

Federal Update

Federal Update



AASFAA Fall Conference
October 12-14, 2011




Program Integrity



- Notice of Proposed Rulemaking issued 6/18/10 to improve integrity of the Title IV programs
- Final regulations October 29, 2010
 - *Generally* effective July 1, 2011 (11-12 award year)
 - Exception
 - Verification and Updating - July 1, 2012
 - State Authorizations – possible one year extensions through July 1, 2012 and July 1, 2013

Electronic Announcement dated 9/2/11 –

- Program Integrity regulation Q & A website
- <http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/integrity-qa.html>



**CREDIT HOUR DEFINITION
&
CLOCK-TO-CREDIT
CONVERSION**


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Credit Hour Definition

- An amount of work represented in intended learning outcomes and verified by evidence of student achievement that is an institutionally established equivalency that reasonably approximates NOT LESS than—
 - (1) One hour of classroom or direct faculty instruction and a minimum of two hours of out of class student work each week for approximately
 - Fifteen weeks for one semester/trimester hour of credit, or
 - Ten or twelve weeks for one quarter hour of credit, or
 - The equivalent amount of work over different amount of time


OR



Credit Hour Definition

- (2) At least an equivalent amount of work for other academic activities as established by the institution including laboratory work, internships, practica, studio work, and other academic work leading to the award of credit hours
 - Discretion to determine in-class and out-of-class components to approximate requirements
- Regulations create procedures that accrediting agencies must use to determine if an institution's assignment of a credit hour is acceptable


GEN-11-06



Clock-to-Credit Hour Conversion

- Is an exception to the credit-hour definition that applies for purposes of the title IV, HEA programs
- Modifies the standards for clock-to-credit-hour conversions
- Modifies when an institution must use clock hours for undergraduate programs
 - Discussed in next section

October 29, 2010 Final Federal Register
 §668.8(k) and (l), p. 66949-66950 (preamble: pp. 66854-66857)




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➤ Clock-to-Credit Hour Conversion

- Undergraduate credit hour programs must use clock-to-credit conversion *unless*:
 - At least 2 academic years long and leads to a degree,
 - or
 - Each course in program is fully acceptable to a degree program of at least 2 academic years in length at that institution
 - *Institution must demonstrate that students enroll in and graduate from that degree program*
 - If NEW degree program used for exception, must use conversion formula until students graduate program




➤ New Conversion Ratios

- For those programs subject to the clock to credit hour conversion, the new conversion formula provided in regulation is
 - One semester or trimester credit hour is equal to at least 37.5 clock hours
 - One quarter credit hour is equal to at least 25 clock hours



➤ New Conversion Ratios - exception

- Exception (optional) for schools that demonstrate credit hours meet definition and no accrediting/State deficiencies related to assignment of credit hours to programs/courses
 - May **combine** work *outside of the class* with *clock hours of instruction* to meet ratios but must be at least 30 clock hours to 1 semester hour; at least 20 clock hours to 1 quarter hour
 - Must base evaluation on *individual coursework* components of a program, e.g., classroom study versus practica or labs
- Eligibility Application – EAPP (ECAR)
 - Accreditor must approve amount of out-of-class work hours
 - Clock hours listed include both instructional and out-of-class work hours




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Conversion Case Study (semester hours)

- A program with 720 clock hours consists of—
 - 5 classroom courses - 120 clock hours each, and
 - A 120 clock-hour externship with no out-of-class student work
- The institution determines that for—
 - The first 3 classroom courses, a student generally is required to perform 40 hours of out-of-class work for each course, and
 - The last 2 classroom courses have 8 hours of out-of-class work for each course



Conversion Case Study: two options

- Default option
 - Convert only based on clock hours and ignore any out-of-class work
- Full formula option
 - Take into account both clock hours and out-of-class work to determine the maximum allowable credit hours




Conversion Case Study: Default Option

- Use the default 37.5 clock hours per semester hour, ignoring the out-of-class work

$$\frac{720}{37.5} = 19.2 \text{ semester hours}$$

- Converted program = 19.2 semester hours (or 19, always round down unless award fractions of credits)




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➤ Clock Hour Program Definition

- *NOT considered a clock hour program* if a limited portion of a program includes a practicum, internship or clinical experience that must include a minimum number of clock hours for Federal or State approval or licensure
- *Clock hour programs cannot use clock-to-credit conversion for Title IV purposes*


