

Subscription-based programs (Loan Limits) (Submitted by Ashley Naporlee)

The Department proposed in 34 CFR 685.203(m)(1) to provide an exception to the proration of loans for part-time students solely for those enrolled in subscription-based or non-term programs.

We oppose the exclusion for solely those programs from this provision. Unlike term-based programs, students starting subscription-based programs are able to receive disbursements without having completed their course loads, carrying added risk to students that they wind up with debt but no degree.

However, part-time students in these programs qualify only for a part-time-equivalent, prorated Pell Grant. It is the intent of this provision in statute to prorate their loan eligibility, too. (Note that this provision in the law addresses lower enrollment intensity, which is unaddressed by the distinct structure of these programs.) All other types of programs will be subject to the proration of loan eligibility, as well.

We propose to remove the Department's added language on subscription-based and non-term programs:

(m)

* * *

(1) Less Than Full-Time Enrollment. Notwithstanding any provision of 34 CFR parts 682 or 685, in any case in which a student is enrolled in an eligible program **(except for a subscription-based program as defined in § 668.2 or a non-term program)** at an institution on a less than a full-time basis during any academic year, the amount of any Direct Loan that student may borrow for an academic year or its equivalent shall be reduced in direct proportion to the degree to which that student is not so enrolled on a full-time basis, as of the date the institution determined the student's eligibility for the disbursement in accordance with 34 CFR 668.164(b)(3), rounded to the nearest whole percentage point, as follows:

* * *