's annual loan limit for student's with one term of enrollment provides a standardized method of proration that is more understandable to the student and more efficient for the Financial Aid Office. It also simplifies the process if, in fact, the student does not graduate and/or returns for another term.
Southern Illinois University - Edwardsville	Based on the data for our students, this is a nonsense requirement for a traditional, four-year public university. The undergraduates who are scheduled to graduate do so at a very high rate. Reducing their resources in their last term of attendance is negative and unnecessary.

Southwest Missouri State University	This experiment reduces a significant burden at several times during the financial aid application process. First, there are challenges with identifying mid year graduates at the time packaging occurs. Once they are identified, then loan eligibility is determined based on enrollment---which can and does change several times before disbursement. Therefore, the amount packaged and the amount eventually disbursed can be very different. Also, students who are completing their final requirements for graduation are most likely to repay their loans. The impact of one semester of additional borrowing is negligible. Lastly, proration would be required for less than 3% of our borrowers annually, so holding them to a different set of rules is unnecessarily burdensome.
Stony Brook University	After monitoring this experiment for five years, and with completion rates as high as they have been it is our belief that the graduating student is borrowing the money they need in order to complete their studies. It appears that proration for a graduating student is not providing a service to the federal government, the institution or the student.
Texas A&M University	We believe that this experiment supports the theory that proration of loans creates more administrative burden costs than could be possibly lost due to non-completion of study. Texas A&M supports this program and would recommend that it be incorporated for institutions with low default rates in the next reauthorization.
University of Arizona	This year, 253 students benefited from the suspension of the rules. At UA, this typically results in students benefiting from receiving a higher proportion of subsidized loans rather than increasing the total loan received. Our finding that none of these students withdrew, demonstrates that 602.204 only provides a disincentive for early graduation. There are no savings because if these students had taken an additional semester to graduate, they would have received the same amount of subsidized loan and additional unsubsidized loan. This justifies allowing students to borrow according to their needs during their last semester. Students who ended up not graduating at the end of the fall semester would have had their eligibility reduced during the second semester.
University of California - Santa Cruz	Allowing students to borrow as much as they need and are eligible to receive in a particular term works very well. It affords students the opportunity to complete their educational program with less financial stress than they might otherwise endure. It reduces the need to work more hours to pay expenses that are not covered by financial aid and therefore ensures more time to focus on their degree objective. This practice works very well.
University of California - Los Angeles	The loan proration experiment allowed us to issue loans for the full amount to graduating borrowers up to need, thus eliminating the need for special proration calculations. The withdrawal and completion rate of our students affected by this experiment has remained constant with no real significant change.
University Of California - Riverside	UCR had 801 graduating seniors awarded Federal Direct Stafford Loans. Of these, 226 students, or 28%, were potentially subject to loan proration due to attendance for only one or two quarters of the academic year. A total of 5 seniors withdrew at any time during the year. 2 withdrew during the fall quarter during which term they did not have any Stafford Loan funds. Both readmitted during the academic year, received loans for the terms they did attend, and ultimately graduated. One student withdrew during the winter quarter, had loan funds returned under the R2T4 calculation, then readmitted within the same term and had her loan funds reinstated, and graduated at the end of the term. 1 student withdrew prior to the 60% point in the term and had a total of $820 returned to the Federal Direct Stafford Loan program under the R2T4 calculation, readmitted the following quarter, and graduated at the end of the academic year. The remaining borrower withdrew after the 60% point in the term spring quarter, and so no federal funds were returned to the Direct Loan program. He returned for the summer and graduated at the end of Summer Session. Therefore, 224 of the 226 borrowers completed the full period for which their loans were initially made and graduated. The 2 who did not attend the full period re-enrolled and graduated in a subsequent quarter. Clearly this group of students was not prone to withdrawal. The average amount borrowed by these students was $3,116, which was less than the annual maximum amount available to a senior level student. We believe that the amounts borrowed were appropriate based on the students' cost of attendance for the period they were enrolled.
University Of Colorado - Boulder	The only student who withdrew was beyond the 60% limit and had earned all aid disbursed. We experienced some confusion in defining non-prorated and prorated. We have defined non-prorated as that group which received more than 1/2 of the term limit while being only enrolled in a maximum of 12 hours. We show a high graduation rate and a very low withdrawal rate between both groups. We concluded from the results that most students scheduled to graduate in the fall tend to do so. Those graduating in the Spring and/or Summer as a single term seem less likely to finish in the one term. These students do complete the term but don't graduate in that particular term in which loan funds have been increased.

