



Session 5

Awarding and Disbursing Aid For Crossover Payment Periods

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What is a crossover period?

- In awarding financial aid, crossover periods are payment, award, or loan periods that overlap two award years.
- An award year begins on July 1 of one year and ends on June 30 of the following year.



May I combine summer mini-sessions into a single term?

- For a credit-hour term-based program with summer mini-sessions, a school may combine the series of mini-sessions into a single summer term for Title IV purposes.
- When a combined summer term is a crossover period, a student enrolled in any one of the mini-sessions is considered to be enrolled in a crossover period even if the mini-session he or she attends is not crossing over July 1.



What type of crossover period applies to the Title IV program?

- The Federal Pell Grant, Federal Perkins Loan, and FSEOG programs have a “payment period.”
- The FWS Program has an “award period.”
- The Federal Direct Loan and the FFEL programs have a “loan period.”



Choice of the award year EFC?

School may choose which award year EFC to use for a student with two exceptions:

- When more than six months of a Federal Pell Grant recipient's payment period falls into one award year, the payment period must be placed in that year; and
- When awarding FWS to a student not attending classes, the EFC for the next period of enrollment must be used.



FWS and periods of nonattendance (including mini-sessions)

- A student may be employed under FWS during a period of nonattendance such as a summer term.
- The student must have a financial need for the next period of enrollment since the FWS net earnings must be used to cover educational expenses for that period of enrollment.



FWS and periods of nonattendance (including mini-sessions) (cont.)

- If a school combines a series of summer mini-sessions into one term, a student attending any of the mini-sessions may earn FWS wages at any time during the term.
- The school may apply those FWS net earnings towards the student's need for the mini-session(s) attended and/or the next period of enrollment.



Must the same award year EFC be used for all students in the crossover period?

- School may choose award year EFC on a student-by-student basis or use one award year EFC for all students.



Must the same award year EFC (and same COA and need) be used to award a student other Title IV aid?

This question is not applicable to the Federal Pell Grant Program because:

- The COA is always based on costs for a full-time student for a full academic year; and
- The award is never adjusted to take into account other aid.



Must the same award year EFC (and same COA and need) be used to award a student other Title IV aid? (cont.)

- Schools may use either award year EFC to award a Federal Pell Grant for a crossover period regardless of the EFC used to award the other types of Title IV aid.



Must the same award year EFC (and same COA and need) be used to award a student other Title IV aid? (cont.)

- Schools must use the same award year EFC as well as the same COA and need to award a student all Title IV programs for crossover periods, except the Federal Pell Grant Program.



Must the available award year funds be same as the award year EFC?

- Federal Pell Grants must be paid from the same award year as the award year of the EFC.



Must the available award year funds be same as the award year EFC? (cont.)

- FWS, Perkins, and FSEOG awards do not have to be funded from the same award year's allocation that the EFC represents.
- Under the FWS Program, the school must disburse funds from the award year in which the hours were worked.



Must the available award year funds be same as the award year EFC? (cont.)

- For FISAP reporting purposes, a Perkins Loan advance is reported in the award year in which it is disbursed.
- Issue of award year funding is not applicable to Federal Direct and FFEL programs because the annual loan limit is the driving factor.



Choice of academic year for annual loan limit regardless of the award year EFC used?

Under the Federal Perkins Loan Program:

- Selecting the award year EFC is independent of determining the award year annual loan limit; and
- The choice of the award year annual loan limit still applies regardless of the disbursement award year.



Choice of academic year for annual loan limit regardless of the award year EFC used? (cont.)

Under the FFEL and Direct Loan programs:

- Selecting the award year EFC is independent of determining the academic year that the annual loan limit applies to for term-based credit-hour programs using a scheduled academic year (SAY).

Example of applying annual loan limit to SAY with Summer Term

- Option A: SAY + Summer Term as “trailer”

SAY (fall and spring semesters) 2003-2004	Summer Term 2004
<u>2003-2004 SAY Annual Loan Limit Applies To This Time Frame</u>	

OR

- Option B: Summer Term as “header” + SAY

Summer Term 2004	SAY (fall and spring semesters) 2004-2005
<u>2004-2005 SAY Annual Loan Limit Applies To This Time Frame</u>	



Example of award year EFC choice being independent of assigning summer term to SAY

- Student received less than the full annual loan limit for the fall and spring semesters of the program's 2003-2004 SAY (fall 2003 through spring 2004 + summer 2004 trailer). The student plans to attend the 2004 summer term and wants to borrow his or her remaining annual loan limit.



Example of award year EFC choice being independent of assigning summer term to SAY (cont.)

- The student has an EFC for both the 2003-2004 and 2004-2005 award years. The school may use either EFC when determining the student's eligibility for a loan for the 2004 summer term, even though the loan will count toward the student's 2003-2004 SAY for annual loan limit purposes.



Choice of academic year for annual loan limit regardless of the award year EFC used? (cont.)

- This question is not relevant for programs using a borrower based academic year (BBAY) because the “header” and “trailer” option does not apply.



Important note for crossover periods!

- For the award year selected, the student must have an official EFC calculated by CPS.
- For a Federal Pell Grant, the CPS must also have processed a valid SAR or ISIR for the student.



Students who reenter into same credit-hour-without-terms and clock-hour programs

A student who withdraws from a school during a payment period and returns within 180 days to same program:

- Remains in the same payment period and the school restores the types and amount of aid the student was eligible for before withdrawal;
- If his or her payment period was originally a non-crossover period, the payment period still is not considered a crossover when it now goes into a new award year;



Students who reenter into same credit-hour-without-terms and clock-hour programs (cont.)

- If his or her payment period was originally a crossover, the payment period is still considered one;
- If his or her payment period is a crossover period, the student would still be paid from the same award year that the school paid or planned to pay from; and



Students who reenter into same credit-hour-without-terms and clock-hour programs (cont.)

- If the student's return now causes more than six months of the crossover period to fall into the next award year and the school had originally decided to place his or her payment period for the Federal Pell Grant into the first award year, that decision is still valid.

Questions ???



Who do I contact for my questions on crossover periods?

For questions on crossover periods, please contact Harold McCullough at:

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