FEDERAL UPDATE

Virginia Hagins | Training Officer
U.S. Department of Education
April 26, 2024
AGENDA

1. 2024-25 FAFSA® Form Launch
2. FAFSA Simplification
3. Final Rules
4. Negotiated Rulemaking
5. Recent Policy Guidance
6. Return to Repayment
7. Operational Updates and Reminders
8. Resources
2024–25 FAFSA® FORM LAUNCH
2024–25 FAFSA® LAUNCH (1 of 2)

Launch Began December 2023

**FAFSA SUBMISSIONS**
6,900,000+ submitted to date
FAFSA known issues
2024-25 FAFSA Issue Alerts

**ISIRs**
Delivery in progress
Processing 1-3 days after FAFSA form submission

**FAFSA CORRECTIONS**
- Students: Mid-April
- Schools: After receive processed ISIRs

**FAFSA COLLEGE SUPPORT STRATEGY**
- Personnel, funding, resources
- CollegeSupportStrategy-FAFSA@ed.gov

**FAFSA form application**
**FAFSA Fast News**
**FAFSA College Support Strategy**
2024–25 FAFSA® LAUNCH
(2 of 2)

Additional FAFSA Launch Updates

CONTRIBUTORS WITHOUT AN SSN

• Resolved issues:
  • Case numbers provided automatically by email
  • Contributors able to log in and add information to FAFSA form
  • PII mismatch on invitation vs. StudentAid.gov

SAI GUIDE UPDATED

• New tables included in 3/21/24 version of 2024–25 Pell Grant Eligibility and SAI Guide

• GENERAL-24-34
• GENERAL-24-20
• GENERAL-23-123
• StudentAid.gov Instructions: If Your Contributor Doesn’t Have an SSN
AWARD YEAR FLEXIBILITIES

1. Verification Requirements
   - Significantly reduced
   - Focused on identifying fraud

2. New Program Reviews
   - Suspended through June 2024 unless severe compliance issues exist
   - Extensions available for open reviews

3. Recertification 90-Day Submission Requirement
   - Waived for schools with PPAs expiring March, June, or September 2024
FAFSA® FORM ISSUES

Issue Tracking and Resolution

2024–25 FAFSA Issue Alerts

Federal Student Aid Information Center (FSAIC)

1-800-433-3243 (1-800-4 FED AID)
**Date of Legal Residency**

Enter the month and year when you became a legal resident in the state you reported as your state of legal residence. If you were born in this state, enter the month and year you were born.

Enter or select the month in the “Month” field. Use the “mm” format if typing. For example, August should be entered as “08.”

Enter the year in the “Year” field in “yyyy” format. For example, enter “2015” instead of “15.”

Your state of legal residence will use this information to determine if you meet its criteria for state financial aid.

Was this page helpful?  
Submit
FAFSA® SIMPLIFICATION
<table>
<thead>
<tr>
<th>Award Year</th>
<th>Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021-2022</td>
<td>• Repeal of Subsidized Usage Limited Applied (SULA) calculation</td>
</tr>
<tr>
<td></td>
<td>• Removal of negative consequences associated with drug convictions or failure to register for Selective Service</td>
</tr>
<tr>
<td>2022-2023</td>
<td>• Comments on applicant’s Student Aid Report (SAR) updated to make it clear that they are now eligible for federal student aid regardless of how they answered FAFSA questions on drug convictions and Selective Service</td>
</tr>
<tr>
<td>2023-2024</td>
<td>• Removal of drug conviction and Selective Service FAFSA questions</td>
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<tr>
<td></td>
<td>• Addition of demographic survey</td>
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<td></td>
<td>• Expansion of Pell Lifetime Eligibility Used restoration</td>
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<td></td>
<td>• Extension of Pell eligibility to incarcerated students</td>
</tr>
<tr>
<td></td>
<td>• Changes to cost of attendance and professional judgment</td>
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<tr>
<td></td>
<td>• Adjustments for applicants who cannot provide parental info</td>
</tr>
<tr>
<td></td>
<td>• Expanded acceptable documentation for unaccompanied/homeless youth</td>
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<tr>
<td>2024-2025</td>
<td>• Changes to verification selection criteria</td>
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<td></td>
<td>• Tool for estimating aid eligibility</td>
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<td>• Modified FAFSA form to include the remaining FAFSA Simplification provisions</td>
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<td>• Expanded accessibility of FAFSA forms to 11 most common languages</td>
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<td>• Student Aid Index (SAI) replaces Expected Family Contribution (EFC)</td>
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<td>• Changes to Pell Grant formula</td>
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<td></td>
<td>• Direct Data Exchange to import Federal Tax Information (FTI) for FAFSA, IDR and TPD forms</td>
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<td></td>
<td>• Re-engineered FAFSA processing systems</td>
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TRAINING OPPORTUNITIES