University Of Evansville	Overall, we have seen minimal negative effects as a result of not prorating loans for students who are graduating and attending only one semester out of the academic year. During the 2000-2001 academic year, only one student who fit into this category withdrew. This relief from regulation most benefited the students. In cases where the student needed an extra, a ninth, semester of study oftentimes other forms of financial aid that the student had for the previous semesters are not available. This extra term is the semester the student needs more loan money than ever before. The necessity of prorating a loan for these types of students created a hardship for them, and often they were forced to seek assistance from a private non-federal loan program. Being able to certify Stafford Loans based on need, even if students enrolled for one semester only, helped to alleviate that problem.
University Of Florida	The results of this experiment support our hypothesis. Over 99% of the students either graduated or completed the term. The two students who did withdraw re-enrolled in a subsequent term. The results demonstrate that students were highly successful in achieving their academic goals with no negative impact on federal funds.
University Of Idaho	Students had a need for the funds to help them meet their costs and graduate. Getting the necessary funds their senior year is important to complete the term. Students did not withdraw from classes.
University Of Illinois - Chicago	For the 2000-01 year, close to half of the graduating students whose loans would have been pro-rated, were able to receive a loan amount that was based on their actual need rather than a 'formula.' While the number of students who received this benefit is small in comparison to the number of students who borrowed loan funds (approximately 3%), those who received the non-prorated loans were able to complete their degree relatively free from financial concerns.
University Of Illinois - Urbana/Champaign	This experiment allowed students to obtain the necessary funds to complete the required courses and graduate mid way through an academic year and enter the job market with a degree.
University Of Indianapolis	As all students who were subject to loan proration graduated, the requirement to prorate loans for borrowers in their last semester of attendance has no relevance in terms of safeguarding federal funds. The elimination of this requirement under the experimental site initiative relieved the University of the responsibility of 54 calculations designed to reduce loan funds going to student's who needed those funds to complete their education so that they could secure employment to repay their debt.
University Of Kansas	This is the one group in all the experiments this year in which more unsubsidized loans than subsidized loans were originated. We originated 38 subsidized and 40 unsubsided loans for this group, totaling $252,977, or an average of $4,016 combined total per borrower. As with last year, withdrawal is not an issue with this group - and shouldn't be, considering that most intend to graduate at the end of the fall semester. In the past, we have argued that this has been a burdensome requirement for a small number of our seniors and graduate students who graduate in December and has forced them to borrow more expensive unsubsidized loans to make up for the reductions in subsidized loans required by the proration rules. This year, however, the borrowing pattern of these students goes against that logic. Still, these students have just as many expenses for that fall semester as students who are here for the entire academic year and should be able to receive the maximum subsidized benefit possible before needing to turn to unsubsidized aid. There continue to be few students affected by the rule and until this year, all who have received relief in the past have completed the semester. This year, one person withdrew. We feel that this experiment costs the taxpayer very little and benefits the student borrowers.
University Of Maryland	The University of Maryland has found this experiment to be very successful and beneficial to students. It allows graduating students the opportunity to fully utilize federal aid programs to finance their final term of study. Administratively, this experiment reduces the counseling requirements for students in this population since they are less likely to pursue alternative funding sources, such as private loans. The university continues to improve its efforts to identify graduating students to better inform them of their financing options. We anticipate using data available in university computer systems to identify December graduates.

