Federal Update

Negotiated Rulemaking

Accreditation Innovation and Other Issues

- On July 31, 2018, the Department announced its intent to establish a negotiated rulemaking committee
- The Committee began work in January to develop proposed regulations on Accreditation Innovation and other related issues

For discussion purposes only
Accreditation Innovation and Other Issues

• The Department also announced an intent to establish three subcommittees that would make recommendations to the Negotiated Rulemaking Committee on:
  • Distance Learning and Innovation
  • Eligibility of faith-based entities and activities
  • TEACH Grants

Accreditation Innovation and Other Issues

• The Distance Learning and Educational Innovation Subcommittee will address:
  • Simplification of State authorization requirements related to programs offered through distance education or correspondence courses, including disclosures about such programs to enrolled and prospective students and other State authorization issues
  • The definition of "regular and substantive interaction," as that term is used in the definitions of "correspondence course" and "distance education"

Accreditation Innovation and Other Issues

• The TEACH Grants Subcommittee will address:
  • The simplification and clarification of TEACH Grant program requirements to:
    • Minimize the inadvertent grant-to-loan conversions
    • Provide opportunities to correct erroneous conversions

For discussion purposes only
**Accreditation Innovation and Other Issues**

- The Faith-Based Institutions Subcommittee will address:
  - Requirements for accrediting agencies to honor institutional mission
  - Provisions regarding the eligibility of faith-based entities to participate in the Title IV, HEA programs

**Accreditation Innovation and Other Issues**

- Main Committee Session Dates:
  - Jan. 14–16, 2019
  - Feb. 19–22, 2019
  - March 25–28, 2019

- Sessions will take place in Washington, DC. Specific locations were announced in a Federal Register notice and on our website

- The Department brought specific proposals to the first round of negotiations

**Borrower Defense to Repayment**

- The Department formed a Negotiated Rulemaking Committee to negotiate the following issues:
  - Federal Standard for BDTR
  - BDTR Process
  - Limited Aspects of Financial Responsibility and Administrative Capability
  - Pre-dispute Arbitration Agreements, Class Action Waivers, and Internal Dispute Processes
  - Closed School Discharges
  - False Certification Discharges
  - Guaranty Agency Collection Fees
  - Subsidized Usage Period Recalculation

For discussion purposes only
Federal Update

Borrower Defense to Repayment

• Financial Responsibility Subcommittee
  • Formed to consider issues relating to recent changes to the Financial Accounting Standards Board (FASB) standards

Gainful Employment

• A Notice of Proposed Rulemaking (NPRM) was published Aug. 14, 2018
  • The comment period ended on Sept. 13, 2018
  • The Department received nearly 14,000 comments
  • A final regulation is under development

Gainful Employment

• June 18, 2018 GE EA #116: Deadline to comply with requirements of 668.412 (d) and (e) delayed until July 1, 2019. Supersedes GE EA #106. Specifically these regulations require schools to:
  • Include the disclosure template, or a link thereto, in their GE program promotional materials; and,
  • Directly distribute the disclosure template to prospective students
  • Consistent with previous announcements, schools must comply with 668.412(a), (b), and (c) to post disclosures on their GE program webpages using the approved disclosure template provided by ED. The deadline for these actions was April 6, 2018.

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Federal Update

Statutory Updates

Minibus Appropriations Bill

- On Sept. 28, 2018 the President signed the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 (H.R. 6157; Public Law No: 115-245) which impacted Federal student aid in several ways:
  - Increased Maximum Pell Grant awards
  - Level funding for FWS/FSEOG awards
  - Deferment for Cancer Treatment
  - FAFSA® Data Usage
  - Temporary Extended Public Service Loan Forgiveness (TEPSLF)
  - Public Service Loan Forgiveness (PSLF) Outreach

Deferment for Cancer Treatment

- Direct Loan, FFELP, and Perkins Loan borrowers will become eligible for an interest-subsidized deferment for the period of time for which they are receiving treatment for cancer and for the 6-month period following the cessation of such treatment. The term “cancer treatment” is undefined.
- This provision is only available for loans that are disbursed on or after the date of enactment, Sept. 28, 2018, or loans in repayment on the date of enactment.
- Loans disbursed prior to Sept. 28, 2018 that have not yet entered repayment are not eligible for this benefit.

