

## Federal Update – Part 2



**Federal Update – Part 2**

KASFAA Fall Conference  
October 12-14, 2011

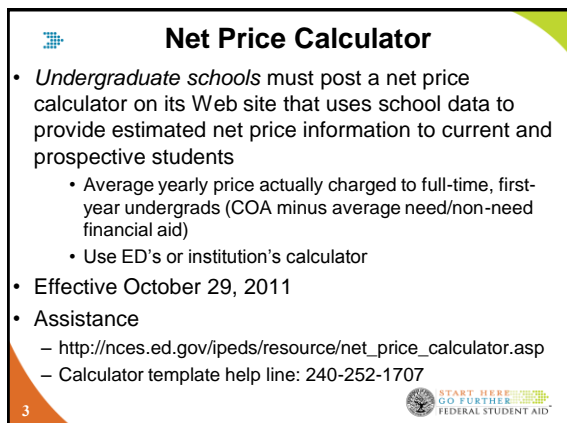
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**HOT TOPICS:**

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

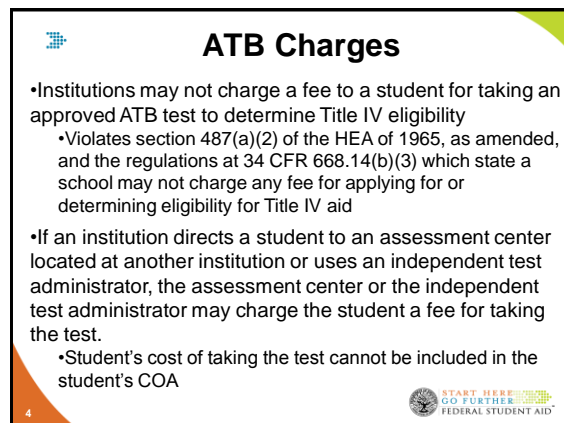
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**Net Price Calculator**

- *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](http://nces.ed.gov/ipeds/resource/net_price_calculator.asp)
  - Calculator template help line: 240-252-1707

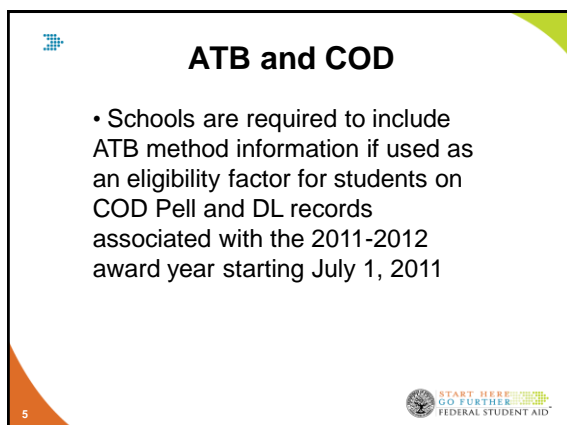
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**ATB Charges**

- Institutions may not charge a fee to a student for taking an approved ATB test to determine Title IV eligibility
  - Violates section 487(a)(2) of the HEA of 1965, as amended, and the regulations at 34 CFR 668.14(b)(3) which state a school may not charge any fee for applying for or determining eligibility for Title IV aid
- If an institution directs a student to an assessment center located at another institution or uses an independent test administrator, the assessment center or the independent test administrator may charge the student a fee for taking the test.
  - Student's cost of taking the test cannot be included in the student's COA

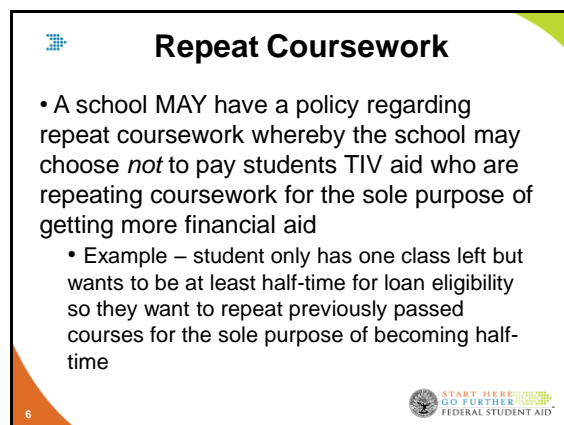
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**ATB and COD**

- 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

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**Repeat Coursework**

- A school MAY have a policy regarding repeat coursework whereby the school may choose *not* to pay students TIV aid who are repeating coursework for the sole purpose of getting more financial aid
  - Example – student only has one class left but wants to be at least half-time for loan eligibility so they want to repeat previously passed courses for the sole purpose of becoming half-time

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## Federal Update – Part 2

### SAP

- Having an SAP policy “as strict or stricter” than other school policies refers to the actual measurements used to monitor qualitative and quantitative standards - GPA and pace
- It does NOT refer to the frequency in which the school checks SAP
  - Therefore academics might check GPA every term but financial aid can check GPA for SAP purposes annually


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### Verification

- Tax Transcript
  - If specific line item is repeated multiple times (e.g. AGI listed 3 different times, making work pay credit listed 3 different times), use the amount listed under the line item coded “per computer”
    - This is the amount calculated by the IRS


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### Prior Year Charges

- \$200 limitation for prior year charges are those charges assessed in the immediate previous year (prior year)
- Current TIV funds cannot be used to pay charges incurred before the prior year (such as prior, prior year costs, etc.)


