

Federal Update







For discussion purposes only

Federal Update

Accreditation Innovation and Other Issues

The Accreditation and Innovation Negotiated Rulemaking Committee will address the Secretary's recognition of accrediting agencies and related institutional eligibility issues, including:

- Requirements for accrediting agencies in their oversight of member institutions and programs
- Criteria used by the Secretary to recognize accrediting agencies

4 **FederalStudentAid** PRIDE SPONSOR OF THE AMERICAN WEST

Accreditation Innovation and Other Issues

- Simplification of the Department's recognition and review of accrediting agencies
- Clarification of the core oversight responsibilities of each entity in the regulatory triad, including accrediting agencies, States, and the Department to hold institutions accountable
- Clarification of the permissible arrangements between an institution of higher education and another organization to provide a portion of an education program
- The roles and responsibilities of institutions and accrediting agencies in the teach-out process

5 **FederalStudentAid** PRIDE SPONSOR OF THE AMERICAN WEST

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

6 **FederalStudentAid** PRIDE SPONSOR OF THE AMERICAN WEST

For discussion purposes only

Federal Update

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"

7 **FederalStudentAid** PRIDE SPONSOR OF THE AMERICAN WEST

Accreditation Innovation and Other Issues

- The definition of the term "credit hour"
- The requirement that an institution demonstrates a reasonable relation between the length of a program and entry-level requirements for the recognized occupation for which the program prepares the student
- Barriers to innovation and student completion, graduation, or employment
- Direct assessment programs and competency-based education

8 **FederalStudentAid** PRIDE SPONSOR OF THE AMERICAN WEST

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; and
 - Provide opportunities to correct erroneous conversions

9 **FederalStudentAid** PRIDE SPONSOR OF THE AMERICAN WEST

For discussion purposes only

Federal Update

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

10 FederalStudentAid

Borrower Defense to Repayment (BDTR)

On Nov. 1, 2016, the Department published final regulations that were scheduled to take effect on July 1, 2017. The final regulations:

- Created a new Federal standard for BDTR
- Prohibited mandatory arbitration clauses
- Required loan repayment warnings under some circumstances
- Provided for automatic closed school discharges
- Updated false certification discharge regulations

11 FederalStudentAid

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

12 FederalStudentAid

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

13 Federal Student Aid PRINCIPAL SPONSOR OF THE AMERICAN STUDENT

Borrower Defense to Repayment

- A Notice of Proposed Rulemaking (NPRM) was published July 31, 2018
 - The Department received nearly 32,000 comments in response
- The Department continues work on these regulations

14 Federal Student Aid PRINCIPAL SPONSOR OF THE AMERICAN STUDENT

Borrower Defense to Repayment

- The Department published Federal Register notices to delay the effective date
- In October 2018, the U.S. District Court for D.C. invalidated the delay and the 2016 Borrower Defense regulations became effective

15 Federal Student Aid PRINCIPAL SPONSOR OF THE AMERICAN STUDENT

For discussion purposes only

Federal Update

Gainful Employment

- A negotiated rulemaking committee was formed to consider the Gainful Employment rules
- The committee met:
 - Dec. 4-7, 2017,
 - Feb. 5-8, 2018, and
 - March 12-15, 2018
- Negotiations concluded without consensus being reached

16 Federal Student Aid PROUD SPONSOR OF THE AMERICAN COLLEGE

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

17 Federal Student Aid PROUD SPONSOR OF THE AMERICAN COLLEGE

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.

18 Federal Student Aid PROUD SPONSOR OF THE AMERICAN COLLEGE

For discussion purposes only

Federal Update

Gainful Employment Disclosure

- Resources for 2018 GE Disclosure:
 - Office of Postsecondary Education (OPE) website
 - [Gainful Employment Disclosure Template](#)
 - GE Disclosure Template
 - GE Disclosure Template Quick Start Guide
- Resources for 2019 GE Disclosure:
 - Coming soon!



The screenshot shows a form titled "Gainful Employment Program Disclosure Template" with sections for Institution OPE ID, Program Information, Cost, Completion, Date, Postsecondary, Job Placement, and License Requirements. It includes instructions for each section and a "Contact" field for the institution's OPE ID.

