

## Education Bi-Weekly Update

December 22, 2009

### FAME News

#### FAME Recognized

On December 4, the Maine Development Foundation and its Employers' Initiative recognized FAME along with 13 other organizations for their efforts in supporting employee higher education. The event was held at Mariner's Church Banquet Center in Portland, where John Dorrer, Director of the Center for Workforce Research and Information with the Maine Department of Labor, gave a talk on "Preparing Maine's Workforce for the Future" and discussed the importance of an educated workforce to support Maine's economy.

FAME is among many Maine employers who have committed to take action to support higher education for employees ranging from creating a formal tuition assistance program to encouraging employees to open and contribute to college savings accounts through payroll deduction.



From left to right: Patricia Hart – Maine Development Foundation, Tom Nash – Windham Adult Education, Laurie G. Lachance – Maine Development Foundation, Karen Vigue – Finance Authority of Maine, John Dorrer – Department of Labor, Sandy Matheson – MainePERS, Chuck Gill – Central Maine Healthcare Corp., Peter Russell – Mercy Hospital, Steve Howe – Pratt & Whitney.

#### FAME on Maine Public Broadcasting Network

On December 18 Mila Tappan was a guest panelist on MPBN's radio show, "How to Pay for College." Mila was joined by Gary Weaver, Associate Director of Student Aid at Bowdoin College and Kim Benjamin, Vice President of Operations for Maine Education Services.

Click on the link below to listen:

<http://stream.publicbroadcasting.net/production/mp3/mpbc/local-mpbc-876608.mp3>

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### Upcoming Events

- ◆ The **FAME Office will be closed on December 25, 2009 and January 1, 2010** in observance of the holidays.
- ◆ The **Grant and Scholarship Advisory Committee** is scheduled to meet on **January 7, 2010**.
- ◆ The **Educators for Maine Advisory Committee** is scheduled to meet on **January 20, 2010**.
- ◆ The **FAME Board of Directors** is scheduled to meet on **January 21, 2010**.
- ◆ **College Goal Sunday** is scheduled for **Sunday, January 31, 2010**.

### Ask FAME

**Q:** If a student is admitted to an institution of higher education under a conditional status are they eligible for Federal Student Aid (FSA)?

**Q:** If a student is admitted to an institution of higher education under a conditional status are they eligible for Federal Student Aid (FSA)?

**A:** The US Department of Education states that only a regular student can receive FSA funds and the Department defines “regular student” as a person enrolled in an eligible degree program with the intent of obtaining a degree or certificate.

If a school admits a student under a conditional or provisional acceptance while awaiting further documentation, the student cannot be considered a “regular student” until the school officially accepts that person into an eligible program. However, the Department does not define official acceptance or admission so if a school chooses to create financial aid packages for conditional admits they are allowed to do so, as long as the financial aid isn’t credited to the student’s account until they are officially accepted, as defined by the school.

To view additional information concerning the above question, please proceed to the 2009-2010 Federal Student Aid Handbook, Volume 1, Chapter 1, pages 3-4.

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## State Education Programs

### **IMPORTANT REMINDERS**

Payment Processing for State of Maine Grant Program will be unavailable until the system reopens on **January 4, 2010**. Please be advised that you **will** be able to request **fall and spring** payments when the system reopens in January.

Payment processing for the Educators for Maine Program, Robert C. Byrd Honors Scholarship Program, and GEAR UP Program will not be affected by this shut down and FAME will continue to process payments for these programs.

Please note, that with the release of the new EPIC system, the advance payment option in the State of Maine Grant Program is replaced with earlier access to EPIC for Spring enrollment certification and full payment request functionality. As noted above, EPIC will reopen for State of Maine Grant Programs January 4, 2010; a full two weeks earlier than in past years.

Please call Martha Johnston at 207.620.3539 or Claude Roy at 207.620.3507 if you have any questions.

