

**Policy and Procedures for prorating federal student loans for graduating seniors**

Per federal regulations, ODU must prorate the Federal Direct Stafford Loan amount for an undergraduate who enrolls in only one semester as an undergraduate during the academic year and will graduate during the same academic year. The proration is based on a ratio of the number of hours enrolled during the semester divided by twenty-four credit hours multiplied by the applicable annual loan limit.

**Proration loan formula**

**Compare the student’s enrollment to the school’s defined academic year (twenty-four credits).**

**Number of credit hours enrolled for the term**

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**multiply by the amount of annual loan**

**Credit hours in the schools defined AY (24)**

**Proration loan example**

Ann is a dependent, senior whose annual Direct loan limit amount is \$5500 in subsidized loan funds and \$2000 in additional unsubsidized Direct loan funds. She is enrolled in her final period of study and will graduate after completing the fall semester.

Step 1: Compare the student’s enrollment to the school’s defined academic year.

Ann is enrolled in six hours for the fall term only. The schools defined academic year consists of fall and spring standard semesters and 24 credits hours.

A =	$\frac{\text{Hours enrolled in the program}}{\text{Hours in the school's defined academic year}}$	$\frac{6}{24}$	=	0.25
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Step 2: Multiply A by each of the applicable loan limit(s)

Annual Base Direct loan limit	x	Result of A	=	Prorated annual base Direct loan limit
\$5500	x	0.25	=	\$1375

Annual Additional unsubsidized Direct loan limit	x	Result of A	=	Prorated annual additional
\$2000	x	0.25	=	\$500

<https://www.odu.edu/content/dam/odu/offices/student-financial-aid/docs/grad-plus-data.pdf>  
unsubsidized Direct loan limit