16



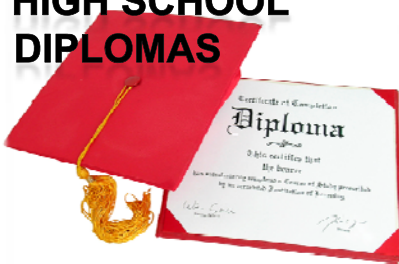
➤ Clock Hour Programs

- For students enrolled in programs subject to being a clock hour program *as of July 1, 2011*, school may choose:
 - To use current regulations until students complete program; OR
 - Apply new regulations for all students enrolled in payment periods or assigned to 2011-2012 and subsequent award years
- For students that enroll or reenroll *on or after July 1, 2011*, school must use new regulations


17



EVALUATING THE VALIDITY OF HIGH SCHOOL DIPLOMAS



18




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Valid High School Diploma

- An institution must develop and follow procedures to evaluate the *validity of a student's high school completion* if the institution OR the Secretary has reason to believe
 - High school diploma is not valid, or was not obtained from an entity that provides secondary school education


19




High School Diploma

- Additional question on the FAFSA requesting the name, city and state of high school
- Drop down box on FOTW with a list of high schools
 - Not a good or bad school list
- No requirement to collect high school diplomas unless collecting to validate questionable diploma
- No comments related to high school completion status on the ISIR


20



Verification and Updating of Student Aid Application Information



21




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Verification - Definitions


- **Subsidized student financial assistance programs**
 - Eligibility uses EFC
 - Verification Applies
 - Pell, FSEOG, FWS, Perkins, Subsidized Loan
- **Unsubsidized student financial assistance programs**
 - Eligibility does not use EFC
 - Verification does not apply
 - TEACH Grant, Unsubsidized Loan, PLUS Loan
- Uses **“FAFSA information”** instead of “application”
- **“Specified year”** – base year or year prior to base year



22

Verification & PJ


- All applicants selected for verification (either by ED or school) *must complete verification before any PJ adjustments* to FAFSA or COA are made
- The results of verification and PJ cannot be submitted on the same day
 - After the school receives the ISIR created from verification, the school would use the ISIR transaction to make adjustments to the applicants FAFSA using PJ
- Statement must be included in school’s written policies and procedures about verification



23

Verification Selection

- Institutions must verify *all applicants selected by CPS* for verification
 - Removes 30% limitation




24

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Verification - Exclusions


- Exclusions -
 - Not required to verify FAFSA information for parents of dependent student *or* spouse of independent student if parents or spouse's *contact information* is unknown
- Eliminated exclusions for:
 - Recent immigrants
 - Legal residents of Palau, RMI, FSM, Northern Marianas or Samoa



25

Verification – Marital Status

- *MAY require student to update FAFSA if change in marital status necessary to address an inequity or reflect more accurately ability to pay IF: (1) student dependency status changes or (2) selected for verification (by school or CPS)*
 - If updating due to a dependency change then the FAFSA needs to reflect *accurate household size, number in college, dependency status and correct financial information*
 - If updating due to verification but no change in dependency status, household size and number in college are updated
 - Other FAFSA items, such as income, could also be updated under Professional Judgment
- May establish a cut-off date after which school will not consider marital status updates
- May not project marital status



26

Information to be Verified

- ED will publish Federal Register Notice each award year listing possible verifiable items and acceptable documentation
 - SAR/ISIR will specify required verification items for *individual applicant (will have to verify all data if selected in 2012-2013)*
 - Publish potential verification items 4-6 months prior to the start of the application processing year
 - January 1, 2012 for the 2012-2013 award year
- **Federal Register July 13, 2011 and DCL GEN-11-13** – list items to be verified and required documentation




27

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Information to be Verified 2012-2013

- All Applicants selected by CPS
 - Number of household members
 - Number of household members in college
 - Food Stamps/SNAP – if reported on FAFSA
 - Child support paid – if reported on FAFSA
- Tax Filers selected by CPS
 - AGI
 - U.S. income tax paid
 - Untaxed income
- Non-tax Filers selected by CPS
 - Income earned from work