For discussion purposes only
Federal Update

### FAFSA Data Usage

- The law permits, but does not require, schools to provide FAFSA data to a scholarship granting organization, or to an organization that assists the applicant in applying for and receiving Federal, State, local or tribal assistance if:
  - The applicant has provided explicit written consent, and
  - The disclosure is to assist the applicant in applying for and receiving financial assistance at that school
- The organization cannot sell or otherwise share the FAFSA data they receive from schools under this section
- This provision will remain in effect until the HEA is reauthorized

### Public Service Loan Forgiveness (PSLF)

- The appropriations law sets aside an additional $2.3 million from the Student Aid Administrative account (same as in FY 2018) for FSA to perform outreach to all Direct Loan borrowers with respect to PSLF, particularly those who are not in qualifying repayment plans for PSLF
- The law also permits FSA to spend these funds on enhancements to PSLF operations
  - PSLF Help Tool - [StudentLoans.gov/pslf](http://StudentLoans.gov/pslf)

### TEPSLF

- The appropriations law provides a supplemental $350 million for the temporary expansion of PSLF for Direct Loan borrowers that was created in FY 2018, bringing the total appropriation to $700 million
- This expansion is available to those who do not otherwise qualify for PSLF solely because some or all of their payments were made on a non-qualifying repayment plan (such as the Extended Repayment Plan)
- To qualify for the temporary expansion, a borrower must demonstrate that the payment they made 12 months prior to applying for the temporary expansion of PSLF and the payment they made immediately prior to applying for the expansion are at least as much as they would have paid under an income-driven repayment plan

For discussion purposes only
Federal Update

Children of Fallen Heroes Scholarship

- On March 23, 2018 the President signed the Consolidated Appropriations Act, 2018, (H.R. 1625, Public Law 115-141)
- Amends Sec. 473(b) of HEA and expands special rule for “EFC shall be deemed zero”
- Student must be eligible to receive Pell Grant for the year in which eligibility determination is made beginning with 2018-2019 award year (EFC > 0 and ≤ the maximum EFC for Pell Grant)
- Parent or guardian actively serving as a public safety officer and died in the line of duty while performing as a public safety officer

School’s responsibility
- Determine and document, working with the student, that the student met eligibility requirements
- Documentation requirements are not prescribed but may include:
  - Determination letter for certain federal benefits under DOJ’s Public Safety Officers Benefit Program
  - Written attestation made by a state or local government official with authority over the individual who died in the line of duty
- See 11/19/2018 EA for more examples
- Submit eligibility determination to FSA through the COD System in awards 2018-19 and 2019-20
  - Eligibility determination validation will move to FAA Access beginning in the 2020-2021 award year

For discussion purposes only
Federal Update

### Electronic Announcement: January 9, 2019

- Signed copies of paper tax returns may now be accepted in lieu of documents issued by the IRS
  - Schools may still opt to require IRS documentation
  - Signature requirements for tax preparers continue to apply
- IRS verification of non-filing (VNF) is still required for non-filing parents, independent students and spouses, but a signed statement may be provided if the VNF cannot be obtained
  - Applicants are not required to document their attempt to obtain IRS documents, unless the school doubts the attempt was made

### Tax Filing Extenders: Documentation

- A signed statement certifying that the individual:
  - Attempted to obtain non-filing verification from the IRS or other tax authorities and was unable to; and
  - Has not filed a Federal income tax return
- A list of the sources of any income, and the amount of income from each
  - If self-employed, the signed statement must also include the AGI and the amount of U.S. income tax paid

