

FEDERAL UPDATE ISFAA
Indianapolis, IN April 14, 2011

Pell Grant 2011-12

- Pell is records first system in 2011-12
- ★ You must have accepted disbursement records in COD before Pell funds will be available in G5
 - COD will accept disbursement records up to 7 calendar days before disbursement date
 - School should report within disbursements within 30 calendar days after disbursement date

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Pell Grant

Federal Student Aid acknowledges receipt of the recent posts related to awarding two Federal Pell Grants. Following legislative action related to the federal budget, Federal Student Aid will be able to issue the necessary policy guidance to schools. Please monitor the Information for Financial Aid Professionals (IFAP) Web site for this guidance.

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ACG/SMART

- Cross-over Payment Period 2011
 - ▶ Regulation states that ACG/SMART in cross-over payment period must be paid from same award year as Pell will be paid for that cross-over period
 - ▶ Any ACG/SMART awarded for this summer 2011 must be awarded/paid from 2010-11 funds
 - ▶ **No ACG/SMART in 2011-12**
 - ▶ If you award/disburse 11/12 Pell for summer, student cannot receive ACG/SMART

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Title IV Tidbits

- Annual DUNS Number and TIN Registration
 - ↳ IFAP Electronic Announcement 03/23/11
- 2011-12 ISIR Guide and SAR Comments posted to IFAP
 - ↳ IFAP Electronic Announcements 04/08/11
- Quality Assurance Participation
 - ↳ Federal Register Notice 04/12/11

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EDEXPRESS 2011-12

- EDEXpress Release 2.0 Available
 - Includes Pell, TEACH, and Direct Loan functionality
 - ↳ IFAP Electronic Announcement 03/28/11
- Also available are two modules of online training for EDEXpress 11/12
 - ↳ DCL ANN- 11-07 & 11-08

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Direct Loan School Participation

DCL GEN-11-07

- Schools **cannot** limit borrowing by students or parents across the board or by category
 - ▶ Cannot limit to direct costs
 - ▶ Cannot allow only in certain terms
 - ▶ Cannot set loan limits for school less than statutory
 - ▶ Cannot deny access to groups of students

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Direct Loan School Participation

- Subsidized and Unsubsidized Loans are **ONE** loan program
 - ▶ If school participates in one, must participate in both
 - ▶ If participate in Grad PLUS, must participate in sub/unsub

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Direct Loan School Participation

- PLUS Loans
 - ▶ Participation is school's option
 - ▶ If choose to participate and have both undergraduate and graduate programs, must offer both Parent and Graduate PLUS Loans
 - ▶ If choose **not to** participate, dependent undergraduates **cannot** borrow additional unsubsidized at independent loan limits

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2011-12 Parent PLUS Loan

- Dependent student must file 2011-2012 FAFSA for Parent PLUS Loan
 - Use "FAFSA" parent, not PLUS loan borrower
- 98% already file FAFSA
- COD will monitor
- Need to perform database matches to verify **student eligibility**

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Loan Split Servicing

- Department working to resolve any split servicing for federally owned loans
 - ▶ Direct Loans
 - ▶ PUT FFEL Loans
- FFEL Loans not owed by Department must be serviced separately

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2011-12 FAFSA

- Untaxed Income – Tax Credits
 - ↳ Application/Verification Guide, page AVG-19
 - Making Work Pay
 - Homebuyer
 - ▶ Noted on FAFSA, questions 44i/92i
- American Opportunity Education Tax Credit
 - ▶ Noted on FAFSA, questions 43a/91a
 - Refundable portion is on line 66 of the 1040 form and line 43 of the 1040A. **DO NOT COUNT ON FAFSA!**

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IRS Data Retrieval

- Federal Student Aid (FSA) and the Internal Revenue Service (IRS) developed a non-consent solution to simplify FAFSA completion.
- Tax filer retrieves own data
 - No Consent
 - Voluntary
- Will allow some applicants to retrieve their income tax data from the IRS.
 - Tax filers with Married Filing Separately" status should not use
- IRS data can be automatically transferred to FOTW

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IRS Data Retrieval

- 2011-12 IRS data retrieval available -
 - Within 1 -2 weeks of electronic tax filing
 - Within 6 -8 weeks of paper tax filing
- An institution may consider IRS retrieved information as acceptable verification documentation if -
 - the Secretary has identified those items as having come from the IRS and have not been changed
 - IRS Request Flag = 02
 - Don't forget items IRS does not populate

DCL GEN-11-03

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Assets On FOTW

- FOTW has skip logic that will not display asset questions for applicants who qualify for Simplified Needs Test and/or Automatic Zero EFC
 - ▶ IN allows simplified flow, so asset questions may not be asked to IN residents
 - ▶ Result is blank assets on ISIR
- CPS Reject 1 if assets are blank and not qualify for Simplified Needs Test and/or Automatic Zero EFC
 - ▶ Comment 150 for dependent student
 - ▶ Comment 151 for independent student

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FOTW Asset Threshold Question