IRS Documentation in 2012-2013

- Applicants selected for verification who retrieve their income tax return information using the IRS Retrieval Process will be considered to have verified the FAFSA IRS data (AGI, taxes paid, any applicable untaxed income items)
- Applicants/Parents who were selected for verification who can't use the IRS Retrieval Process will need to submit an *IRS Tax Return Transcript* of 2011 tax year information
- In limited circumstances, if an institution determines that obtaining an IRS Tax Return Transcript is not possible, the institution may accept a signed copy of a 2011 income tax return, but it must document the reason



Acceptable Documentation

- Codifies policy that schools may use IRS data imported to FAFSA in lieu of tax return if data unchanged
- School *may* require an individual granted a tax filing extension to provide a copy of their completed and signed tax return when filed
 - If school receives a copy of the return, it **MUST** verify AGI and taxes paid
- Clarifies that tax returns submitted with preparer signature (wet, stamped, typed or printed) with the name and address of the preparer must also have their SSN, EIN, or PTIN




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Verification – Updating Changes

- As a result of verification, school must submit any changes for:
 - Any nondollar item; or
 - A *single* dollar item of \$25 or more
- If required to submit one change, must submit all changes


31



Verification – Disbursements

- Interim disbursements may be made without receipt of corrected ISIR if completed verification makes no change to aid eligibility
 - However all required corrections must be made
- Must have valid ISIR/SAR to support disbursements
 - No longer limits student to lesser Pell award if verification completed after enrollment
 - Student would receive Pell payment based upon correct EFC

32



Verification Implementation

- Effective date delayed until July 1, 2012
 - Effective for the 2012-2013 award year
 - *Processing year starts January 1*
- Institutions may need time to make changes to their institutional processing systems


33




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ABILITY TO BENEFIT (ATB)




34



Ability to Benefit – Credit Earned

- ATB provisions in HEOA expanded to include *satisfactory completion* of 6 credit hours applicable to degree/certificate offered by institution
 - Clarifies that new standard is
 - 6 semester, trimester or quarter hours, *or*
 - 225 clock hours
 - Hours do not have to be successfully completed in the eligible program in which the student is enrolled
 - Testing out credit does not satisfy ATB option


35



Ability To Benefit

- Not an “optional requirement” if school admits students without high school diploma as regular students
 - Institution cannot fail to accept the satisfactory completion of 6 credit hours or equivalent coursework that is applicable toward a degree or certificate at that institution as student’s ability to benefit

36




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Ability to Benefit – Credit Earned

- A student successfully completing the 6 hour or 225 clock hour progression requirement is NOT eligible for TIV aid until the subsequent payment period
 - Modules independently graded/completed *prior* to end of payment period – may be possible to earn 6 hours prior to end of payment period
 - Could disburse Title IV aid based on credits in remaining modules with adjusted COA


37



Ability To Benefit

- Non-native speakers of English taking programs taught in native language with ESL component or with a portion taught in English
 - student must take approved English proficiency test prior to beginning English portion of program
- For individuals with disabilities, the regulation revises acceptable documentation of disability
- GEN-11-08
 - Until ED approves a Spanish ATB test, may continue to use tests that meet our current standard

38



GAINFUL EMPLOYMENT PROGRAMS



39




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Gainful Employment

- Notices of Proposed Rulemaking published 6/18/10 & 7/26/10
- Two sets of Final Rules published on 10/29/10 with *effective date of 7/01/11*
 - Program Integrity; GE Reporting and Disclosures
 - Gainful Employment – New Programs
- *Final Federal Register - June 13, 2011*
 - *Performance Metrics (effective July 1, 2012)*
- For gainful employment information and updates go to: <http://ifap.ed.gov/GainfulEmploymentInfo/>
(GE Web Page)




GE References

- DCLs and Announcements
 - GEN-11-10: Overview of GE Programs
 - GE EA #3: Teacher Certification Programs
 - GE EA #11: GE Program Determination
 - GE EA #12: Certificates offered within Degree Programs
 - GE EA #14: NSLDS GE Submittal Template – online reporting
 - GE EA #15: GE Reporting Dates
 - GE EA #16: Updating new GE Programs on EAPP
 - GE EA #18: Procedures to Report Missing GE Data
 - GE EA #19: Preparatory Coursework not GE Programs
 - GE EA #22: Updated NSLDS GE User Guide
 - GE EA #25: Disclosures for programs with same CIP/Credential