### Tax Filing Extenders: Other Documents

- Copy of the IRS’s approval of an extension beyond the automatic six-month period
- Copy of IRS Form W–2 for each source of employment income received or an equivalent document

For discussion purposes only
Federal Update

Amended Tax Returns

• Individuals who filed an amended tax return must submit the following documents to the institution:
  – If identified by IRS Request Flag 07, all original income and tax information is considered verified
  – If not identified by IRS Request Flag 07, an IRS Tax Return Transcript, or any other IRS tax transcript(s) that include all of the income and tax information required, or a signed copy of the original tax return;
  AND
  – a signed copy of IRS Form 1040X that was filed with the IRS
• If the amendment was not due to filing a 1040X, the applicant must provide IRS documentation of the change

Identity Theft

• Victims of IRS tax-related identity theft must submit:
  – Statement signed and dated by the tax filer indicating s/he was a victim of IRS tax-related identity theft and the IRS has been made aware;
  AND
  – An IRS Tax Return Database View (TRDBV) transcript
  • Tax filers who cannot obtain a TRDBV transcript may instead submit other official IRS document(s) if they include all income and tax information required to be verified, or a signed copy of the tax return

Non-IRS Tax Filers

• Tax filers who filed an income tax return with a taxing authority in a US territory or commonwealth, or with a foreign central government, may submit:
  – a copy of a transcript of their tax information, if available free of charge
  OR
  – a signed copy of the applicable income tax return that was filed with the taxing authority

For discussion purposes only
Federal Update

### 2018-2019 Verification: References

- **GEN-17-05**: 2018-2019 Verification (5/5/17 Federal Register)
- **August 16, 2017 Electronic Announcement**: 2018-19 Verification Suggested Text
- **Updates**:
  - Internal Revenue Service (IRS) Data Retrieval Tool (DRT) is available again (masking process)
  - Dependent students who are nonfilers do **not** have to provide confirmation of nonfiling status from the IRS or other relevant tax authority
  - Other parties do (parents, independent students, etc.)

### 2019-2020 Verification: References

- **GEN-18-03**: 2019-20 Verification (3/28/18 Federal Register)
- **No changes to verification tracking groups or FAFSA verification items from 2018-2019**
- **June 8, 2018 Electronic Announcement**: 2019-20 Verification Suggested Text
- **July 30, 2018 Electronic Announcement**: EDE Technical Reference for the 2019-20 ISIR record layout, including Verification Tracking Flags

### Changes to IRS Tax Transcript

New IRS Tax Transcripts Redacted Data
- Effective 9/23/18, IRS tax transcripts display a reduced number of digits/characters for SSN, EIN, account/phone #, last name, address
- The revised IRS tax transcript is acceptable for verification purposes
- At the end of 2018 transcripts will no longer be faxed
- Filers currently can create “customer file numbers” when requesting transcripts via 4506T/T-EZ
  - Available next year for Get Transcripts Online or Online by Mail

For discussion purposes only
Federal Update

Changes to IRS Tax Transcript

New IRS Tax Transcripts Redacted Data
– Spring of 2019, IRS plans to remove option for requesting 3rd-party receipt of tax data on 4506-T/T-EZ and only mail transcripts to taxpayer
• Schools can receive transcripts directly by participating in IRS’ Income Verification Express Services (IVES) by registering for e-Services on IRS.gov


Changes to Other IRS Tax Forms

• The recently passed tax reform law changes other IRS tax forms (e.g. Form 1040)
• The IRS released drafts of new tax forms in August 2018
• One major change is the elimination of tax forms 1040A and 1040EZ, and the creation of 6 new schedules
• FSA is reviewing these 2018 tax form changes to see how these changes effect 2020-2021 forms and processes

NSLDS Updates

For discussion purposes only
New Enrollment Reporting Guide (November 2018)

