

Chapter 6

Transfer Students and Remaining Eligibility

Calculating and Awarding Remaining Eligibility

The Pell payment for a transfer student is calculated in the same way as for any new student. That is, you must calculate payments for each payment period following the rules given in previously in this volume. However, a transfer student's remaining Pell eligibility at your school is reduced if the student received Pell funds for the same award year at any prior schools. You can identify the student's prior Pell disbursements when you review their Financial Aid History in NSLDS and COD.

Calculating remaining eligibility

Once you've identified the Pell amounts that a transfer student has already received for the award year, you must calculate the percentage of the Scheduled Award that has been used. This percentage is calculated by dividing the amount disbursed at the previous school by the student's Scheduled Award at that school (COD calculates this and you can refer to COD to see what the percentage of remaining eligibility will be for a student).

Pell disbursed at prior school ÷ Scheduled Award at prior school = % of Scheduled Award used

Then subtract this percentage from 100% (or 150%, if the student is enrolled and eligible for a Year-Round award). The result is the maximum percentage of the Scheduled Award that the student may receive at your school. Note that a transfer student receives the same payments as any other student until the limit (up to 150% of a Scheduled Award; see the Year-Round Pell and Iraq and Afghanistan Service Grant section in *Chapter 5* of this volume) is reached. **Give the student the full amount for each payment period, rather than trying to ration the remaining amount by splitting it evenly across the remaining terms.**

A transfer student must repay any amount received in an award year that exceeds their Scheduled Award (or in excess of 150% of their Scheduled Award, if enrolled and eligible for Year-Round Pell), unless the school that disbursed the award was at fault by failure to follow the administrative requirements in [34 CFR 668](#).

Payment period for a transfer student at a non-term school

When a student transfers into a non-term credit-hour or clock-hour program at a new school, that student is starting a new payment period. For non-term programs, you must use the payment period rules described in *Volume 3, Chapter 1* to determine the payment periods for the remainder of the student's program.

However, for a transfer student, the length of the program is the number of clock or credit-hours and the number of weeks of instructional time that the student will be required to complete in the new program. If the remaining clock or credit hours or weeks of instructional time are half an academic year or less, then the remaining hours and weeks of instructional time constitute one payment period.

Transfer students and remaining eligibility

Consider a student who is eligible for Pell Grant funds and who transfers from School A to School B within the same award year. Before paying any Pell funds to the student, School B must determine the percentage of eligibility remaining for the student. After transferring, a student's remaining eligibility for a Scheduled Award during an award year is equal to the percentage of the student's Scheduled Award that remains unused, multiplied by the student's Scheduled Award at the new school.

School B may pay the student a Pell Grant only for that portion of an academic year in which the student is enrolled and in attendance at School B. The grant must be adjusted, as necessary, to ensure that the funds received by the student for the award year do not exceed the student's Scheduled Award for that award year or the student's maximum Lifetime Eligibility Used.

The award for each payment period is calculated using the (full) Scheduled Award. The student receives a full award until the student has received 100% of the student's remaining eligibility for a Scheduled Award (or 150% if the student is enrolled at least half time and otherwise eligible for a Year-Round Pell award) or 600% LEU. This avoids a school having to ration the remaining amount by splitting it evenly across the remaining payment periods.

To calculate a transfer student's remaining eligibility for a Scheduled Award, School B must first determine what percentage of the Scheduled Award the student used at School A. Check COD for the most up to date information on what aid has been disbursed to the student at all schools.

The remainder is the unused percentage of the student's Scheduled Award— the percentage the student may receive at School B. (Use percentages rather than dollars because a transfer student may have different Scheduled Awards at the two schools; using percentages rather than dollars adjusts for this possible difference.) School B then multiplies the percent of eligibility remaining by the Scheduled Award at School B. The result is the maximum amount of Federal Pell Grant funds the student may receive at School B during the balance of the award year.

Pell Grant eligibility for transfer students

[34 CFR 690.65](#)

[DCL GEN-01-09](#)

Example: Transfer Student Remaining Eligibility

On August 1, 2023, a student enrolls at School X. After completing 400 of the 900 clock-hours in their program, the student withdraws from school. On February 1, 2024, the student enrolls at School Y as a transfer student and is awarded 400 clock hours of transfer credit toward School Y's 1,000 clock-hour program (the program's defined academic year is 900 clock hours and 30 weeks of instructional time). The student's program length at School Y is 600 clock-hours and 20 weeks of instructional time.