If you need assistance with the “certify student roster” and/or the “process payment” function, please contact FAME by email [faadmin@famemaine.com](mailto:faadmin@famemaine.com) or by phone 1-800-228-3734.

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## Federal Loan Programs

### ***Common Manual Updates***

At the November 19, 2009 Common Manual Governing Board meeting, eight proposals to modify the Common Manual were approved in one batch. Attached is the common language for the policy changes included in Batches 162.

***Common Manual REMINDER:*** The Integrated Common Manual is available on its own website at [www.commonmanual.org](http://www.commonmanual.org).

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## State Legislative Update

The Maine Legislature will convene for its Second Regular (shorter) Session on Wednesday, January 6, 2010. The state budget and a limited number of “emergency” bills will dominate legislators’ attention for the next four months.

The centerpiece of the session will be a supplemental budget to cut approximately \$400 million from the \$5.8 billion two-year budget that began back in July. Tax revenues from all major sources continue to come in under projections.

Governor Baldacci unveiled his proposed Supplemental Budget on Friday, December 18th. This budget will cut \$400 million from the state budget over the next two years. The budget will also increase the state's minimum wage from \$6.50 to \$7.50 per hour by 2012.

Governor Baldacci unveiled his proposed Supplemental Budget on Friday, December 18th. The proposal would, if accepted by lawmakers, make significant cuts to Maine's education and human services programs. Like most other state departments and agencies, FAME is slated to bear its share of General Fund appropriation cuts. In particular, the Governor's proposal would cut approximately \$500,000 in FY 11 from its student financial assistance programs. The Legislature will consider the Governor's proposed budget when it returns in January. As you may recall, in late November the Governor authorized the curtailment of more than \$63 million from the current budget.

To view the Governor's proposed Supplemental Budget, please visit:

<http://www.maine.gov/budget/>

To follow the proceedings of the Legislature and its various joint standing committees, please visit:

<http://www.maine.gov/legis/schedules.htm>

Finally, FAME is proposing a limited number of technical bills during the Second Session. These include: modifications of FAME statutes to better stagger the terms of its board members and make technical adjustments to the Maine Health Professions Loan Program; and the annual bond cap allocation bill on behalf of all state-level private activity bond issuers. FAME's major substantive bill concerns Recovery Zone bonds. *The American Recovery and Reinvestment Act of 2009* (ARRA) contains provisions for counties to issue private activity or "recovery zone" bonds for economic development purposes. The bill would help FAME and Maine counties play a role in facilitating this low-cost opportunity for financing economic development.

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## Washington D.C. Update

### **FY2010 Education Spending Bill Passed**

On December 13, the U.S. Congress passed the FY2010 Labor, Health and Human Services, and Education spending bill. The bill, which now goes to the President for his signature, will provide level funding for most educational programs. The Pell Grant, TRIO, GEAR UP, Byrd scholarship and student aid administration programs would see modest increases over their 2009 spending levels.

The U.S. Department of Education's spending bill can be viewed at:

[http://docs.house.gov/rules/omni2010/hr3288cr\\_divd\\_txt.pdf](http://docs.house.gov/rules/omni2010/hr3288cr_divd_txt.pdf)

In addition, the National Association of Student Financial Aid Administrators has provided a summary of the Education spending bill which can be viewed at:

<http://nasfaa.org/publications/2009/fy2010approps.html>

### **Higher Education Opportunity Act (HEOA) provisions:**

#### **Did you know...?**

That the HEOA has added provisions concerning on-campus student housing that requires all Title IV eligible institutions to publish an annual fire safety report that contains the following:

- Statistics for each on-campus student housing facility during the most recent calendar years for which data is available concerning the following categories;
  - The number of fires and the cause of each fire;
  - The number of injuries related to a fire that result in medical treatment;
  - The number of deaths related to a fire; and
  - The value of property damage caused by a fire.
- A description of each on-campus student housing facility's fire safety and sprinkler system;
- The number of regular mandatory supervised fire drills;
- Policies and rules concerning electrical appliances, smoking, open flames, procedures for evacuation, and fire education and training programs available to students, faculty and staff; and
- Plans for future improvements in fire safety if determined necessary by the institution.