- See Electronic Announcement November 14, 2018

Aid Overpayment Compliance Report

- Released in November 2018
- To assist schools in their effort to identify aid overpayments which need to be assigned to ED or updated on NSLDS
- The report can be requested with the following outputs:
  - Ad-hoc report from the Web Report List Page on NSLDS
  - Scheduled report with a monthly or quarterly distribution via SAIG
    - Fixed-width (Message Class AOCOFWOP)
    - Comma separated values (CSV) (Message Class AOCOCDOP)

NSLDS Student Access (SA) Website

- Released in November 2018
- The SA Authorization page displays the following when a lender or lender servicer is authorized:
  - Lender/Lender Servicer Name
  - Lender/Lender Servicer Code
  - Authorization Expires On
- This page allows the borrower to authorize a lender or lender servicer, that they do not have a direct relationship with, access to their loan information

For discussion purposes only
Federal Update

NSLDS – Iraq Afghanistan Service Grant

- Schools can now view Iraq and Afghanistan Service Grants (IASG) information for a student on the Grants page, under the Aid tab of the NSLDS Professional Access website.

NSLDS – Children of Fallen Heroes

- The Children of Fallen Heroes indicator is displayed in the Pell Grant History table on the Grants Page under the Aid tab of the NSLDS Professional Access website.

Changes to Enrollment Update

- Planned for Spring 2019
- New search options will be available on the Enrollment Update page:
  - Credential Level
  - Special Program Indicator (SPI)
  - Published Program Length (PPL)
  - Classification of Institutional Programs (CIP) Code

For discussion purposes only
COD Updates

Federal Update

COD Update – 17.2 DL Report Changes

Release 17.2 Children of Fallen Heroes (December 2018)

- Children of Fallen Heroes (CFH) Scholarship Act
  - Eligibility certified by the financial aid administrator on COD Web by marking the CFH Indicator = “true” for Pell-eligible students that qualify
  - Will allow awarding the maximum Pell Grant Scheduled Award based on Cost of Attendance
  - CFH Indicator “tag” will not be returned in responses, but new Warning Edit 224 will be
    - Message: “Pell award submitted with CFH Indicator = true”

COD Update – 17.2 DL Report Changes

- Promissory Notes Search Results page
  - MPN Expiration Date added
  - Help text added to MPN ID, Note Status, Type Indicator, MPN Expiration Date
  - PSLF Help Tool
  - Subsidized Usage Limit Applies (SULA) “Reductions Needed Report” is now “Discrepant Loan Data Report”
  - Additional modifications to some of the reporting fields

For discussion purposes only
Federal Update

**COD Update – Release 18.0**
- COD System implementation early April, 2019
  - New Award Year Set-up for 2019-20
  - No new schema
  - CFH Indicator added to 2018-19 Pell POP, 2019-20 Pell MRR, Pell Reconciliation, and Pell Grant Year-to-Date files
  - StudentLoans.gov Process Demonstrations
  - *Return of Title IV (R2T4) migrating to COD*
  - Fiscal Operations Report and Application to Participate (FISAP) Validation Edits

**COD Update – 18.0 R2T4 on COD**
- R2T4 migrating to COD
  - Core-functionality and calculations will not change
  - Base year for tool will be 2017-18
    - Data (i.e., calculations, PDFs) will be available for ten years from base-year
  - Calculations and previous information will not transfer to COD
  - Iraq and Afghanistan Service Grant included in tool calculation

**COD Update – Posted Resources**
- 2019-20 COD Technical Reference (EA), November 19, 2018
- 17.2 Implementation (EA), November 20, 2018
- Children of Fallen Heroes Scholarship Act (EA), November 19, 2018
- R2T4 Transition to COD (EA), December 20, 2018

For discussion purposes only
Federal Update

Protecting Student Information

FSA Cybersecurity Compliance

studentprivacy.ed.gov

For discussion purposes only
Federal Student Aid
Updates and Reminders

TEACH Grant Reconsideration
1/31/19 – Electronic Announcement
• TEACH Grant recipients whose grants converted to Direct Unsubsidized Loans can request reconsideration if met or are meeting four-year teaching requirement within eight-year service obligation period, but had grants converted to loans because did not comply with annual certification requirement
• Week of Feb. 4, 2019, emails will be sent to individuals who are eligible to request TEACH Grant reconsideration
  – Emails sent from noreply@studentloans.gov
• More information at - StudentAid.gov/teach‐reconsideration