University Of Michigan	Proration does not affect a significant number of borrowers but it is a difficult concept and process to explain to borrowers and staff to provide effective training so that it can be correctly implemented and it is not a process that can be effectively automated. Withdrawal rates for this population are very low and the impact would not warrant the cost of implementing this requirement.
University Of Minnesota	The University of Minnesota discontinued the process of prorating loans for students in the fall of 1995 and has continued not prorating loans since the beginning of the Experimental Site Project. We continue to follow our current packaging policy. This includes revising a student's cost of attendance budget to one term if they plan to graduate before the end of the academic year. The EFC and awards are adjusted so the student is not over awarded. By allowing the student to borrower up to the annual limit in Direct Loans, without going over the cost of attendance, reduces the chance of students having to borrow from other loan programs. It also reduces the administrative burden on the student and the institution.
University Of Missouri - Columbia	It is clear from the data that there was little risk in offering MU students non-prorated loans in their graduating term. Only 30% of the students in their graduating term requested additional funding (above what would have been the prorated amount) and none of them withdrew.
University Of Missouri - Kansas City	This has provided excellent relief from administrative burden. There is little purpose served by this for students in a traditional institution such as ours.
University of North Carolina - Greensboro	The conclusion for this experiment is that student's that would have had to have their loans prorated do not constitute a large number of our overall borrowing population. The number of students who are or at the end of their academic studies are less likely to withdraw from school in their last semester. The amount of funds that have to be returned because of withdrawal prior to the 60% benchmark is minimal.
University Of North Carolina - Wilmington	All of the students who received non-prorated loans graduated. Some of these students may not have been able to complete their education due to inadequate funding had their loans been pro-rated. This experiment benefits our students by allowing them to borrow the amount they need up to the maximum allowed. It also benefits our overall student body by reducing administrative burden to the institution.
University Of Notre Dame	Our current administration of the loan proration experiment has proven to be efficient and effective in our management of FFEL dollars for the populations we serve. No statistically significant negative change in enrollment patterns has been observed. The University of Notre Dame has a very traditional student population in that 90% of its students graduate after 4 years of study. By not prorating loans for graduating borrowers, the University allows students to maximize their federal student loan eligibility versus forcing a student to borrow a private loan at a greater expense to the student. The University will continue to not-prorate loans to graduating borrowers to assist students in the financing of their Notre Dame educations.
University Of Oregon	This experiment enables students to plan their finances and at the same time exposes the loan program to little risk. Our experience with this program so far has been successful with very few borrowers actually receiving loans that exceed the prorated amount. Evidence suggests the majority of all participants completed their program of study. Based on this success, we wish to continue to offer this option for our graduating borrowers.

University Of Southern California	USC is committed to meeting the full need of its students. Loans are a critical part of the funds available to students whose own resources and those of their families are less than the cost of a USC education. Students needing only one term in an academic year to complete their programs are often more, not less desirous of finding loan funds to meet the costs of their programs. Students are looking for employment and completing last minute academic requirements and are usually less able to work. The additional loan dollars help them meet their personal and academic goals. We are convinced that limiting the number of different loan sources is as important as limiting the total loan dollars borrowed and avoiding student loan defaults. Allowing students to make full use of their annual Stafford eligibility in their final term of enrollment helps in this regard. The withdrawal rates of these students are extremely low. The statistics presented below reflect no relationship between the amounts borrowed and the number of withdrawals. This experiment meets the needs of our students as well as USC goals to provide funds to students in ways that are efficient for the university. Under C. below, the 2 students who withdrew and incurred loan debt represent only .53% of the total number of students who planned to graduate and had disbursed Stafford Loans in their package. We are convinced that the exemption from loan proration has been beneficial to our students and that the issue of Return of Title IV funds problems is insignificant. We urge that this experiment be incorporated into law and regulation with the next Reauthorization. We are unable to determine administrative savings in work hours or costs. Due to our policy and system limitations we are unable to determine the number of students who received nonprorated loans. However, we believe this number is quite small since it would be limited to the number of students who were packaged for a full year and either graduated or did not return in the spring, those whose need was less than or equal to one half of the loan, or those that chose to borrow less than their packaged loan.
University of Texas - Dallas	No specific group of students was selected at the beginning of the 2000-2001 year to form the two separate groups as identified in the templates once released. For 2001-2002, UTD has selected a group where the one-term loans will be prorated. Historically, what UTD has noted is that if prorating loans during one term is done, based on what methodology of need = cost of education - etc, the end result is placing the student in a situation where borrowing through the Stafford unsubsidized loan would not be an option, but rather the normas less need would be absorbed by the Stafford subsidized loan program.
University Of The Pacific	We continue to see very little difference in these students enrollment patterns or borrowing patterns. For our institution, the typical borrower in this category is a transfer student who might require an extra semester to graduate due to units requirements in the major field. This year's data is representative of the typical outcome. The 25 students were predominately undergraduate, mostly transfer students, most of whom needed an additional semester to complete their programs. Their cumulative borrowing is slightly below our undergraduate average. If proration would have been applied, most of these students would have had to change enrollment patterns to go part time or seek alternative financing options. As indicated, 20 of the 25 were enrolled full time and completed programs at the end of fall semester. The other 5 were full time in the fall and had one remaining course to take in the Spring. Each was enrolled in a 3 or 4 unit course for Spring term (less than 1/2 time - not aid eligible). All five graduated at the completion of Spring. Proration for these students would likely have led to extended attendance, higher debt load through alternative financing, and delayed entry into the job market.
University Of Utah	By not prorating loans we are able to system package based on cost of attendance in a fair and equitable way for all students without discrimination of one class of student. Graduation changes may change due to institution requirements as well as students requests. With this fluctuation it would require constant monitoring, fund transfer and recalculation, increasing administrative costs and delays for the student. This has also reduced the temptation for a student to extend their career by back loading with non-essential classes to maximize their borrowing ability.
University Of Virginia	Students graduating in fall or summer (as a rule) are the students requesting their full loan eligibility. Any residual amounts left from these funds are often used for activities related to graduation or interviews. In this report 41/48 (85%) students graduating in the fall requested their full loan eligibility.
University Of Washington	The high graduation rate of the subject population proves that the proration of loans does not negatively impact enrollment patterns. Instead it seems to indicate that students who receive non-prorated loans, receive enough in loan funds to help them complete their program and graduate successfully.
University Of Wisconsin - Greenbay	We have created a computer data extraction program that captures the information used for the report. The program was written before this template was prepared so I needed to gather data from other sources to complete the template, but I think the data is accurate. Conclusions: The savings in this experiment array themselves in three areas. The first area of benefit, and by far the most significant, is the ability to fully fund students to allow them to graduate. Secondarily, there is some training simplification realized when one maximum amount to award is used and not two. As a result of this simplification we will encounter fewer audit exceptions.