The FAA at School Y examines the student's 2023-24 ISIR and finds the following entry:

%Sch. Used: 50.0
As Of: 01/28/2024
Pell Verification
EFC: 0

Based on the student's EFC and COA, their Scheduled Award is \$4,850. The FAA subtracts the 50% of the student's Scheduled Award previously used from 100%, which results in a remaining unused percentage of 50%. Therefore, the student is eligible to receive 50% of their scheduled Pell award of \$4,850 during the balance of the award year. (Note that this example assumes the student is not eligible for a Year-Round Pell. If eligible for Year-Round Pell, the student could receive up to 150% of their Scheduled Award, in total.)

The FAA uses the 600 hours and 20 weeks of instructional time remaining in the student's program to establish the appropriate two payment periods of 300 clock-hours and 10 weeks of instructional time each (as determined in accordance with [34 CFR 668.4\(b\)](#)). The aid administrator multiplies the student's Scheduled Award by the remaining unused percentage and determines that the student may receive as much as \$2,425 ($0.50 \times \$4,850 = \$2,425$) if the student remains enrolled at School Y for the balance of the award year.

During the first payment period, the student receives \$1,617 in Pell funds:

$(300 \text{ hours in payment period} \times \$4,850) \div 900 \text{ hours in academic year} = \$1,617$

However, in the second payment period, the student can only receive funds until their total Pell at School Y reaches \$2,425 (and the student's total for the award year reaches their Scheduled Award amount of \$4,850). Therefore, for the

second payment period at School Y, the student can only receive \$808 ($\$2,425 - \$1,617 = \808).

Note that if the student received a Direct Loan at School X and now wishes to borrow a Direct Loan at School Y, the method for determining the remaining eligibility for Direct Loan funds in transfer student situations is very different from the method of determining remaining Pell Grant eligibility. Refer to *Volume 8* for a complete discussion of this topic.

Why percentages are used

The reason for using percentages when calculating remaining eligibility is that a student may have different Scheduled Awards at different schools/programs, and using percentages ensures that a student does not receive more than 100% (or 150%, if enrolled and eligible for Year-Round Pell) of the student's Scheduled Award. For example, the COAs at the two schools may be different. The percentages are also used to compare the portions of a student's total eligibility that have been used at both schools. (If the student's Scheduled Award is the same at both schools, the financial aid administrator can find the amount of the student's remaining eligibility simply by subtracting the amount received at the first school from the Scheduled Award.)

NSLDS financial aid history and transfer monitoring

Before disbursing FSA funds to a transfer student, you must obtain a financial aid history for the student, and you must inform NSLDS about the transfer student so that you can receive updates through the Transfer Student Monitoring Process. The financial aid history will not only identify Pell Grant disbursements that the student received at other schools, but also tell you if the student is ineligible for any FSA aid due to default or overpayment, if the student has reached or exceeded the annual or aggregate loan limits, or if the student has reached the Pell LEU limit. There are several ways for you to get a student's financial aid history from NSLDS. You can:

- Use the NSLDS Financial Aid History section of the ISIR;
- Log on to the NSLDS Professional Access website and access the data online for a student;
- For multiple students, use the FAT 001 Web report, which you submit from the Reports tab on the NSLDS site (you retrieve the results through SAIG); or
- Send a batch Transfer Student Monitoring/Financial Aid History (TSM/FAH) Inform file to request aid history data for several students, which will be returned in either extract or report format through SAIG. The TSM/FAH processes and batch file layouts are posted in the [Knowledge Center Library](#) in the "Publications by Resource Type" section under "NSLDS User Resources."

If a student has not self-identified as a transfer student, data on the student's SAR/ISIR can sometimes alert a school to the fact that a student has already received a Pell Grant during the current award year. Schools should examine the Pell payment data on the SAR/ISIR generated from the student's most recent transaction to see if the percentage of the scheduled award used for the award year (% Sch Used) is greater than 0 and examine the "As Of" date (MM/DD/CCYY) to see if the information is current. If the SAR/ISIR is the most recent and the percentage of the scheduled award used for the award year is greater than zero, the school should request transfer monitoring of that student and wait until it has received the results of that process through NSLDS before creating a Pell award for that student in the COD System.