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### COA/EFA & “Extra” Costs

- Costs associated with activities that enhance the academic experience (e.g. Model UN trip, etc.), but are not required to obtain the academic credential, are not part of COA and cannot be modified by use of PJ
- If the school pays the costs associated with the “extra” activity *directly on behalf of the student*, these funds would not be considered EFA
- However, if the school *gives the money directly to the student* to cover the costs, it is EFA


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### Direct Loans

- A school cannot increase the origination amount of a loan after the loan period has ended
- A single term loan period would include the start and end dates of the entire term, even if a student is just enrolled in one or two modules
  - COA only includes period of actual attendance
- For 2011-2012 a FAFSA must be filed in order for a student to receive a parent PLUS loan


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### R2T4 - PWD

- If at the time a student withdraws no DL funds have been disbursed and they have not begun attendance in enough courses to establish a half-time enrollment status, the institution may not make a first disbursement of a Direct Loan to a student as a Post-Withdrawal Disbursement
  - Can include as aid that could have been disbursed if meet the conditions of a late disbursement but cannot actually provide the funds

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## Federal Update – Part 2

## 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*



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## 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



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## 2010-2011 APPLICATION PROCESSING UPDATE



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## 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*



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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.



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## 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



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## Federal Update – Part 2

### 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


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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)

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### Verification Tool


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

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### ADDITIONAL DCLS & ANNOUNCEMENTS


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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**


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### Dear Colleague Letters

- **GEN-11-07** – DL Guidance
  - PLUS adverse credit, program participation, PLUS FAFSA filing, borrowing limitations, and additional unsubs 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)

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## Federal Update – Part 2

### 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** – 2<sup>nd</sup> 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


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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

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## UPCOMING & NEW LEGISLATION


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### 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

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### 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>


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### 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)

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# Training

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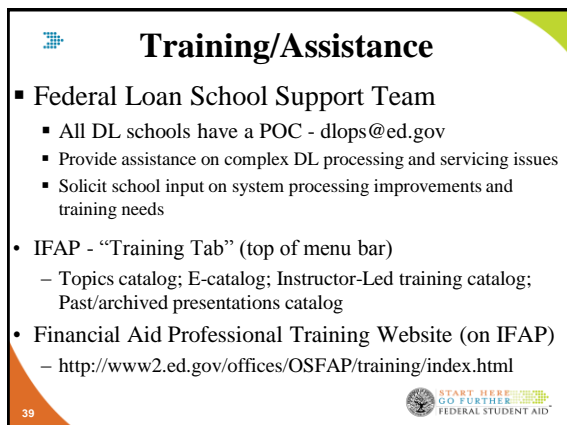


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## Training/Assistance

- Upcoming Training
  - Business Officer Webinar Series – late October, early November 2011
  - FSA Conference – MGM Las Vegas -11/29-12/2/11
    - fsaconferences.ed.gov
- ANN-11-20 – 10/13/11 Webinar - NSLDS GE Reporting
- 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

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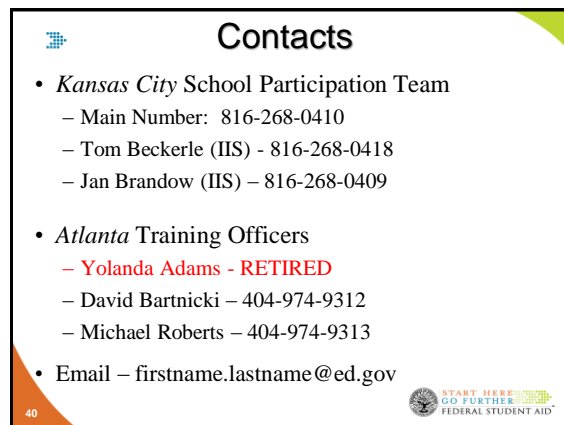


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## Training/Assistance

- 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>

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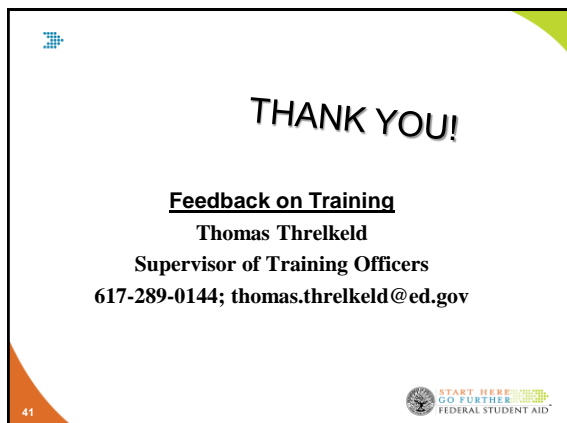


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## Contacts

- *Kansas City* School Participation Team
  - Main Number: 816-268-0410
  - Tom Beckerle (IIS) - 816-268-0418
  - Jan Brandow (IIS) – 816-268-0409
- *Atlanta* Training Officers
  - Yolanda Adams - **RETIRED**
  - David Bartnicki – 404-974-9312
  - Michael Roberts – 404-974-9313
- Email – [firstname.lastname@ed.gov](mailto:firstname.lastname@ed.gov)

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# THANK YOU!

**Feedback on Training**  
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