Federal Student Aid

Gainful Employment

- GE Reporting for the 2017-2018 award year was due Oct. 1, 2018 in the same format as last year
- For assistance with reporting, contact the NSLDS Customer Support Center at 1-800-999-8219 or nslds@ed.gov

Federal Student Aid

Statutory Updates

Federal Student Aid

For discussion purposes only

Federal Update

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

22 **FederalStudentAid** PROUD SPONSOR OF THE AMERICAN COLLEGE

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

23 **FederalStudentAid** PROUD SPONSOR OF THE AMERICAN COLLEGE

Deferment for Cancer Treatment

- Servicers are currently able to offer temporary forbearance for students who may be eligible for this benefit, at the student's request
- The Department provided servicers with appropriate guidance to help ensure consistent application

24 **FederalStudentAid** PROUD SPONSOR OF THE AMERICAN COLLEGE

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

25 FederalStudentAid PRIDE SPONSOR OF THE AMERICAN SCHOOL

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

26 FederalStudentAid PRIDE SPONSOR OF THE AMERICAN SCHOOL

TEPSLF

- ED will reconsider borrower eligibility for Public Service Loan Forgiveness (PSLF) using an expanded list of qualifying repayment plans and some payments that don't count toward PSLF may count toward forgiveness under TEPSLF
- Additional qualifying repayment plans include:
 - Graduated Repayment Plan
 - Extended Repayment Plan
 - Consolidation Standard Repayment Plan
 - Consolidation Graduated Repayment Plan
- Refer to [May 23, 2018 Electronic Announcement](#)

27 FederalStudentAid PRIDE SPONSOR OF THE AMERICAN SCHOOL

For discussion purposes only

Federal Update

Children of Fallen Heroes Scholarship Act

- 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

28 FederalStudentAid

Children of Fallen Heroes Scholarship Act

- At time of parent or guardian's death student was:
 - Less than 24 years of age;
 - Enrolled at an institution of higher education on a part-time or full-time basis
- Partial Pell Grant to full Pell Grant
- Zero EFC used for all other title IV aid
- [Nov. 19, 2018 Electronic Announcement for Children of Fallen Heroes Scholarship Act](#)

29 FederalStudentAid

Perkins Loans

30 FederalStudentAid

For discussion purposes only

Federal Update

Perkins Loans

- Perkins Loan Program authority has expired; no more loans or disbursements can be awarded
 - [Dear Colleague Letter \(DCL\) GEN-17-10](#), published on Oct. 6, 2017
 - [Dear Colleague Letter \(DCL\) GEN-16-05](#), published on Feb. 17, 2016

31 FederalStudentAid

Perkins Loans

- Schools may not reimburse themselves for service cancellations
- The Consolidated Appropriations Act, 2018 (Pub. L. 115-141) appropriated funds for Fiscal Year 2018 for the Campus-Based programs, but did not allocate funds for Federal Perkins Loan service cancellation reimbursements

32 FederalStudentAid

Distribution of Assets

- The Extension Act requires schools to return to the ED the Federal share of the school's Perkins Loan Revolving Fund (the Fund)
- The Asset Distribution process is similar to the previous Excess Liquid Capital process. Collection will begin after **October 1, 2018**
 - July 11, 2018 EA indicated that due to additional system updates, FSA will delay notification to schools
- Refer to [Dear Colleague Letter GEN 17-10](#)

33 FederalStudentAid

For discussion purposes only

Federal Update

Consolidation of Perkins Loans

- November 1, 2016 Borrower Defenses Final Rule (effective 7/1/17) **was not delayed** :
 - § 685.220(d)(1)(i) eliminates the requirement that a borrower must have a Direct Loan or FFEL loan to consolidate
 - § 685.220(b) allows other loan types such as Perkins Loans and certain loans issued by HHS, to access consolidation, even if the borrower did not also consolidate a Direct Loan or FFEL loan