1. **Available NOW!**
   Better FAFSA® Better Future Q&A Sessions #1 and #2 (ANN-24-01)
   
   2023 FSA Training Conference session transcripts

2. **COMING UP!**
   **April 18, 2024:** Live Webinar – Better FAFSA Better Future Q&A Session #3 (ANN-24-01)

3. **COMING UP!**
   **Early May, 2024:** Live Webinar – GE and NSLDS Reports for Schools
   **Dec. 3-6, 2024:** 2024 FSA Training Conference
FINAL RULES
FINANCIAL VALUE TRANSPARENCY (FVT) AND GAINFUL EMPLOYMENT (GE)

Effective July 1, 2024

1. Measures
   - Debt-to-Earnings
   - Earnings Premium
   - Performance benchmarks

2. FVT
   - Covers all Title IV eligible programs
   - Tracks/compares costs and outcomes on ED website

3. GE
   - Defines program eligibility
   - Makes ineligible if fail two of three consecutive periods

88 FR 70004
FVT/GE Information Page
GE REPORTING

**Effective July 1, 2024**

**Requirements**
- Student- and program-level information
- Private and institutional loan debt
- Certain institutional charges

**Deadline**
October 1, 2024

**Standard reporting period**
- Most recently completed award year (2023-24), and
- 2-7th award years prior to 7/1/2024 (qualifying grad programs, 2nd – 8th award years prior)

**OR**

**Transitional reporting period**
- Can opt to report for only the two most recently completed award years

*DCL GEN-24-04*
<table>
<thead>
<tr>
<th>FINANCIAL RESPONSIBILITY</th>
<th>ADMINISTRATIVE CAPABILITY</th>
<th>CERTIFICATION PROCEDURES</th>
<th>ABILITY TO BENEFIT (ATB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Triggers for lack of financial responsibility</td>
<td>• New conditions</td>
<td>• Provisional certification</td>
<td>• Eligible career pathway programs</td>
</tr>
<tr>
<td>• Changes in Ownership</td>
<td>• Financial aid communications</td>
<td>• Additional PPA signers</td>
<td>• Documentation</td>
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<tr>
<td></td>
<td>• Career services</td>
<td>• Distance education</td>
<td>• Verification</td>
</tr>
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<td>• HS diploma validation</td>
<td>• Transcript withholding</td>
<td>• State process requirements</td>
</tr>
</tbody>
</table>
INCOME-DRIVEN REPAYMENT (IDR)

Final Regulations Effective July 1, 2024, with Early Implementation Exceptions

Final Regulations

• Establish new SAVE plan
• Help avoid delinquency/default
• Lower payments for low- and middle-income borrowers

Payment Count Adjustment

ED applies credits toward IDR and PSLF for Direct Loan and ED-held FFEL loans
• Prior periods of repayment
• Periods in deferment
• Periods in forbearance

studentaid.gov/idr
90/10 RULE

Final Regulations Effective July 1, 2023

• Applies to proprietary institutions
• Counts all federal education assistance funds as federal revenue
• Applies to fiscal years beginning on or after January 1, 2023

Resources

• 34 CFR § 668.28
• Federal Register Notice
• GENERAL-23-117
• 90/10 Q&A
• FSA Training Center: 90/10 Rule

NEW!

