Proration Examples
Cosmetology Program

Example 1

Holly is a _dependent student_ enrolled in the 1500 clock hour Cosmetology program at Dymond Designs Beauty School.

$3,500 subsidized and $2,000 unsubsidized are the annual loan limits for a total of $5,500.

Program = 1500 clock hours

1st academic year = 900 clock hours

(900 clock hours/900 clock hours) x $3,500 subsidized = $3,500 subsidized

(900 clock hours/900 clock hours) x $2,000 unsubsidized = $2,000 unsubsidized

The maximum combined subsidized and unsubsidized Direct Loan amounts Holly can borrow is $5,500, but no more than $3,500 of this amount may be subsidized.

2nd academic year = 600 clock hours

(600 clock hours/900 clock hours) x $4,500 subsidized = $3,000 subsidized

(600 clock hours/900 clock hours) x $2,000 unsubsidized = $1,333 unsubsidized

The maximum combined subsidized and unsubsidized Direct Loan amounts Holly can borrow is $4,333, but no more than $3,000 of this amount may be subsidized.

Example 2

Krissy is an _independent student_ enrolled in the 1500 clock hour Cosmetology program at Dymond Designs Beauty School.

$3,500 subsidized and $6,000 unsubsidized are the annual loan limits for a total of $9,500.

Program = 1500 clock hours

1st academic year = 900 clock hours

(900 clock hours/900 clock hours) x $3,500 subsidized = $3,500 subsidized

(900 clock hours/900 clock hours) x 6,000 unsubsidized = $6,000 unsubsidized

The maximum combined subsidized and unsubsidized Direct Loan amounts Krissy can borrow is $9,500, but no more than $3,500 of this amount may be subsidized.

2nd academic year = 600 clock hours

(600 clock hours/900 clock hours) x $4,500 subsidized = $3,000 subsidized

(600 clock hours/900 clock hours) x $6,000 unsubsidized = $4,000 unsubsidized

The maximum combined subsidized and unsubsidized Direct Loan amounts Krissy can borrow is $7,000, but no more than $3,000 of this amount may be subsidized.

Proration Examples
Esthetics Program

Example 1

Jack is a *dependent student* enrolled in the 400 clock hour Esthetics program at Dymond Designs Beauty School.

$3,500 subsidized and $2,000 unsubsidized are the annual loan limits for a total of $5,500.

Program = 400 clock hours

Academic year = 900 clock hours

(400 clock hours/900 clock hours) x $3,500 subsidized = $1,555 subsidized

(400 clock hours/900 clock hours) x $2,000 unsubsidized = $889 unsubsidized

The maximum combined subsidized and unsubsidized Direct Loan amounts Jack can borrow is $2,444, but no more than $1,555 of this amount may be subsidized.

Example 2

Jill is an *independent student* enrolled in the 400 clock hour Esthetics program at Dymond Designs Beauty School.

$3,500 subsidized and $6,000 unsubsidized are the annual loan limits for a total of $9,500.

Program = 400 clock hours

Academic year = 900 clock hours

(400 clock hours/900 clock hours) x $3,500 subsidized = $1,555 subsidized

(400 clock hours/900 clock hours) x $6,000 unsubsidized = $2,667 unsubsidized

The maximum combined subsidized and unsubsidized Direct Loan amounts Jill can borrow is $4,222, but no more than $1,555 of this amount may be subsidized.