A full summary of the HEOA provisions are available on IFAP at:

<http://ifap.ed.gov/docletters/GEN0812EP0810.html>

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## GOALS

### Outreach Update

FAME Outreach staff presented at 14 Financial Aid Nights to 503 attendees at the following locations: Oxford Hills High School (South Paris), Piscataquis Community High School (Guilford), Fryeburg Academy, Telstar High School (Bethel), Penquis Valley High School (Milo), Edward Little High School (Auburn), Nokomis High School (Newport), Cony High School (Augusta), Washington Academy (Machias), Bonny Eagle High School (Standish), Islesboro Central School, Lisbon High School, Dirigo High School (Dixfield), Jonesport-Beals High School.

Outreach staff also conducted nine Get A Life sessions to 159 students at the following locations: Lisbon High School, Islesboro Central School, Sabattus Central School, Oak Hill High School (Sabattus), Jonesport Elementary School, Jonesport-Beals High School.

Additionally, FAME staff travelled to Hampden Academy and presented to 192 high school freshmen on the topic of preparing for college and the financial aid process. Staff presented a similar session to 18 seniors at Jonesport-Beals High School and to 65 seniors at Dirigo High School (Dixfield).

The December Wednesday Webinar training was an overview of the 2010-2011 FAFSA. Thirty-five school counselors and financial aid administrators attended the training.

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To remove your name from our mailing list, please [click here](#)



Finance Authority of Maine  
5 Community Drive  
P.O. Box 949  
Augusta, ME 04332

[www.famemaine.com](http://www.famemaine.com)

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*Unified Student Loan Policy*

**COMMON MANUAL BULLETIN LANGUAGE IMMEDIATE ACTION REQUIRED**

TO: CM Governing Board Representatives  
Interested Industry Groups and Others

FROM: Carol Egan and Carolyn Small, Co-Chairs  
*Common Manual* Policy Committee

RE: *Common Manual* Bulletin Language  
[Batch 162: Proposals 1148 -1155]

DATE: November 30, 2009

On November 19, 2009, the *Common Manual* Governing Board approved policy changes to the *Common Manual* as proposed in the eight proposals advanced to the Board from Batch 162. The changes made in these proposals will be incorporated into the *Common Manual's* annual update. These changes will also be incorporated into the *Integrated Common Manual*. The *Integrated Common Manual* is available on several guarantor websites and is also available on the *Common Manual* Website at [www.commonmanual.org](http://www.commonmanual.org).

At the same time that the proposed *Common Manual* language was drafted, the *Common Manual* Policy Committee drafted common bulletin language for each policy change. The common bulletin language has been edited and is enclosed for each guarantor to use in publishing interim policy updates to schools and lenders.

The Plan for Maintaining and Updating the *Common Manual* adopted by the *Common Manual* guarantors states that:

“Participating guarantors shall publish all interim updates in their bulletins promptly (within 30 to 45 days) and without revision. However, nothing in the plan shall be construed as prohibiting participating guarantors from also publishing guarantor-specific policies in their bulletins provided such policies do not conflict with the provisions for guarantor-specific policies described in the *Cooperative Agreement for Guarantors Participating in the Common Manual*. Neither shall participating guarantors be prohibited from publishing their own procedures or other information in their bulletins.”

Newsletter editors may delete the policy reference numbers and proposal titles from the publication, and may rearrange the order of the articles or combine articles that are related to the same subject.

Industry participants that publish this information should include a statement directing any questions regarding the policy changes to the primary guarantor serving that reader.

If you have any questions about the enclosed proposals or any aspect of the *Common Manual* process, please contact Carol Egan via email at [cegan@aessuccess.org](mailto:cegan@aessuccess.org) or phone at 717-720-3663, or Carolyn Small via e-mail at [Carolyn.small@iowa.gov](mailto:Carolyn.small@iowa.gov) or phone at 515-725-3413.