GENERAL-24-30

• Proprietary schools* must postpone submitting compliance audits and audited financial statements
• eZ-Audit updates ongoing
• Anticipated completion date prior to 6/30/2024 submission deadline for schools with 12/31/23 FY end

*includes those that have gone through or are in the process of a change in ownership to become a nonprofit or public institution and must report the 90/10 revenue calculation
NEGOTIATED RULEMAKING
NEGOTIATED RULEMAKING

January - March 2024

Program Integrity and Institutional Quality Committee
Topics:

• Recognition of accrediting agencies 34 CFR part 602
• Institutional eligibility 34 CFR 600.2
• State authorization 34 CFR 600.9
• Distance education 34 CFR 600.2
• Return of Title IV (R2T4) funds 34 CFR 668.22
• Cash Management 34 CFR part 668, subpart K
• TRIO Programs participant eligibility requirements: 34 CFR 643.3, 34 CFR 644.3 and 34 CFR 645.3
RECENT POLICY GUIDANCE
## 2024–25 VERIFICATION

*Items to be Verified, by Verification Tracking Group*

<table>
<thead>
<tr>
<th>V1</th>
<th>V4</th>
<th>V5</th>
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</thead>
<tbody>
<tr>
<td>Tax Filers</td>
<td>Non-Tax Filers</td>
<td>All</td>
</tr>
<tr>
<td>• Income information</td>
<td>• Income earned from work*</td>
<td>• Income</td>
</tr>
<tr>
<td>• Family size</td>
<td>• Family size</td>
<td>Statement of Educational Purpose</td>
</tr>
<tr>
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</tbody>
</table>

*For an individual who has not filed and, under IRS or other relevant tax authority rules, is not required to file, a 2022 income tax return*

**DCL GEN-23-12**

**Federal Register Notice 64421**
HEROES ACT WAIVERS/MODIFICATIONS

Effective January 24, 2024 – 2029

Individuals affected by war, military operations, or national emergencies, including those who:

• Are on active duty;

• Are performing qualifying National Guard duty;

• Reside/employed in area declared a disaster by any Federal, State, or local official; or

• Suffered direct economic hardship.

Federal Register Notice Jan. 24, 2024  Federal Register Notice Sept. 29, 2017
UPDATED SAIG ENROLLMENT AGREEMENTS

Deadline to Validate was February 23

Must be in place and signed by

- Destination Point Administrator (DPA) who manages the ISIR service
- Primary DPA (if different person than DPA)
- Authorized Official

- EA GENERAL-23-102
- EA GENERAL-23-34
- FSA Training Center: Signing Updated SAIG Enrollment Agreements
- SAIG Enrollment Site
FTI-SAIG MAILBOX

Required for Receiving ISIRs in 2024–25

• Must enroll for FTI-SAIG mailbox
• May grant mailbox access for new users under certain conditions
  • EA GENERAL-23-79

• EA GENERAL-23-85
• EA GENERAL-23-34
REQUIRED SAIG SOFTWARE UPGRADES

For FTI Data Transmission

- Updated software
  - EDconnect 8.6.1
  - TDClient
  - TDCommunityManager

• Software and Other Tools
• EA GENERAL-24-14
INCONSISTENT ISIR DATA FROM IRS/FA-DDX

GENERAL-24-29; GENERAL 24-31; GENERAL-24-34; Tax Data Discrepancy and School Support Webinar

EDUCATION TAX CREDITS

• Inconsistent education tax credits
• IRS to update FA-DDX to report actual reported education tax credits going forward

AMENDED TAX RETURN DATA

• Most recent AGI and filing status and original values for other tax return elements when taxpayer info updated
• IRS to update FA-DDX to report original tax data
• No ISIR flag for amended tax return filed

FA-DDX AND FAFSA® FORM INSTRUCTIONS

• FAFSA form instructions inconsistent for manually entered income taxes paid and education tax credits
• ED to amend FAFSA instructions to align manual input with FA-DDX data definition
E-APP AND TPS INQUIRY FORM

