

Loan Proration for Graduating Students

Under 34 CFR 685.203(a),(b),(c), federal regulations require schools to prorate the Federal Direct Stafford Loan amount for **graduating undergraduate students** when their final period of enrollment is less than a full academic year. Graduating seniors who are **only attending one semester** of the academic year may have their Federal Direct Stafford Loans prorated based on the number of credit hours remaining in his/her program of study.

LOAN PRORATION

Loan proration ensures a student receives the correct portion of his/her annual allotment for Direct Loans, since they will not be enrolled for a full academic year. Students are encouraged to notify the Office of Financial Aid (OFA) about their plans to graduate at the end of Fall **BEFORE** the beginning of the term.

Students who notified OFA of graduating in Fall **AFTER** loans have been disbursed:

- Annual Stafford loan limit will be prorated for the final term
- OFA will receive an official graduation list from the registrar's office and loans may be adjusted, which could result in a balance owed to the University
- Private and Federal Direct PLUS (Parent Loan for Dependent Students) loans may be available to supplement the student's expenses

Students who have notified us of graduating in Fall **BEFORE** loans have been disbursed:

- Annual Stafford loan limit will be prorated for the final term
- After the Drop/Add period, Federal Direct Stafford loans are recalculated and prorated based on the student's **actual** enrollment, if enrollment has changed after the initial award
- Stafford loan will be correctly disbursed using the proration calculation below

PRORATION FORMULA

Prorating limits the amount of subsidized/unsubsidized loans that a graduating senior may borrow for their final semester based on the following formula:

Loan Proration Formula:	
$\frac{\text{Actual number of undergraduate credit hours enrolled}}{\text{Number of credit hours in an academic year (24)}}$	\times
	Annual Federal Direct Stafford loan limit (as determined by class standing- see below)

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PRORATION AMOUNTS/CALCULATIONS

Annual Federal Direct Stafford Loan limits for a graduating senior are used in the formula above to determine the amount of subsidized/unsubsidized loans that a graduating senior may borrow for their final semester.

Dependent Undergraduates (excluding dependent students whose parents were denied the Parent PLUS)

Grade level in College	Subsidized	Total (subsidized & unsubsidized)
Third Year and Beyond	\$5,500	\$7,500

Independent Undergraduates & Dependent Students whose parents were denied Parent PLUS

Grade level in College	Subsidized	Total (subsidized & unsubsidized)
Third Year and Beyond	\$5,500	\$12,500

Lifetime/Aggregate Loan Limits for Subsidized/Unsubsidized Loans

Dependent/ Independent	Subsidized	Total (subsidized & unsubsidized)
Dependent Undergraduates (excluding those whose parents were denied Parent PLUS)	\$23,000	\$31,000
Independent Undergraduates & Dependent Students whose parents were denied Parent PLUS	\$23,000	\$57,500

NOTE: Institutions are not permitted to exceed federal aggregate loan limits published by the Department of Education. Therefore, the actual loan amount may also be impacted by the student's total aggregate loan limit(s).

PRORATION EXCEPTIONS

Loan proration requirements do not apply to graduate or professional certificate students.