Enclosures: Transmittal for Batch 162  
Common Bulletin Language for Batch 162

The nation=s guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual=s next annual update. These changes will also be incorporated into the *Integrated Common Manual*. The *Integrated Common Manual* is available on several guarantor websites, and it is also available on *Common Manual*=s website at [www.commonmanual.org](http://www.commonmanual.org). Please carefully note the effective date of each policy change.

### U. S. Passport Card for United States Citizenship and Immigration Services (USCIS) Documentation

The *Common Manual* has been updated to include a U.S. passport card as an acceptable form of documentation of a student=s or borrower=s U.S. citizenship, and to incorporate private guidance from the Department that allows a U.S. passport card (current or expired) to be used to substantiate the correction of a date of birth or first name.

<b>Affected Sections:</b>	3.5.F	Reporting Social Security Number, Date of Birth, and First Name Changes or Corrections
	5.2.A	Citizenship Data Match
	9.1	Reporting social Security Number, Date of Birth, and First Name Changes or Corrections
<b>Effective Date:</b>	Publication of the 09-10 FSA Handbook, Volume 1, for citizenship verification. June 1, 2009, for correction of a first name change or date of birth.	
<b>Basis:</b>	Private guidance from Jamie Malone of the Department dated June 1, 2009; 09-10 FSA Handbook, Volume 1, Chapter 2, p. 1-23.	
<b>Policy Information:</b>	1148/162	
<b>Guarantor Comments:</b>	None.	

### Borrower Eligibility for a New Loan When a Prior Loan is Conditionally Discharged

Current policy states that for a borrower to receive a new loan when that borrower has received a conditional discharge of a prior loan due to an initial determination that the borrower is totally and permanently disabled, the borrower must do all of the following:

- Obtain a physician=s statement certifying that the borrower may now engage in substantial gainful activity.
- Sign a statement acknowledging that any loan that has been conditionally discharged may not be discharged due to the same or any disability existing at the time the borrower applied for a total and permanent disability discharge or when the new loan is made, unless the disabling condition substantially deteriorates to the extent that the definition of total and permanent disability is met.
- Sign a statement acknowledging that collection activity will resume on any loans in a conditional discharge period.

The *Common Manual* has been revised to state that, in addition to current requirements, a borrower whose prior Title IV loan(s) is conditionally discharged due to an initial determination that the borrower is totally and permanently disabled must do the following before a school may certify a new Stafford or PLUS loan for the borrower:

- Submit a request to the Department=s Conditional Discharge Disability Unit indicating that the loan(s) that is currently conditionally discharged be returned to repayment.
- Advise the school that the process of returning the conditionally discharged loan(s) to repayment has been initiated.

Revised policy states that before a school may certify a new loan for a borrower whose prior Title IV loan(s) is conditionally discharged due to an initial determination that the borrower is totally and permanently disabled, the school must confirm that the borrower has initiated the process to return the conditionally discharged loan(s) to

repayment. The school also must determine whether the status of the loan (default or non-default) will trigger additional requirements before it certifies a new loan for the borrower. If the loan(s) was in a default prior to being conditionally discharged, the school may be required to document that the borrower has either made satisfactory repayment arrangements with the loan holder in order to reinstate Title IV eligibility or rehabilitated the defaulted loan(s).

Revised policy states that a school must not deliver any new loan funds until it confirms that the conditionally discharged loan(s) has been returned to repayment.

Further, revised policy provides a note in Subsection 13.8.G to refer the reader to Section 5.4 for information about eligibility requirements that a borrower must meet in order for the borrower to receive a new loan after he or she has received a prior loan discharge due to total and permanent disability.