Gainful Employment

- Applies to certain programs that are Title IV eligible because they lead to *gainful employment in a recognized occupation*
- All programs at for-profit schools except for –
 - Program leading to baccalaureate degree in liberal arts (offered since Jan./2009 and regionally accredited since Oct./2007)
 - Preparatory coursework necessary for enrollment in an eligible program regardless if certificate awarded




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Gainful Employment

- Any program at a public or not-for-profit school that is not –
 - A program leading to degree
 - A transfer program of at least two years fully transferable into a bachelor’s degree program
 - Preparatory coursework necessary for enrollment in an eligible program regardless if certificate awarded

43




The Law - HEA

GE Programs Include -

- Teacher certification programs leading to a certificate awarded by the institution but not to teacher training programs that do not lead to a certificate
- ESL programs leading to a certificate or, if a proprietary institution, a degree.


44



Recognized Occupation

- Recognized occupation is redefined as:
 - One identified by a Standard Occupational Classification (SOC) code established by OMB, or
 - One identified by an Occupational Network O*NET-SOC code established by DOL
- Outdated reference to the Dictionary of Occupational Titles is replaced with current references to SOC codes established by OMB and DOL

45




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Annual Submission


- Institution (*even if do not participate in a loan program*) annually submit information on students (TIV and non-TIV) enrolled in **TIV eligible** GE programs
 - Report includes :
 - Student and Program identifying information
 - Amounts from private education loans and from institutional financing plans
 - Enrollment information
 - Tuition and Fees (Optional)
 - Use Enrollment Reporting Process in NSLDS
 - GE EA #17 – Updated NSLDS GE User Guide
 - GE EA # 14 – Submittal Template
 - **NSLDS available 9/26/11**



46

GE - Annual Submission

- Reporting deadlines:
 - By October 1, 2011 (*may submit through 11/15/11*)
 - 2006-2007 award year information (if available)
 - 2007-2008, 2008-2009, 2009-2010 award year information
 - By November 15, 2011
 - 2010-2011 award year information
 - GE EA #15 – reporting dates
 - If can't produce award year information, the institution must provide an explanation
 - Explanation sent to GE-Missing-Data@ed.gov
 - GE EA #18 – procedures for reporting missing data




47

Gainful Employment Disclosures

- Institution is required to disclose:
 - **Occupations** its programs prepare students to enter
 - Providing link to occupational profiles on O*NET
 - If 6 digit CIP produces more than 10 jobs, may provide a link to a representative sample of jobs (by name and SOC) its graduates typically find employment
 - **Costs** – tuition/fees, room/board and books and supplies
 - May include additional costs

Effective July 1, 2011




48

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Gainful Employment Disclosures

- Institution is required to disclose:
 - **On-time completion rate** for each program
 - Determine the number of students who completed the program during most recently completed award year
 - Determine number of students who completed within normal timeframe regardless of whether transferred into program or changed programs at institution
 - Divide the number students who completed in normal timeframe by the total number of who completed the program; and
 - Multiply by 100

49 


Gainful Employment Disclosures

- Institution is required to disclose:
 - **Placement rate** for students completing each program
 - NCES developing methodology
 - Until developed, as of July 1, 2011:
 - If accrediting or State agency requires the calculation of a placement rate by program, the school must disclose the rate and who required it
 - If accrediting or State agency requires the calculation of a placement rate at the institutional level, the school must use the methodology to calculate a program rate and disclose it

50 

Gainful Employment Disclosures

- Institution is required to disclose:
 - **Median loan debt** incurred by students who complete the program
 - Title IV loan debt (FFEL and Direct Loan only) – Amount borrowed
 - Private educational loan debt – Amount borrowed
 - Institutional finance plans
 - Outstanding amount owed when withdraw or graduate


51 

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Gainful Employment Disclosures

- Disclosures must be in promotional materials made available to prospective students and on website
- Program home page website
 - Information simple and meaningful
 - Contain direct link to any other webpage with general, academic or admission information about the program
 - Information in an open format that can be retrieved, downloaded, indexed and searched
 - Made available to public without restrictions
- ED developing disclosure form
 - Online Web application



Gainful Employment – New Programs


- Must notify ED at least 90 days before the first day of class.
 - If the first day of class is on or after July 1, 2011 and before October 1, 2011, notification was due by July 1, 2011
 - If the first day of class is on or after October 1, 2011, institutions must provide notification to the Department at least 90 days prior to the first day of class.