Selective Service Match
1/31/19 – Electronic Announcement
• Central Processing System (CPS) resumed its daily match with Selective Service System (SSS) for 2018-19 and 2019-20
• We have begun reprocessing 2018–19 and 2019–20 application and correction records impacted by the SSS match bypass that occurred during the recent government shutdown
• Reprocessed ISIRs will be sent under the IGSG19OP (for 2018–19) and IGSG20OP (for 2019–20) message classes
  – SARs and ISIRs will include SAR comment code 172
  – Reprocessed ISIRs will include a value of “50” for the Reprocessed Reason Code

For discussion purposes only
Federal Update

2019-2020 College Financing Plan

1/16/19 – Electronic Announcement
• Shopping Sheet renamed College Financing Plan
• New College Financing Plan template is part of Beta Testing
  • Schools not required to use but if implemented, please provide comments to shoppiingsheet@ed.gov no later than April 1, 2019
• Attached to EA are the HTML specifications, institutional metric data file, the technical guide, FAQs and the Plan template
• 2020-2021 College Financing Plan to include additional data elements and a new responsive design and the ability to customize colors of the College Financing Plan to match those of your institution

2018-2019 Deadline Dates

12/4/18 – Federal Register
• A listing of deadline dates for the receipt of documents and other information from applicants and institutions participating in certain Federal student aid programs authorized under title IV of the Higher Education Act of 1965, as amended (HEA), for the 2018–2019 award year
  • Includes deadlines for FAFSA processing, ISIR corrections, verification documentation and Title IV origination and disbursement records

Campus-Based Deadline Dates

1/24/19 – Federal Register
• A listing of the Campus-Based Program deadline dates for 2018-2019 expenditures and the 2020-2021 request including:
  – Campus-Based Reallocation Form for return of 18/19 funds and request for supplemental FWS funds for 19/20 award year (August 12, 2019)
  – 2020-2021 FISAP (October 1, 2019)
  – 2020–21 FISAP Edit Corrections (December 13, 2019)
  – Request for a waiver of the 2020–21 award year penalty for the underuse of 2018–19 award year funds (Feb. 3, 2020)
  – Request for a waiver of the FWS Community Service Expenditure Requirement for the 2020–21 award year (April 20, 2020)
Federal Update

Cohort Default Rates

• The Fiscal Year (FY) 2015 national federal student loan cohort default rate (CDR) decreased to 10.8 percent from the FY 2014 national rate of 11.5 percent. The FY 2015 CDR represents the lowest national cohort default rate since the three-year rate was first released in 2012.

• During the tracking period for the FY 2015 borrower cohort—from Oct. 1, 2014 to Sept. 30, 2017—more than 4.9 million borrowers entered repayment, and 531,653 of them, or 10.8 percent, defaulted on their loans. Those borrowers attended 6,155 postsecondary institutions across the nation.

• We anticipate releasing the draft FY2016 CDRs in February 2019.
  • Stay tuned to IFAP.

Disaster Assistance

• On Aug. 29, 2017, the Department released Dear Colleague Letter GEN-17-08 to help Title IV participants affected by a major disaster.

• On Sept. 28, 2018, the Department released an Electronic Announcement related to the 2018–19 Supplemental Campus-Based Funds and Hurricane Florence.

• The Department maintains resources for institutions impacted by Hurricanes Florence and Michael on the Hurricane Help page of ED.gov.

• The Department continues to provide waivers and assistance to schools impacted by hurricanes, typhoons, wildfires, and other disasters.

FSA Publications Distribution

• As of Aug. 31, 2018, FSA no longer prints or delivers FSA publications (except for the FAFSA form).