<b>Affected Sections:</b>	5.4.A	Conditional Discharge of a Prior Loan Due to Total and Permanent Disability
	Figure 5-1	Effect of Title IV Loan Status on Student Aid Eligibility
	6.15	School Certification of the Loan
	8.7	Delivering Loan Funds at Eligible Schools
	13.8.G	Total and Permanent Disability
<b>Effective Date:</b>	New loan requests received by a school on or after August 28, 2009.	
<b>Basis:</b>	§682.201(a)(5); private guidance from Pam Moran of the Department, dated August 28, 2009; the Department's Total and Permanent Disability Website ( <a href="http://disabilitydischarge.ed.gov">http://disabilitydischarge.ed.gov</a> ).	
<b>Policy Information:</b>	1149/162	
<b>Guarantor Comments:</b>	None.	

#### **Additional Unsubsidized Stafford Loan Eligibility**

The *Common Manual* has been updated to clarify that if a parent is approved for a PLUS loan, the student is not eligible for the additional unsubsidized Stafford loan funds available to an independent student, even if another parent has been denied a PLUS loan. The calculation of the amount of additional unsubsidized Stafford loans funds that a student may be eligible for has also been reorganized to facilitate understanding.

<b>Affected Sections:</b>	6.15.D	Additional Unsubsidized Stafford Loan Certification for a Dependent Student
<b>Effective Date:</b>	Publication date of Volume 3 of the 06-07 FSA Handbook, unless implemented earlier by the guarantor.	
<b>Basis:</b>	06-07 FSA Handbook, Volume 3, Chapter 4, p. 3-73.	
<b>Policy Information:</b>	1150/162	
<b>Guarantor Comments:</b>	None.	

#### **In-School and Post-Enrollment Deferments for PLUS Loans**

The Deferment Eligibility Chart, Figure 11-1, has been revised to incorporate the in-school deferment for parent PLUS borrowers. A parent PLUS borrower whose loan(s) was first disbursed on or after July 1, 2008, may request an in-school deferment if the dependent student for whom the parent borrower obtained the PLUS loan(s) meets the conditions for an in-school deferment. In addition, the chart has been revised to reference the 6-month post-enrollment deferment that is available upon request for parent PLUS borrowers beginning on the day after the parent or the student for whom the PLUS loan(s) is obtained ceases to be enrolled at least half time, as reported by the school.

Additionally, the chart has been revised to reflect that a Grad PLUS borrower, whose loan(s) was first disbursed on or after July 1, 2008, is eligible to receive a six-month post-enrollment deferment beginning on the day after he or she ceases to be enrolled at least half time as reported by the school. A lender must grant the post-enrollment deferment if it receives information that supports the Grad PLUS borrower's eligibility. A Grad PLUS borrower may, however, choose to not accept the post-enrollment deferment.

**Affected Sections:** Figure 11-1 Deferment Eligibility Chart  
**Effective Date:** PLUS loans first disbursed on or after July 1, 2008.  
**Basis:** HEA §428B(d)(1) as amended by the Higher Education Opportunity Act (HEOA), P.L. 110-315; DCL GEN-12-08/FP-08-10.  
**Policy Information:** 1151/162  
**Guarantor Comments:** None.

### **Stafford Annual Loan Limits for a Student Enrolled in Teacher Certification Coursework or Preparatory Coursework for a Graduate or Professional Program**

The *Common Manual* has been corrected to align Figure 6-4 with existing text in Subsection 6.11.F, to state that proration is “not applicable” to the base Stafford annual loan limit for a student enrolled in teacher certification coursework or preparatory coursework for admission into a graduate or professional program. Figure 6-4 already correctly states that 1) proration is not applicable to the additional unsubsidized Stafford annual loan limit for a student enrolled in teacher certification coursework or preparatory coursework for admission into a graduate or professional program, and 2) proration is not applicable to the Stafford annual loan limits for a student enrolled in preparatory coursework for admission into an undergraduate program.