Gainful Employment – New Programs

Reporting procedures:

- Electronic Announcement August 3, 2011 (GE EA #16)
 - Step by step instruction on how to report new GE programs on EAPP
 - Includes degree (proprietary schools) & non-degree GE programs
 - Notice of Intent to Offer GE program form to be mailed in with signature page and other supporting documentation
 - If notification not provided timely, school must wait for ED approval to offer TIV aid




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**Gainful Employment
New Programs**

- Notification must include:
 - How institution determined need for the program
 - How the program was designed to meet local market needs
 - If an online program, how designed to meet regional or national market needs
 - Contain any wage analysis performed
 - How program was reviewed/approved/developed with business advisory committees, program integrity boards, public/private oversight agencies, and any businesses likely to employ graduates
 - Demonstrate approved by, or included in, school accreditation
 - Provide the date of the first day of class

55 


**Gainful Employment
New Programs**

- Approval process
 - Unless ED requires school to obtain approval for additional programs (school status; program type), once notification is submitted, school is not required to get ED approval
 - If notification is not timely, school must obtain ED approval
 - If ED needs to approve the program, an alert notice will be sent to the school at least 30 days before the first day of class
- Program Denials
 - If denied, ED will:
 - Explain how program failed
 - Provide opportunity for school response
 - School may request reconsideration

56 

**Gainful Employment
New Programs**

- NPRM – 9/27/11
 - Establish new regulations to streamline the application and approval process for adding new GE programs
 - Comments must be received by November 14, 2011
 - Would not be effective until July 1, 2013
 - Continue to adhere to current rules


57 

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Gainful Employment “Performance Metrics”


- Establish minimal measures for determining whether certain postsecondary programs lead to gainful employment in recognized occupations, and the conditions under which these educational programs remain eligible for Title IV aid
- Minimum standards include (668.7):
 - program’s annual loan repayment rate is at least 35 percent
 - program’s annual loan payment is less than or equal to--
 - 30 percent of discretionary income; or
 - 12 percent of annual earnings



58

Gainful Employment “Performance Metrics”


- Repayment Rate –The percentage of the GE Program’s former students who are repaying their loans.
- Debt to Earnings Ratio –For the GE Program’s completers, the average educational loan payments as a proportion of the average borrowers’ income.
- Informational Rates in 2012
- First official rates in 2013



59

Gainful Employment “Performance Metrics”

- A program is a failing program for a year if it does not meet ANY of the minimum standards.
- After one year’s failure institution must —
 - Disclose to students and prospective students the amount by which the program did not meet the minimum standards and any plans for improvement;
 - Establish a three-day waiting period before students can enroll.



60


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**Gainful Employment
“Performance Metrics”**

- After two years out of three as a failing program, institution must tell students that —
 - Their debts may be unaffordable;
 - The program may lose eligibility; and
 - What transfer options exist.
- *If a failing program for three of four years, program loses eligibility for Federal student aid*

61



HOT TOPICS:



...I'M SUPPOSED TO DO WHAT?!?!


62



Net Price Calculator


- *Undergraduate schools* must post a net price calculator on its Web site that uses school data to provide estimated net price information to current and prospective students
 - Average yearly price actually charged to full-time, first-year undergrads (COA minus average need/non-need financial aid)
 - Use ED's or institution's calculator
- Effective October 29, 2011
- Assistance
 - http://nces.ed.gov/ipeds/resource/net_price_calculator.asp
 - Calculator template help line: 240-252-1707

63





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 **ATB and COD**


- Schools are required to include ATB method information if used as an eligibility factor for students on COD Pell and DL records associated with the 2011-2012 award year starting July 1, 2011

 64


 **Private Education Loans**

- A school must provide the information required on the ED self-certification form if requested (GEN-10-01)
- However, a school is not required to “certify” a private education loan
 - If a school has such a policy it must be across the board with all lenders since *a school can't refuse to provide a certification based on the borrower's choice of lender*

 65

 **TEACH**

- If a State designated high-need field comes off the State list, students can continue to receive TEACH grants in programs associated with the prior high-need field, if the school continues to define the program as a TEACH Grant program under the more broad definition of preparing students to become highly qualified teachers and preparing them to teach in high need fields (federal designated fields)
 - However, ED cautions school's to consider their students' ability to meet the future service obligation requirements