34 FederalStudentAid

Verification

35 FederalStudentAid

2019-2020 Verification

- [GEN-18-03](#) - 2019-20 Verification (3/28/18 Federal Register)
 - No changes to verification tracking groups or FAFSA verification items from 2018-2019
 - No changes to the acceptable documentation requirements 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

36 FederalStudentAid

For discussion purposes only

Federal Update

Changes to IRS Tax Transcript

10/4/18 Elec. Ann. – New IRS Tax Transcripts Redacted Data

- On 9/23/18, IRS tax transcripts provide 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
- 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

37 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND®

Protecting Student Information



Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND®
An OFFICE of the U.S. DEPARTMENT of EDUCATION

FSA Cybersecurity Compliance

Search:

Information for Financial Aid Professionals (IFAP)

The information for Financial Aid Professionals (IFAP) website consolidates guidance, resources, and information related to the administration and processing of Title IV federal student aid into one online site for use by the entire financial aid community. The most recent postings to the site are listed in the **What's New** section.

Tools for Schools
Click on this box to access online and computer-based training resources.

Worksheets, Schedules, & Tables
Click on this box to access worksheet, infographic, and table resources.

Publications
Click on this box to access program-related and processing-related publications.

Processing Resources
Click on this box to access program and system processing information and materials.

What's New
There is an abbreviated list of the most recent postings to the IFAP website. Click **What's New** or on the "What's New" link in the top menu bar to view all content.

Hot Topics

- Education Opportunity Succession (E.O. Succession) - Questions and Answers
- Federal Student Aid Data Center
- Student Assistance

Information Pages

- FAFSA and the IRS 2017
- General Enrollment
- Link Once Submitted Loan List
- Campus-Based Programs
- Cash Management
- Default Prevention
- DEIS SAVE - Enable Recipients
- Campus Security
- Loan Servicing and Collection
- HEAL Program
- Student Loans
- **Financial Aid System**

39 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND®

For discussion purposes only

Federal Update

The screenshot shows the 'Data Security' page on the Federal Student Aid website. It features a header with the title 'Data Security' and the Federal Student Aid logo. Below the header, there are several sections of text and links. Three callout boxes with arrows point to specific areas: 'Consolidated Rules, Tools, Audit Language & Guidance' points to the left side; 'Compliant Self-Report Option and Suggested Data Share' points to the top right; 'Cyber Alerts and Contact Info' points to the middle right; and 'Outreach, Training & Links' points to the bottom right. The page number '40' is visible in the bottom left corner.

The screenshot shows the homepage of 'studentprivacy.ed.gov'. The header includes the title 'studentprivacy.ed.gov' and the 'Protecting Student Privacy' logo. Below the header, there is a search bar and a navigation menu with links for 'RESOURCES', 'TRAINING', 'BROWSE BY AUDIENCE', 'FAQs', 'ABOUT', 'CONTACT', and 'FILE A COMPLAINT'. The 'CONTACT' link is circled in red. A main banner features the text 'Student Privacy 101: STUDENT PRIVACY AT THE U.S. DEPARTMENT OF EDUCATION' and an image of a padlock and a document. Below the banner, the contact number '- 855-249-3072' is displayed. The page number '41' is visible in the bottom left corner.

The screenshot shows a page titled 'Federal Student Aid Updates and Reminders'. The title is centered in a blue banner. Below the banner, there is a large white area with a dark blue footer containing the 'Federal Student Aid' logo and the text 'PROUD SPONSOR OF THE AMERICAN MISSION'. The page number '42' is visible in the bottom left corner.

For discussion purposes only

Federal Update

Borrower Defense Guidance

3/15/19 – Electronic Announcement

- Guidance Pertaining to some provisions of the 2016 Borrower Defense Regulations
 - Borrower Defense Standard
 - Financial Responsibility Events, Actions, and Conditions
 - Notifications of Financial Responsibility Actions, or Conditions
 - Class Action Bans and Predispute Arbitration Agreements
 - Implementation of 2016 regulations for existing Arbitration Agreements
 - Submission of Arbitral and Judicial Records
 - Repayment Rate and Financial Protection Disclosures