**Affected Sections:** Figure 6-4 Stafford Annual and Aggregate Loan Limits for Undergraduate Students  
**Effective Date:** Publication date of Volume 8 of the 02-03 FSA Handbook.  
**Basis:** 02-03 FSA Handbook, Volume 8, pp. 8-9 and 8-10.  
**Policy Information:** 1152/162  
**Guarantor Comments:** None.

### **Regaining Eligibility for New Stafford Loan Funds after an Inadvertent Overaward**

The *Common Manual* has been updated to clarify a Stafford loan borrower’s eligibility for additional Stafford loan funds after an inadvertent overaward has been resolved.

If a Stafford borrower inadvertently exceeds the Stafford annual or aggregate loan limit, the student is ineligible for additional Title IV aid until the student resolves the excess. A school must document how a student who has inadvertently exceeded a Stafford annual or aggregate loan limit has resolved the excess before the school may award the student additional Title IV aid. However, once it is resolved, the borrower does not necessarily regain eligibility to receive additional Stafford loan funds as the borrower is still subject to annual and aggregate loan limits. A school may certify additional Stafford loan funds only to the extent the borrower has reduced his or her outstanding Stafford loan debt to an amount that is less than the applicable annual loan limit or aggregate loan limit. For example, a dependent undergraduate student who inadvertently exceeded the \$23,000 subsidized Stafford aggregate loan limit arranges to have a portion of his debt reallocated to unsubsidized Stafford funds, reducing his or her outstanding subsidized Stafford loan debt to the \$23,000 limit. The school must not certify any additional subsidized Stafford loan funds for the student; however, if the dependent student has not exceeded the combined Stafford aggregate loan limit of \$31,000, the school may certify unsubsidized Stafford loan funds, up to the \$31,000 limit. For an independent undergraduate student in this same situation who did not exceed the combined Stafford aggregate loan limit of \$57,500, the school may certify unsubsidized Stafford loan funds, up to the \$57,500 limit. During the academic year in which a student exceeds an annual loan limit, the school must not certify additional Stafford loan funds unless the student reduces his or her outstanding Stafford loan debt to an amount less than the applicable annual loan limit.

**Affected Sections:** 6.11.E Exceeding Loan Limits  
**Effective Date:** Retroactive to the implementation of the *Common Manual*.  
**Basis:** 08-09 FSA Handbook, Volume 3, Chapter 5, p. 3-107.  
**Policy Information:** 1153/162  
**Guarantor Comments:** None.

### **Borrower Right to Cancel All or a Portion of Stafford or PLUS Loan Funds Disbursed by EFT or Master Check**

The *Common Manual* has been updated to clarify the interaction between Subsections 8.2.C and 8.2.D. A cross-reference is provided from Subsection 8.2.C, "School's Notice of Credit to Student's Account," to Subsection 8.2.D, which has been renamed "School's Notice of Borrower's Right to Cancel Loan Disbursed by EFT or Master Check." Subsection 8.2.D clarifies that a school must return the loan proceeds, cancel all or a portion of the loan or loan disbursement, as applicable, or do both if the school receives a borrower's cancellation request within certain time frames after the school sends the borrower a notice advising the borrower of the right to cancel the loan. Finally, Subsection 8.2.D states that the school must advise the borrower of the right to cancel a loan disbursed by EFT or master check as part of the school's notice of credit to the student's account, and cross-references Subsection 8.2.C for more information about the content of that notice and when it must be sent.

<b>Affected Sections:</b>	8.2.C	School Notice of Credit to Student Account
	8.2.D	Borrower Notice to Cancel Loan
<b>Effective Date:</b>	Loans disbursed on or after July 1, 2008, unless implemented earlier by the school on or after November 1, 2007.	
<b>Basis:</b>	§668.165(a)(2)(ii).	
<b>Policy Information:</b>	1154/162	
<b>Guarantor Comments:</b>	None.	