• Publications will still be available electronically:
  • https://financialaidtoolkit.ed.gov/tk/resources.jsp
  • https://studentaid.ed.gov/sa/resources
  • https://ifap.ed.gov/ifap/
  • https://studentloans.gov/myDirectLoan/index.action

For discussion purposes only
Federal Update

Federal Student Aid E-Training (FSA E-Training)

https://fsatraining.info/

FSA E-Training: Fundamentals of Federal Student Aid Administration

- FSA Coach Fundamentals, found in “Fundamentals Training Series on the FSA E-training Site (it replaces “Introduction to Federal Student Aid Online”)
  - FSA Coach Fundamentals must be successfully completed online on the FSA E-Training website to register for and attend the in-person workshop
  - FSA Coach Fundamentals can also be used as a standalone training tool for new FA staff
- In-person workshop
  - 5 day workshop offered at most of FSA's Regional Training Facilities
  - Available dates found on FSA E-Training after completing “FSA Coach Fundamentals”
  - Click on “Fundamentals Training Series”
  - Dear Colleague ANN-18-09

For discussion purposes only
Federal Update

FSA E-Training: Quick Takes

- Brief videos, 15-20 minutes in length, on a variety of Federal Student Aid topics such as:
  - Conflicting Information
  - Professional Judgement
  - Defining a “year” in Federal Student Aid
  - Establishing Cost Of Attendance
  - Satisfactory Academic Progress
  - More than 20 topics available
- On the FSA E-Training Home page, select “Menu”, scroll down to “Webinars and Recordings” and select Quick Takes

FSA E-Training: Learning Tracks

- Training is available in more detail on a variety of Federal Student Aid topics such as:
  - R2T4
  - Campus Safety and Security
  - Default Prevention
  - Several others
- Designed to take 60-90 minutes each
- On the FSA E-Training Home page, select “Menu”, scroll down to “Learning Tracks”, and select a topic or select “Search” and “Learning Tracks” after selecting “Menu”

FSA E-Training: Record of Learning

- The FSA E-Training site will create a record of learning for each offering a learner completes
- Assists the learner in documenting what has been completed
- Helps supervisors monitor training programs

For discussion purposes only
Federal Update

2019 Federal Student Aid Training Conference
We look forward to seeing you at the FSATC in Reno, NV
Dec. 3 – Dec. 6, 2019 at the Reno-Sparks Convention Center

Watch IFAP for more information as the date approaches

Training Feedback
To ensure quality training we ask all participants to please fill out an online session evaluation
• All registrants for this session will receive an email with a link to an electronic evaluation that we ask you to complete
• This feedback tool will provide a means to educate and inform areas for improvement and support an effective process for "listening" to our customers

Additional Contact Information
CODSupport@ed.gov; 800-848-0978
• Questions related to the Common Origination and Disbursement (COD) System, the Campus-Based programs, or Iraq and Afghanistan Service Grant, Pell Grant, TEACH Grant, and Direct Loan processing

nslds@ed.gov; 800-999-8219
• Questions related to NSLDS functions such as student eligibility, overpayments, loan history, and enrollment reporting

CPSSAIG@ed.gov; 800-330-5947
• Questions related to the Central Processing System (CPS), the Student Aid Internet Gateway (SAIG), FAA Access to CPS Online, and assistance with software products such as EDconnect and EDExpress

edcaps.user@ed.gov; 888-336-8930
• Questions related to G5, the Department of Education's electronic system for grants management and payments

For discussion purposes only
Federal Update

Ask A Fed goes online!

FSA has implemented a new resource to assist Financial Aid Administrators obtain guidance about the FSA programs. Based on the popularity and effectiveness of the Ask A Fed desk at the annual FSA Training Conference, we have instituted a similar process using email. Please send your inquiries about Title IV regulations to AskAFed@ed.gov.

The Ask A Fed email box is staffed every business day by a team of FSA Training Officers and they are ready to assist schools with their questions.