43 FederalStudentAid

TEACH Grant Reconsideration

3/5/19 – Electronic Announcement

- Determining the prorated amount of charges associated with a payment period
 - Institutional Charges Vs. Non-Institutional Charges
 - Prorating Institutional Charges
 - Return of Title IV Considerations
 - Questions and Answers

44 FederalStudentAid

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

45 FederalStudentAid

For discussion purposes only

Federal Update

Selective Service Match

1/31/19 – Electronic Announcement

- January 31, 2019 - Central Processing System (CPS) resumed its daily match with Selective Service System (SSS) for 18/19 and 19/20
- We have also begun reprocessing 2018–19 and 2019–20 application and correction records impacted by the SSS match bypass that occurred during the recent federal 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

46 FederalStudentAid PROUD SPONSOR OF THE AMERICAN COLLEGE

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 shoppingsheet@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

47 FederalStudentAid PROUD SPONSOR OF THE AMERICAN COLLEGE

18/19 and 19/20 Verification Documentation

- 1/9/19 – Electronic Announcement**
 - 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

48 FederalStudentAid PROUD SPONSOR OF THE AMERICAN COLLEGE

For discussion purposes only

Federal Update

18/19 and 19/20 Verification Documentation

1/9/19 – Electronic Announcement

- Tax Filer Extenders
 - 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
 - Copy of IRS Form 4868, "Application for Automatic Extension of Time to File U.S. Individual Income Tax Return"
 - Copy of IRS's approval of extension beyond automatic six-month period
 - Copy of IRS Form W-2 for each source of employment income received or an equivalent document

49 FederalStudentAid PRIDE SPONSOR OF THE AMERICAN COLLEGE

Third-Party "Debt Relief"

- The Department is aware of "debt relief companies" that charge borrowers large up-front or monthly fees for Federal student aid services offered by the Department and its student loan servicers for free. Such services include:
 - Consolidating federal student loans;
 - Changing repayment plans;
 - Resolving defaults;
 - Filing requests for borrower defense loan cancellation; and
 - Other benefits and services that students are entitled to receive at no charge

50 FederalStudentAid PRIDE SPONSOR OF THE AMERICAN COLLEGE

Third – Party "Debt Relief"

- These "debt relief companies" may utilize sophisticated strategies to target unsuspecting borrowers and inappropriately use the Department of Education's logo or other identifying information to give the impression that they were working with or for the government
- Institutions, students, and borrowers can file a complaint or report suspicious activity through [FSA Feedback System \(studentaid.ed.gov/feedback\)](http://studentaid.ed.gov/feedback) for concerns related to third-party debt relief companies
- The Department has released two Electronic Announcements on this topic. Please familiarize yourself with this guidance
 - [March 30, 2016](#)
 - [Dec. 19, 2016](#)

51 FederalStudentAid PRIDE SPONSOR OF THE AMERICAN COLLEGE

For discussion purposes only

Federal Update

Third-Party “Debt Relief”

- While we continue our work to ensure that student loan borrowers understand that these services are offered for free, we are asking institutions for their help in the following ways:
 - Provide warnings to students, including on institutional websites, about so-called debt relief companies
 - Provide information to students indicating that they do not need to pay for loan benefits for Federal student loans
 - Review institutional websites to ensure that they provide the most up-to-date information about the terms and conditions of federal student loans and the servicing of those loans

52 FederalStudentAid

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>

53 FederalStudentAid

54 FederalStudentAid

For discussion purposes only

Federal Update

DHS-SAVE Process Training

- [Federal Student Aid E-Training Website](#)
 - FSAtaining.info
 - Quick Takes
 - [DHS/SAVE Part I](#)
 - [DHS/SAVE Part II](#)
- December 6, 2019 Electronic Announcement
 - Updated SAVE Instructions for U.S. Department of Education (School) Users Version 2.0

55 FederalStudentAid FEDERAL STUDENT AID PROGRAMS OF THE U.S. DEPARTMENT OF EDUCATION

Contact Information



FAA policy questions: AskAFed@ed.gov

56 FederalStudentAid FEDERAL STUDENT AID PROGRAMS OF THE U.S. DEPARTMENT OF EDUCATION

For discussion purposes only