

New Federal Law - Loan Proration and Reduction

What happens to your student loan when your credit hours change?

Your student loan amount depends on how many credits hours you enroll in.

How your credit hours affect your loans:

Credit Hours	What It Means
12 or more	You are full-time. You may be able to receive your full loan amounts.
6-11	You are less than full-time. You may still receive a loan, but the amount will be lower.
Fewer than 6	You are less than half-time. You cannot receive a federal student loan disbursement.

Note: Future-term enrollment is assumed to be full-time. Less-than-full-time enrollment may reduce your loan disbursement. Students in programs requiring summer enrollment may have reduced loans, even if enrolled full-time in fall and spring.

Always talk to Financial Aid before you drop or withdraw from a class. Dropping or withdrawing from a class may lower your loan amount.

- **If your loan has not been disbursed yet:** We may have to lower your loan amount before it is applied to your student account.
- **If your loan has already been disbursed:** We will have to recalculate your loan amount, and we may have to send part of the loan money back.

Loan money may have already been used to pay your tuition, fees, books, etc. You may also have received part of the money as a refund. If the college must send some of the loan money back, you may have an unpaid balance on your student account that you will owe to the college.

Dropping below 6 credit hours may also stop your next loan disbursement. You must be enrolled in at least 6 credit hours to receive a federal student loan disbursement.

What happens if you withdraw from all your classes?

If you withdraw or stop attending all your classes, Financial Aid must complete a different calculation. This calculation looks at how much of the semester you completed. The college may have to return some of your financial aid. This may leave you with a bill from the college.

WHY IS THIS CHANGING?

Beginning July 1, 2026, a new federal law (OB3) requires student loan limits to be reduced when a student is enrolled less than full-time.

This is a federal requirement, not a college policy. The purpose is to match the amount a student may borrow more closely to their enrollment level.

For complete federal guidance, visit **fsapartners.ed.gov** and search for “*loan limits for part-time students*”