Institutional Policy: Direct Loan Schedule of Reductions (SOR)
Effective Date: July 1, 2026

Policy Overview
In response to federal changes under the One Big Beautiful Bill Act (OBBBA), Oklahoma Wesleyan University (the "institution") has established the following policy for administering Direct Loans using the Schedule of Reductions (SOR). This policy defines the institutional methodology for calculating, distributing, and adjusting loan eligibility based on enrollment intensity.

Applicability of SOR vs. Other OBBBA Provisions
- Schedule of Reductions (SOR): Applies to all Direct Loan borrowers, regardless of when the student began enrollment, effective July 1, 2026, for the 2026-27 award year.
- Other OBBBA Loan Provisions: Apply to students who begin their program of study on or after July 1, 2026.

Institutional Standard
1. Proportional Distribution (Institutional Method)
   The institution chooses to use Proportional Distribution to allocate Direct Loan funds across terms based on enrollment.
2. Present-Term Adjustment
   When a student's enrollment changes, eligibility is recalculated and applied in the semester in which the change occurs.
3. Definition of Academic Year
   The institution defines the academic year as 24 credit hours and 32 weeks of instructional time. An undergraduate student is considered full-time when enrolled in twelve (12) credit hours per semester. The 32-week academic year is the norm, but the University will establish the number of weeks annually to determine the academic year, realizing that it cannot be less than 30 weeks annually, with special permissions beyond the University.

At the undergraduate level, JFA assumes full-time (FT) enrollment (12 credit hours) in a term until actual enrollment is present. The SOR will take place at the end of the add/drop period (Fall and Spring) to recalculate the awarded amount. Optional Summer terms will be recalculated separately at the beginning of each Summer term unless the school has information concerning the student's summer enrollment in advance.

NASFAA AskRegs continually updates information as regulations are released:
https://askregs.nasfaa.org/articles/category/1012