Lake Region State College
Schedule of Reductions (SOR)

Effective Date: July 1, 2026

Purpose

The Schedule of Reductions (SOR) is a federal requirement effective July 1, 2026, that reduces a student's annual Direct Loan eligibility when the student is enrolled less than full-time. The SOR aligns annual loan eligibility with the student's actual enrollment level during the academic year.

Determining the Annual Loan Limit Percentage

1. For purposes of the Schedule of Reductions, LRSC defines full-time enrollment as:
    - 24 credits during the academic year for programs consisting of fall and spring semesters.
    - 36 credits during the academic year for programs in which a summer term is required as part of the published program curriculum.
2. The Schedule of Reductions percentage is calculated by dividing the student's total enrolled credits for the academic year by the credits required for full-time enrollment during the academic year.
3. The resulting percentage is applied to the student's otherwise applicable annual Direct Loan limit to determine the student's adjusted annual loan eligibility.

Enrollment Review and Adjustments

1. LRSC will review student enrollment at the official financial aid census date each semester.
2. At census, the Financial Aid Office will evaluate whether a Schedule of Reductions (SOR) calculation is required based on the student's enrolled credit hours.
3. If a student is enrolled less than full-time, the Financial Aid Office will calculate the applicable Schedule of Reductions percentage and adjust the student's annual Direct Loan eligibility based on the student’s enrolment level.
4. When future semester enrollment is unknown at the time of the census review, LRSC will assume enrollment of **12 credits** for that semester when determining SOR eligibility and calculating loan disbursements.

Exception – Practical Nursing Students: Because Practical Nursing students may complete prerequisite and general education coursework prior to admission to the Practical Nursing program, the remaining coursework and enrollment pattern may vary by student. Therefore, when future enrollment is unknown at the time of the census review, LRSC will use the following assumptions for Practical Nursing students:

> **Spring semester:** LRSC will assume enrollment of **7 credits**.
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> **Summer semester:** LRSC will assume enrollment of **6 credits**.

The assumed enrollment will be used to determine SOR eligibility and calculate the student's loan disbursement for the applicable payment period. Once actual enrollment is established, the student's eligibility and loan amount will be reviewed and adjusted, if necessary, in accordance with applicable federal requirements.

Post-Disbursement Enrollment Changes

1. If a student reduces enrollment after receiving a Direct Loan disbursement, LRSC will not retroactively reduce the completed disbursement solely because of the enrollment change.
2. The Financial Aid Office will recalculate the student's Schedule of Reductions eligibility based on the updated enrollment. Any required reduction will be applied to future undisbursed loan funds before the next scheduled disbursement.
3. If no future disbursements remain, the previously disbursed amount will generally remain unchanged unless another federal requirement necessitates an adjustment.

Proportional Disbursement Method

LRSC will use the **Proportional Disbursement Method** when disbursing Direct Loans subject to the Schedule of Reductions. If future enrollment is unknown when the loan is originated or recalculated, LRSC will assume the student will enroll in **12 credits** (excluding PN students) for the future semester and proportionally allocate loan funds based on that assumption. When actual enrollment is established, remaining undisbursed loan funds will be adjusted, as necessary.