 66


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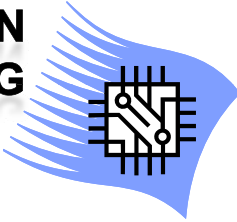
➤ State Authorization of Institution


- If an institution is offering postsecondary education through *distance or correspondence education* to students in a State in which it is not physically located or in which it is otherwise subject to jurisdiction as determined by the State, the institution must:
 - Meet State requirements for legally offering distance or correspondence education in that State
- Examples of legally authorized and not authorized schools in preamble of final federal register

ED is currently reviewing options due to recent court decision to suspend this specific regulation

67 GEN-11-11 

2010-2011 APPLICATION PROCESSING UPDATE




68 

➤ Social Security Process Change

- On June 25, 2011 the Social Security Administration (SSA) implemented new guidelines for assigning SSNs
- SSA will begin assigning SSNs in previously unused ranges, including the ranges beginning with '7' or '8'

Electronic Announcement July 8, 2011

69 


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Pacific Islander Students

- On 10/23/2011, we will convert all Pacific Islander records from the 2004-2005 cycle through the 2011-2012 cycle to a new pseudo-SSN range starting with '666' (instead of '888').
- For all Pacific Islander records from the 2010-2011 and 2011-2012 cycles (submitted through October), we will also system-generate new SAR/ISIR transactions.
- Monitor IFAP for final details on this reprocessing.


70



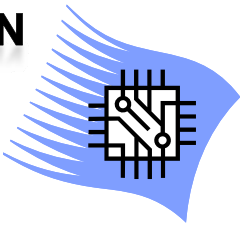
Students Randomly Assigned New SSNs

- After June 25th, students may be randomly assigned a new SSN that begins with '888'.
- Until 10/23/2011 these students **will not** be able to complete initial FAFSA using *FAFSA on the Web*.
 - May be able to submit a paper FAFSA depending on the full SSN assigned
- These students should be directed to the Federal Student Aid Information Center for a complete determination of how they should proceed


71



2012-2013 APPLICATION CHANGES



72




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➤ IRS Data Retrieval Tool

Income Estimator Notifications


- After the April 15th IRS tax filing deadline, students and/or parents will receive e-mail reminders to update the student's FAFSA with filed tax information.
- Messaging encourages the use of the IRS DRT if the option is available in *FAFSA on the Web*.

76 

➤ IRS Data Retrieval Tool


IRS DRT Eligible Filer Notifications

- Students and parents who were eligible to use the IRS DRT but didn't will receive an e-mail notification encouraging them to return to *FAFSA on the Web* and use the tool.
- E-mails will be sent beginning on April 1, 2012, with subsequent messages sent every 45 days until mid-September, and then every 60 days until the end of the cycle. E-mails will only be sent once per student/parent.

77 

➤ Updated IRS Request Flags

- **00** = Student/Parent was ineligible to use the IRS Data Retrieval Tool and was therefore not presented with the option to use it in FAFSA on the Web
- **01** = Student/Parent was presented with the option to use the IRS Data Retrieval Tool in FAFSA on the Web and elected to use it, but did not transfer IRS data into the FAFSA
- **02** = IRS data for the student/parent was transferred from the IRS and was not changed by the user prior to submission of an application or correction
- **03** = IRS data for the student/parent was transferred from the IRS and changed by the user prior to submission of an application or correction

78 


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Updated IRS Request Flags

- **04** = IRS data for the student/parent was transferred from the IRS and then changed by the user on a subsequent transaction
- **05** = Student/parent was presented with the option to use the IRS Data Retrieval Tool in FAFSA on the Web, but did not elect to use it
- **06** = IRS data for the student was transferred from the IRS, but a subsequent change made the student/parent ineligible to use the IRS Data Retrieval Tool
- **blank** = IRS Data Retrieval Tool not available in the application method utilized by the student/parent (i.e., paper FAFSA, EDE, or FAA Access)

79



Verification Tool

- The verification tool in FAA Access to CPS online will be disabled for 2012-2013