- ▶ Asset Threshold question now asked for parents and independent students who do not qualify for Simplified Needs Test and/or Automatic Zero EFC
- ▶ Do you have assets that exceed APA?
 - ▶ If parents/ independent student answer “yes”, cannot leave assets blank
 - ▶ If parents/independent student answer “no”, asset questions will not display and ISIR will not show reject I
- ▶ If parent presented with asset threshold question, dependent student must answer asset questions

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ISIR Reprocessing For Assets

- Reprocessing is completed!
 - ▶ March 28 and March 31 reprocessed approximately 4000 records
 - ▶ April 4 and April 7 reprocessed approximately 250,000 records
- Reprocessed ISIR's
 - ▶ In message class IGSIG12OP
 - ▶ Contain comment code 172 “reprocessed ...processing system change”
 - ▶ Reprocessed reason code either 01 or 02

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Assets & Third Party Software

- Two new comment codes to resolve issue of blank assets
 - ▶ Comment 901 if parent of dependent student was presented with asset threshold question and answered “no”
 - ▶ Comment 902 if independent student was presented with asset threshold question and answered “no”

IFAP Electronic Announcement 04/07/11

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Ability To Benefit In COD

- Schools must identify/report Ability to Benefit students in COD record fields 105 to 109
 - ▶ 105 is why eligible without high school diploma/GED
 - ▶ 106 is test administrator code – independent person or assessment center
 - ▶ 107 is ATB test taken and passed
 - ▶ 108 is date that student completed test or passes state process
 - ▶ 109 is state in which student completed approved ATB state process

📄 COD Tech Reference Volume II, Section I & 3

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Verification Status Code “W”

- 2010-11 disbursement record accepted with Verification Status Code “W”
- School must “fix” code and resubmit record by 04/20/11
 - ▶ “Blank” is not selected
 - ▶ “V” is verified
 - ▶ “S” is selected, not verified
- Warning Messages sent beginning 04/06/11
 - ▶ In message class PGTTX1 IOP
 - ▶ Also sent Reconciliation Report PGRC1 IOP

★ Considered overaward and reduced to \$0.00

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COD Edit 074

- Edit 074 is incorrect adjustment to Disbursement Release Indicator
 - ▶ If you submit DRI “false” after accepted record with DRI “true”

★ Do not change DRI after COD accepted record with DRI “true”

📄 IFAP Electronic Announcement 03/30/11

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Satisfactory Academic Progress

- Regulatory changes effective 07/01/11
 - ▶ If you evaluate SAP after summer 2011 term, you may use current policy or “new” policy
 - ▶ After summer 2011, any SAP evaluation must be done using “new” policy

- Your “new” policy’s definitions of “Financial Aid Warning” and “Financial Aid Probation” must match regulatory definitions

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Satisfactory Academic Progress

Credit hour programs

- Maximum time frame must be measured in credit hours attempted
- Must measure *pace of progression* in credit hours - Cumulative hours successfully completed / Cumulative hours attempted

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R2T4 & Modular Programs

- Revises R2T4 rules for modular programs
 - Defined as any program where course or courses do not span entire length of payment period or term
- Examples—
 - ▶ Two 8 week sessions within 16 week semester
 - ▶ Three 5 week sessions within 15 week semester
 - ▶ Two 6 week sessions within a 12 week quarter
 - ▶ Mini-sessions within summer term
 - ▶ Winter “inter-session” or “J term” between fall and spring semesters

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Is Student A Title IV Withdrawal?

- 1. Did the student cease to attend before completing or fail to begin attendance in a course scheduled to attend?
 - ▶ If yes, go to question 2.
 - ▶ If no, student not a withdrawal.
- 2. When ceased to attend or failed to begin attendance in a scheduled course, was the student attending other courses?
 - ▶ If yes, student not a withdrawal.
 - ▶ If no, go to question 3.
- 3. Did the student confirm attendance in a later module in the payment/enrollment period (45 day rule, if applicable)?
 - ▶ If no, student is a withdrawal.
 - ▶ If not a withdrawal, Pell recalculations may apply.

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R2T4 & Schools Required To Take Attendance

- Now includes school with internal or departmental requirement to take attendance
- Must use attendance records to determine last date of attendance
 - ▶ Last Date of Attendance = R2T4 Withdrawal Date

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Verification Changes

- Regulatory changes to verification do not take effect until **2012-13**
- ★ No early implementation allowed!
- ▶ Removal of 30% cap
- ▶ Ability to update marital status if selected for verification or affects dependency status
- ▶ Elimination of \$400 tolerance
- ▶ Change to required verification items

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Dear Colleague Letters

- Implementation of Program Integrity Regulations
 - GEN-11-05
 - State Authorization
 - Incentive Compensation
 - Misrepresentation
 - GEN-11-06
 - Credit Hour regulation
- Guidance Related to Study Abroad in Japan
 - GEN-11-09

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Publications & Sites for Students

- www.college.gov
- www.studentaid.ed.gov
- College Preparation Checklist
www.studentaid.ed.gov/collprep
- Do You Need Money for College? Federal Student Aid at a Glance www.studentaid.ed.gov/pubs
- Revised military fact sheet

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