### **Prorated Stafford Annual Loan Limits**

The *Common Manual* has been updated to include a new Figure 6-5 (attached) in Subsection 6.11.F that outlines the process a school must follow in circumstances in which a school must prorate (i.e., reduce) an undergraduate student's Stafford annual loan limit.

<b>Affected Sections:</b>	6.11.F	Prorated Loan Limits
<b>Effective Date:</b>	Not applicable.	
<b>Basis:</b>	§682.204(a) and (d); §682.603(h)(4); 08-09 FSA Handbook, Volume 3, Chapter 5, pp. 3-100, 3-101, and 3-103.	
<b>Policy Information:</b>	1155/162	
<b>Guarantor Comments:</b>	None.	

**Prorated Stafford Annual Loan Limits**

**Figure 6-5**

A school must prorate the Stafford annual loan limit when it has advanced knowledge that an undergraduate Stafford loan borrower will be enrolled in a program that meets either of the following conditions:

- The program is shorter than a full academic year in length (for more information about the minimum statutory requirements for an academic year, see Section 6.1).
- The program is one academic year or more in length, but the student is enrolled in a final period of study that is shorter than a full academic year.

The Stafford annual loan limit is not prorated for a student enrolled in a graduate or professional program, or for an undergraduate student enrolled in preparatory coursework or coursework necessary for teacher certification.

	<b>Final Period of Study Shorter Than an Academic Year<sup>1</sup></b>	
	<b>Credit-Hour Program with Standard Terms or Nonstandard Terms That Are Substantially Equal and Have at Least Nine Weeks of Instructional Time (SE9W)</b>	<b>Credit-Hour Program with Nonstandard Terms That Are Not SE9W, Non-Term-Based Credit-Hour and Clock-Hour Program</b>
<b>Program Shorter Than an Academic Year</b>		
<p>Multiply the applicable Stafford annual loan limit(s) by the lesser of the following ratios<sup>2</sup>:</p> $\frac{\text{Number of semester, trimester, quarter, or clock hours enrolled in the program}}{\text{Number of semester, trimester, quarter, or clock hours in the academic year}}$ <p style="text-align: center;"><b>or</b></p> $\frac{\text{Number of instructional weeks enrolled in the program}}{\text{Number of instructional weeks in the academic year}^3}$	<p>A final period of study is considered shorter than an academic year if the final period consists of fewer terms than the program's defined academic year. (For a program that uses a Scheduled Academic Year (SAY), the number of terms in the program's academic year does not include a summer term designated as a header or trailer.)</p> <p>Multiply the applicable Stafford annual loan limit(s) by the following ratio<sup>2</sup>:</p> $\frac{\text{Number of semester, trimester, quarter, or clock hours enrolled in the final period of the program}}{\text{Number of semester, trimester, quarter, or clock hours in the academic year}}$	<p>A final period of study is considered shorter than an academic year if the final period consists of fewer clock or credit hours than the program's defined academic year.</p> <p>Multiply the applicable Stafford annual loan limit(s) by the following ratio<sup>2</sup>:</p> $\frac{\text{Number of semester, trimester, quarter, or clock hours enrolled in the final period of the program}}{\text{Number of semester, trimester, quarter, or clock hours in the academic year}}$

<sup>1</sup> A school may establish an academic year for a program that is greater than the statutory minimum in clock hours or weeks of instructional time. For such a program, the school must use its academic year definition for the program – not the statutory minimum for an academic year – to determine whether the program or a final period of study is shorter than an academic year.

<sup>2</sup> A school may either use a fraction or convert the fraction to a decimal and multiply the Stafford annual loan limit by the fraction or decimal, respectively. A school must use the method it chooses (i.e., either a fraction or a decimal) consistently for calculating a prorated Stafford annual loan limit.

<sup>3</sup> For a Credit-Hour Program, have at least 30 weeks of instructional time or for a clock-hour program, at least 26 weeks of instructional time.

See Subsection 6.11.F for additional information.  
[§682.204(a) and (d)]