Concurrent Enrollment and Pell Potential Overaward

When multiple schools report disbursements for a student and the enrollment dates reported are within 30 calendar days of each other, the COD System identifies a potential concurrent enrollment and sends a warning message to all schools involved. The COD System sends the school that submitted the second or subsequent disbursement information a response document that contains warning edit 69. Warning edit 69 informs schools that submit second or subsequent disbursement information that Pell disbursements for a student have been received from two or more schools, and the enrollment dates for the student are within 30 days of one another. The COD System also sends a multiple reporting record (MRR) to all the schools with accepted disbursement information in the COD system for the student and the award year. The MRR alerts the schools to a possible overlap in enrollment. The Department expects all schools involved to cooperate in resolving the concurrent enrollment issue. To help facilitate resolution, the MRR contains the Pell contact information, as reported by the schools to the COD System, for the schools involved.

Pell Potential Overaward Process

A student may receive disbursements from more than one school during an award year. When more than one school reports disbursements for a student, the COD System checks to make sure the student has not received more than 100% (or 150% if qualifying under “Year-round” Pell) of the student’s eligibility for a Pell Grant.

If the COD System receives disbursement information that will cause a student to receive more than 100% (or 150% if qualifying under “Year-round” Pell) of the student’s “total eligibility used” or TEU, the student has entered a potential overaward (POP) situation. Remember, to certify eligibility for the “Year-round” Pell provision, the Additional Eligibility Indicator (AEI) must be submitted for disbursements exceeding 100% of the Scheduled Award to be accepted in the COD System.

The COD System will accept the disbursement and notify the schools involved in the POP in the following three ways:

1. COD sends the school that submitted the disbursement that caused the student to exceed the 100% (or 150% for “Year-round” Pell) TEU for the year warning edit 68 in the response document.
2. Weekly, COD sends all schools that have accepted and posted disbursements for students in a POP status a Pell POP report that will identify the student and schools involved.
3. COD sends all schools that have accepted and posted disbursements for the student in the award year an MRR containing the Pell contact information for the schools involved.

Warning edit 68 informs the school that submitted the disbursement that caused the student to exceed the 100% (or 150% if qualifying under “Year-round” Pell) TEU for the year that:

- Pell disbursements for a student have been received from two or more schools.
- The student’s TEU is greater than 100.000% or 150.000% as applicable.
- The POP situation must be resolved within 30 calendar days.

During the 30-day period, the Department expects each school involved in the potential overaward to review the student’s award and disbursements and perform the proper eligibility calculations. If the schools (working with COD School Relations) do not resolve the POP situation during the 30-day period, the COD System will reduce all schools’ accepted and posted disbursements for the student to zero, and the issue will have to be addressed with the involvement of the Department.

Schools, along with the student, must work together to resolve the POP before contacting COD School Relations for help.

During the 30-day period, the COD System will accept and post disbursements that decrease or increase the student’s year-to-date disbursement amount. Students will be removed from POP status within 30 days of the date the student was initially placed in the POP if the student’s TEU becomes 100% (or 150% for “Year-round” Pell) or below based on downward disbursement adjustments submitted by the schools.

Schools should document any phone calls, emails, and letters that were part of their attempts to resolve the POP with the student and the other schools involved and be prepared to provide that documentation to COD School Relations if requested.

If after 30 calendar days the situation has not been resolved, the COD System generates a negative disbursement that reduces all accepted and posted disbursements to \$0 for the student in the award year in question at all schools involved.

A school that has attempted to resolve an overaward situation with the other schools that have submitted disbursement records for the student and has been unable to arrive at a satisfactory solution should call the COD School Relations Center to request *escalated mediation*. A school that calls the COD School Relations Center to request escalated mediation should be prepared to provide the name and social security number of the student involved. The COD School Relations Center will review the POP situation and, if necessary, refer the case to the Department for additional action.

Schools should remember that failure to do any of the following may call into question a school’s administrative capability and fiscal responsibility and might eventually result in the Department taking action to limit, suspend, or terminate a school’s participation in the Federal Student Aid programs:

- take action when they receive warning notices from the COD System;

- correct overaward situations;
- ensure that students do not receive Pell awards for concurrent enrollment at two or more schools; and
- prevent repeated POP situations from occurring;

Regarding COD processing and POPs:

- The COD System accepts disbursement information from a maximum of three schools for a student in a POP situation.
- The COD System does not prevent the same schools from creating another POP situation for the same student.
- Schools do not need to request post-deadline processing (extended processing) to submit upward adjustment records after the end of the processing year to correct a POP situation.
- The COD System accepts downward adjustments to disbursement or award information at any time.
- Disbursement information can be submitted via the COD website for those schools that do not wish, or are not able, to reopen any software they may have used to process the affected award year.