Title IV Participation Application

GENERAL-23-120 E-App and TPS Functionality

GENERAL-23-116 FSA Partner Connect – New Features (Updated March 28, 2024)

GENERAL-24-11 2024–25 AY Flexibilities

E-App and Third-Party Servicer Inquiry Form Updates (Updated March 28, 2024)

FSA Training Center:
• Title IV Recertification Webinars
• FSA Partner Connect

Contact Customer Support
AUDITOR ATTESTATIONS

GENERAL-23-121

- Independent certified public accountant
- Substantiate certain calculations for continued eligibility

Correspondence courses and students
Regular students who are incarcerated
No HS diploma / equivalent

Completion and placement rates for short-term programs

Completion rates of confined students in non-degree programs at nonprofit schools
RETURN TO REPAYMENT
RETURN TO REPAYMENT

Began October 2023

On-Ramp
- One year grace period for missed payments
  - No negative credit reporting, default, delinquency, debt collection, capitalized interest

Provisions
- Interest accrual paid first
- No credit for PSLF/IDR loan forgiveness if use retroactive administrative forbearance
OPERATIONAL UPDATES AND REMINDERS
**FEDERAL PERKINS LOAN PROGRAM**

- Deadline for mandatory assignment of Federal Perkins loans to ED if loans are in default for more than two years
  - [EA CB-22-10](#)
  - [Assignment and Liquidation Guide, Federal Perkins Loan Program](#)

- Expiration of waiver of forbearance limit and other COVID-19 waivers
  - [Federal Register 88 FR 39360 Federal Student Aid Programs](#)
FSA HANDBOOK REORGANIZED

• Application and Verification Guide (AVG)
• Three new numbered volumes
  • Volume 7: Federal Pell Grant
  • Volume 8: Direct Loan Program
  • Volume 9: TEACH Grant Program
• Appendices

• EA GENERAL-23-03
• Federal Student Aid Handbook

2024–25 AVG, Vols. 1, 4, and 7 Now Available!
RESOURCES
FAFSA® RESOURCES (1 of 2)

- 2024–25 FAFSA Issue Alerts
- 2024–25 FAFSA Specifications Guide (March 2024 Update #3)
- 2024–25 Pell Grant Eligibility and SAI Guide (Updated March 21, 2024)
- GENERAL-24-12 Additional 2024–25 Test ISIR Data Files and Other Tools Available
- EA COD-23-06 COD Common Record XML Schema Version 5.0b
- Federal Student Aid (FSA) Handbook
- Training: Better FAFSA Better Future Webinar Series
- Financial Aid Toolkit
FAFSA® RESOURCES (2 of 2)

- **EA GENERAL-24-24** Update on 2024-25 FAFSA Institutional Student Information Record (ISIR) Delivery
- **GENERAL-24-21** Additional Resources for 2024–25 ISIR Delivery and Processing
- **EA GENERAL-23-34** Access and Use of FTI for FSA Programs Beginning with the 2024–25 FAFSA Processing Cycle
- **APP-24-01** Final 2024–25 FAFSA Form, FAFSA Form for Incarcerated Students, and FAFSA Submission Summary
- **EA GENERAL-23-123** StudentAid.gov Account Creation for Individuals without a Social Security Number; Webinar
- **2024–25 FAFSA Updates**
OTHER RESOURCES

1. Knowledge Center
   Knowledge Center Homepage
   Subscribe for daily or weekly email updates.

2. FSA Training Center
   FSAt raining.ed.gov
   View learning tracks, training courses, videos, and software training.

3. FSA Partner Connect Help Center
   Contact Customer Support
   Choose “Policy Guidance” from Topic dropdown list to ask policy questions.
OUR SOCIAL MEDIA PLATFORMS

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FEEDBACK SURVEY

https://www.surveymonkey.com/r/PacFAAFedUpdateApril2024

Survey open until May 9, 2024