University Of Wisconsin - Stout

Our results confirm that our students graduate, even when their loans are not prorated. Loan proration increases the cost of borrowing for the student, as independent students desiring to take their full loan eligibility must borrow through both the Subsidized and the Unsubsidized Loan, which is more costly. Loan proration increases the workload for the lender and the school because it is more costly to deliver, disburse and service repayment on two loans.

Valparaiso University

This experiment has been a resounding success since very students withdraw from the University, especially in their graduating year. In fact, there hasn't been a single case of a student in this experiment who didn't complete the term for the past six years, before the experiment was in effect. Cost savings isn't much of an issue, since we would process prorated and non-prorated loans in a similar way, but for the student, receiving the funds they need is a big advantage.

Washington State University

As stated in previous reports by our institution, the complexities of proration calculations that were required to be performed on all qualifying students created a large administrative burden and often resulted in confusion to students as well as a delay in receiving their aid. Participating in this experiment eliminated many of the administrative burdens associated with proration thereby allowing better service to students.

Western Washington University

Waiving the loan proration requirement does not bring added risk of increased federal loan defaults. As the table below shows, in 2000-2001, Western had 277 students with federal direct loans where the proration requirement was waived. 276 of these students completed the term for a completion rate of 99.64%. Only one student withdrew from enrollment – a withdrawal rate of 0.36%. This rather high completion rate clearly suggests that waiving the proration requirement is not placing direct loan funds in undue risk of default.

Table – Annual Completion Rate Comparison of Proration Experiment Participants

Year	Total Participants	Completed	% Completed	Withdrawn	% Withdrawn
1996-1997	266	262	98.50%	4	1.50%
1997-1998	237	226	95.36%	11	4.64%
1998-1999	240	239	99.58%	1	0.42%
1999-2000	264	261	98.86%	3	1.14%
2000-2001	277	276	99.64%	1	0.36%

The amount of direct loan funds placed at risk of default from the one student who withdrew from enrollment was approximately $1833. The benefit that students receive from non-proration, while difficult to quantify monetarily, outweighs the added risk of loan default. Under proration, many students suffer reduced aid eligibility that in some cases falls below their cost of attendance. Students experience high anxiety and difficult choices when reduced aid eligibility creates a situation where their cost of attendance cannot be met. Further, the estimated cost of administering the loan proration requirement is approximately $2,770 – loan proration costs more than the direct loan dollars put at risk of potential default.