80





**ADDITIONAL
DCLS &
ANNOUNCEMENTS**


81

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Dear Colleague Letters

- **GEN-11-15** - Conditions and Documentation to support Dependency Overrides
- **GEN-11-12** – Trial Periods of Enrollment
 - May establish a “trial period” (short limited timeframe) where a student can “test” a program
 - NOT a regular student, NOT eligible for TIV aid and does NOT incur program charges during the trial period
 - Trial period must be part of the eligible program
 - If admitted after trial period, charges include trial period costs and, if eligible, could receive TIV funds for the trial period
 - Consumer information must outline trial period criteria
 - **Orientation programs are NOT considered trial periods**

82 


Dear Colleague Letters

- **GEN-11-07** – DL Guidance
 - PLUS adverse credit, program participation, PLUS FAFSA filing, borrowing limitations, and additional unsub to dependents
- **GEN-11-04** – PJ and Economic Situation; Combat Pay exclusion
- **GEN-11-03** – Improvements to FAFSA-IRS Retrieval Process (includes discussion about 12/13)

83 

Electronic Announcements

- **9/23/11** – New Federal Loan Servicers
 - 15 new not-for-profit servicers will be added between October 2011 through January 2013
- **9/12/11** – FY09 Official CDRs (national rate – 8.8%)
- **8/25/11** – 2nd Pell ACA Payment for 2010-2011
 - Message class, formula, process, contacts
- **8/5/11** – Perkins Liquidation and Assignment Process
 - Process, Documentation, Contacts; Replaces all prior guidance

84 


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➤ Electronic Announcements

- **7/25/11** – TEACH Exit Counseling on NSLDS
- **7/14/11** - Default Prevention Information Web Page
 - <http://ifap.ed.gov/DefaultPreventionResourceInfo/>
- **6/6/11** – Application process for Comprehensive Transition and Postsecondary programs for students with Intellectual Disabilities

85



UPCOMING & NEW LEGISLATION




86



➤ Rules, Regs and Reminders

- Budget Control Act of 2011 (*GEN-11-16*)
 - DL upfront rebate no longer offered on any Direct Loan with a first disbursement date that is on or after 7/1/12
 - Rate reductions to borrowers with automatic electronic payments debited from bank account still permissible
 - Graduate students no longer eligible for Subsidized Loans made for loan periods on or after 7/1/12
 - Annual limits unchanged, all unsubsidized (\$20,500)
 - Students still eligible for subsidized loans for preparatory coursework and teacher certification programs

87




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Federal Update


➤ Rules, Regs and Reminders

- Negotiated Rulemaking - 2011-2012
 - “Naturally readable” Federal Student Loan regulations
 - Total and permanent disability student loan discharge
- HEOA –Financial aid offer forms
 - ED currently working with community to develop model formats of award letters
 - Website to gather and share information
 - <http://www2.ed.gov/policy/highered/guid/aid-offer/index.html>

88 

➤ Rules, Regs and Reminders

- Schools can make one loan disbursement in a Single Term Loan Period or not adhere to the 30 day loan delay for first-time, first-year borrowers if:
 - Loan disbursements made *on or after October 1, 2011*, the school in which the student is enrolled has a cohort default rate of **less than 15% for each of the three most recent fiscal years**, for which data are available
 - Prior rules required 3 years of default rates below 10%
 - COD will be updated to allow new single loan disbursement based on new default rates October 21-22, 2011 (EA 9/22/11)

89 




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Federal Update


Training/Assistance

- Upcoming Training
 - SAP Webinar – November 2011
 - Student Eligibility Webinar – November 2011
 - R2T4 Webinar – December 2011
- ANN-11-20 – 10/13/11 Webinar - NSLDS GE Reporting
- ANN-11-24 – 10/24/11 Business Office Webinar Series
- ANN-11-18 – Recording – Completing the FISAP
- ANN-11-17 – Fundamentals Workshops for 11/12
 - New schools and new financial aid staff
- ANN-11-12 – Recording – Professional Judgment

91 



Training/Assistance

- Federal Loan School Support Team
 - All DL schools have a POC - dlops@ed.gov
 - Provide assistance on complex DL processing and servicing issues
 - Solicit school input on system processing improvements and training needs
- IFAP - “Training Tab” (top of menu bar)
 - Topics catalog; E-catalog; Instructor-Led training catalog; Past/archived presentations catalog
- Financial Aid Professional Training Website (on IFAP)
 - <http://www2.ed.gov/offices/OSFAP/training/index.html>

92 

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93  

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