CASE STUDIES

PRORATED LOAN LIMITS

For each of the following case studies, assume that the student demonstrates need for the maximum long amount for which he or she is eligible.

Case Study 1

Anne is a dependent student enrolled in a 750-clock-hour program that is scheduled to take 15 weeks to complete. The academic year at her school is defined as 900 clock hours and 30 weeks of instructional time. What is the maximum base subsidized/unsubsidized loan amount for which she is eligible?

Case Study 2

Bill is an independent student who is about to enroll in the final year of a 4-year bachelor's degree program. His school operates on a quarter system, and the academic year for his program consists of 36 quarter hours and three 10-week quarters (fall, winter, and spring).

Bill needs 12 hours to complete the requirements of his program. He could complete all 12 hours in the fall quarter, or enroll half-time in both fall and winter. He may also decide to take some additional electives and enroll at least half-time for the full academic year.

What is the maximum amount that Bill may borrow if he completes his program:

- ✦ At the end of the fall quarter?
- ✦ At the end of the winter quarter?
- ✦ At the end of the spring quarter?

Case Study 3

Carl is an independent student enrolled in a 1350-clock-hour program which is scheduled to take 45 weeks to complete. The academic year for this program is defined as 900 clock hours and 30 weeks of instructional time; students are considered second-year undergraduates after completing 900 hours and 30 weeks.

Carl has completed the first 900 hours and 30 weeks of his program, and has applied for a loan to cover the costs of the remaining 450 hours and 15 weeks. What is the maximum amount of money he may borrow for this period?

PRORATION WORKSHEET #1

FIRST-YEAR UNDERGRADUATES IN PROGRAMS SHORTER THAN ONE ACADEMIC YEAR

STEP 1

		yes	no
Does the program include fewer than:	(a) 30 weeks of instructional time?	❑	❑
	(b) 24 semester hours	❑	❑
	(c) 36 quarter hours	❑	❑
	(d) 900 clock hours	❑	❑

If the answer to (a), (b), (c), or (d) is "yes," proration is required. Go to STEP 2.

STEP 2

Create fractions "A" and "B."

FRACTION A

Enter the number of credit or clock hours needed for the student to complete the program:
Enter the number of credit or clock hours in your school's academic year: _____

FRACTION B

Enter the number of weeks of instructional time in the program: _____ 30

STEP 3

Enter the SMALLER of the two fractions from STEP 2: _____

If the fraction is:	The base subsidized/unsubsidized prorated loan limit is:	The additional unsubsidized prorated loan limit is:
Less than 1 but greater than or equal to 2/3	**$1,750**	**$2,500**
Less than 2/3 but greater than or equal to 1/3	$875	$1,500
Less than 1/3	**$0**	**$0**

PRORATION WORKSHEET #2

SECOND-YEAR UNDERGRADUATES IN PROGRAMS WITH LESS THAN ONE ACADEMIC YEAR REMAINING

STEP 1

TERM-BASED PROGRAM

Enter the number of terms in your school's academic year: (a)

Enter the number of terms in which the student will complete the remaining portion of the program: (b)

If the number on line (b) is less than the number on line (a), a proration is required. Go to STEP 2.

NON-TERM PROGRAM

Enter the number of hours in your school's academic year: (a)

Enter the remaining number of hours required for the student to complete the program: (b)

If the number on line (b) is less than the number on line (a), proration is required. Go to STEP 2.

STEP 2

BASE SUBSIDIZED/UNSUBSIDIZED

Enter the number of credit or clock hours in the remaining portion of the program:				Enter the number of credit or clock hours in your school's academic year:		Prorated base subsidized/unsubsidized loan limit:
	x	$3,500	÷		=	$

ADDITIONAL UNSUBSIDIZED

(1) Create fractions "A" and "B."

FRACTION A

Enter the number of credit or clock hours needed for the student to complete the program: ____

Enter the number of credit or clock hours in your school's academic year: ____

FRACTION B

Enter the number of weeks of instructional time in the program: ____ 30

(2) Enter the SMALLER of the two fractions: ____

If the fraction is:	The additional unsubsidized prorated loan limit is:
Less than 1 but greater than or equal to 2/3	$2,500
Less than 2/3 but greater than or equal to 1/3	$1,500
Less than 1/3	$0

PRORATION WORKSHEET #3

THIRD, FOURTH AND FIFTH-YEAR UNDERGRADUATES IN PROGRAMS WITH LESS THAN ONE ACADEMIC YEAR REMAINING

STEP 1

TERM-BASED PROGRAM

Enter the number of terms in your school's academic year: (a) [ ]

Enter the number of terms in which the student will complete the remaining portion of the program: (b) [ ]

If the number on line (b) is less than the number on line (a), a proration is required. Go to STEP 2.

NON-TERM PROGRAM

Enter the number of hours in your school's academic year: (a) [ ]

Enter the remaining number of hours required for the student to complete the program: (b) [ ]

If the number on line (b) is less than the number on line (a), proration is required. Go to STEP 2.

STEP 2

BASE SUBSIDIZED/UNSUBSIDIZED

Enter the number of credit or clock hours in the remaining portion of the program:				Enter the number of credit or clock hours in your school's academic year:		Prorated base subsidized/unsubsidized loan limit:
[ ]	x	$5,500	÷	[ ]	=	$

ADDITIONAL UNSUBSIDIZED

Enter the number of credit or clock hours in the remaining portion of the program:				Enter the number of credit or clock hours in your school's academic year:		Prorated additional unsubsidized loan limit:
[ ]	x	$5,000	÷	[ ]	=	$