

What's New in Financial Aid

Changes and trends in financial aid
administration

Today's Topics

- ◉ What's new
 - > The FAFSA
 - > Data breach/DRT
- ◉ What's trending
 - > Interest rates
 - > Funding cuts
 - > Deregulation
- ◉ Politics
 - > Ugh!

What's New

- ◉ What's new is old again
 - > Bye-bye 399 codes!
- ◉ What's old is new again 😊
 - > Hello 1040 forms!
 - > Will it continue??

What's New

◎ FAFSA's

> 2017-18

- First early FAFSA!
- No more DRT

> 2018-19

- Groups remain the same
- Interesting bring back of auto zero
- FAFSA enhancements

What's New

- ◉ The 2018-19 FAFSA
 - > DRT will return
 - > Information will be masked
 - > Families CANNOT change the imported numbers
 - > Rollovers
 - New FAFSA question
 - > Amended taxes
 - Question is gone.... But.....

What's New

- ◎ 2018-19 FAFSA
 - > Amended tax filers can use the DRT
 - > The DRT will return information that indicates there is an amendment
 - > We will be required to follow up with families
 - Even if they aren't selected for verification

What's New

- ◉ Data breaches with DRT
 - > System was not “hacked”
 - > DRT was used to obtain key tax information
 - > This would enable the bad guys to then file the current year's taxes for the refund
 - > This is why the numbers will now be masked

What's New

- ◉ Data breaches with DRT
 - > Schools will need to be correctly securely ensuring restricted access
 - > May not be able to share information with families
 - > DCL will be forthcoming

What was Almost New 😊

- The 2018-19 FAFSA was supposed to confirm non-filing
- This will not be occurring
- Still need to gather proof for parents or independent students
- Do not need proof for dependent student non-filers.

What's Trending

- ◉ Interest rates are on the rise
 - > Undergraduate sub and unsub 4.45%
 - > Graduate unsub 6%
 - > Parent and graduate plus 7%

- > As our economy improves, with the current pricing structure (10 yr. T-bill), these rates will continue to rise

What's Trending

○ Funding Cuts

- > Everywhere you look
- > Perkins is gone
- > Student debt 'crisis'
 - Focus on over borrowing
 - Loan forgiveness
- > President's budget
 - Eliminates FSEOG
 - Slashes FWS
 - Erodes the Pell well

What's Trending

○ Deregulation

- > Good or bad??
- > Delay of GE implementation
- > Do-over for neg reg
 - Defense to repayment
 - GE rules
- > Difficult to interpret the intentions of the current administration

Government Relations

- ◉ Ingredients for political soup:
 - > HEA of 1965
 - > Tax dollars
 - > Public interest
 - > Rules/Regulation

Government Relations

- Hard to discern the direction of the current administration
- Fairly quiet
 - > Deregulation
 - > Funding cuts
- New leader for FSA
 - > Arthur Wayne Johnson
 - > Top executive at a private loan company!

Government Relations

- What is in store for the future??
- Plus loans?
- Perkins
 - > Bi-partisan bill in the house
 - > Not bi-cameral unfortunately
 - > Formula rewrite
 - > Movement from house to senate is generally more difficult than from senate to house

Government Relations

◉ FSEOG?

- > Seen as duplicative
- > Promise to keep the funds in education
- > Grow Pell

◉ Loan Subsidies?

- > Very costly
- > Seen as arbitrary by some
 - COA vs. EFC

Government Relations

- “one grant, one loan”
 - > TEACH in danger too
- Still the mantra on the hill
- Focus on simplification
 - > FAFSA
 - > Regulations
 - > No clear path yet

Government Relations

- Higher Education Reauthorization Act
 - > Way way way overdue
 - > Probably won't have any bill this year
 - > Might see smaller initiatives
 - > More likely see smaller bills that will combine into reauthorization
 - > The new idea from Betsy to just scrap the whole thing and start over

Government Relations

- Certainly an interesting time in politics today
- Very difficult to predict what will ultimately happen
- Climate on the Hill is just odd
 - > Even within party ranks

Join the Fight!

- ◉ #fight4findaid
- ◉ NASFAA resources for advocacy
- ◉ Reach out to your Government Relations Committee
- ◉ Let your legislators know your concerns!