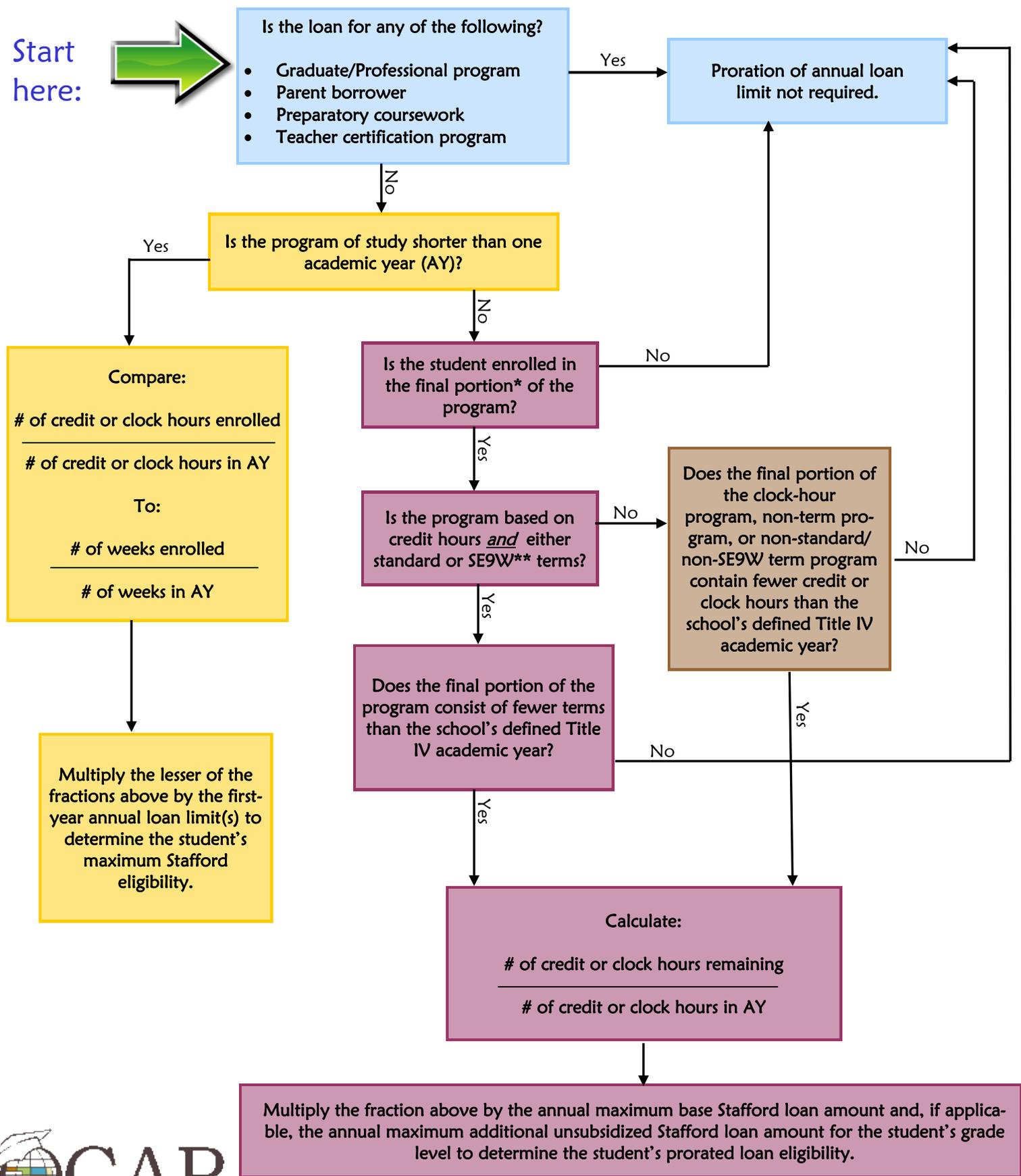


OCAP LOAN PRORATION DECISION TREE

Start here:



See back for sample calculations



*The “final portion” of the program is defined as a period that begins when the student enters a new Standard Academic Year or Borrower-Based Academic Year, as applicable, and ends when the student is expected to complete the program of study.

** SE9W – nonstandard terms that are substantially equal *and* at least nine weeks of instructional time in length.

OCAP LOAN PRORATION EXAMPLES

Programs Shorter than an Academic Year:

A dependent student is enrolled in a 14-week program at a career technology center (CTC). The CTC defines the academic year as a period of 26 weeks, in which a full-time student is expected to complete 900 clock hours. The dependent student is enrolled in a program that consists of 600 clock hours, which is shorter than the school's defined academic year of 900 clock hours.

To determine the maximum prorated Stafford loan amount the dependent student can borrow, 1) divide the number of hours in the program by the number of hours in the defined academic year, and 2) divide the number of weeks in the program by the number of weeks in the defined academic year. 3) Multiply the smaller decimal by the first-year annual base Stafford loan limit and base-plus-additional-unsubsidized limit to get the maximum prorated Stafford loan amount the dependent student can borrow for the program.

- 1) Clock Hours: $600/900 = 0.67$
- 2) Weeks: $14/26 = 0.54$ <smaller decimal>
- 3) $\$3,500 \times 0.54 = \$1,890$ maximum subsidized Stafford loan amount
 $\$5,500 \times 0.54 = \$2,970$ total subsidized and unsubsidized Stafford loan amount

This borrower's maximum combined subsidized and unsubsidized Stafford loan amount for the program is \$2,970, of which no more than \$1,890 may be subsidized.

Remaining Period of Study Shorter than an Academic Year in a Standard Term-Based Program:

An independent, undergraduate student is enrolled at a four-year university that defines the academic year as a period of at least 30 weeks (two semesters), in which a full-time student is expected to complete 24 credit hours. The student has earned enough credit hours to graduate in just one more semester if s/he completes 15 credit hours during the last semester.

Since the remaining period (i.e., semester, in this example) has fewer terms than the school's defined academic year, proration of the loan amount is required. To determine the maximum prorated Stafford loan amount possible for this student, 1) divide the number of credit hours needed by the student to complete the program by the standard number of credit hours in the full academic year. 2) Multiply this result by the fourth-year annual loan limits to get the maximum prorated subsidized and unsubsidized Stafford loan amounts the student can borrow to complete the program.

- 1) Credit Hours: $15/24 = 0.63$
- 2) $\$5,500 \times 0.63 = \$3,465$ maximum subsidized Stafford loan amount
 $\$12,500 \times 0.63 = \$7,875$ total subsidized and unsubsidized Stafford loan amount

This borrower's maximum combined subsidized and unsubsidized Stafford loan amount for the remaining period of study is \$7,875, of which no more than \$3,465 may be subsidized.