

# ***Federal Update***

## ***2017 PASFAA Conference***

### ***October 24, 2017***

**Craig D. Rorie, Federal Training Officer**  
**Federal Student Aid**  
**U.S. Department of Education**

# Agenda

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- Regulatory Update
- Federal Pell Grant Program 2017-2018
- 2018-2019 FAFSA & CPS Processing
- Verification
- Perkins Loan Extension Act of 2015
- NSLDS Enrollment Reporting
- Protecting Student Information
- Recent Guidance
- Resources and Contacts



# Regulatory Update

# **Borrower Defense / Published FR 6-16-2017**

- Federal Register published June 16, 2017: Postponement of Certain Provisions of the Borrower Defense Regulations
  - Certain provisions of the Borrower Defense final rules published on 11/1/2016 have been postponed
- Borrower Defense provision published in 1995 is still in place

# Borrower Defense / FR Published 6-16-2017

- Effective dates not delayed for these provisions in 81 FR 75926 :
  - expand the types of documentation that may be used for the granting of a discharge based on the death of the borrower
  - amend the regulations governing the consolidation of Nursing Student Loans and Nurse Faculty Loans so that they align with the statutory requirements of section 428C(a)(4)(E) of the HEA
  - amend the regulations governing Direct Consolidation Loans to allow borrowers to obtain a Direct Consolidation Loan regardless of whether the borrower is also seeking to consolidate a Direct Program or FFEL loan, if the borrower has a loan type identified in 34 CFR 685.220(b)
  - address severability; and
  - make technical corrections

As established in 81 FR 75926, 34 CFR 682.211(i)(7) and 682.410(b)(6)(viii) remain designated for early implementation, at the discretion of each lender or guaranty agency.

# GE Disclosures – EA 6/30/2017

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- Electronic Ann June 30, 2017: Additional time to comply with certain deadlines
  - Disclosure requirements in accordance with 668.412 (d) and (e) are delayed until July 1, 2018
    - (d) Promotional Materials
    - (e) Direct Distribution to Prospective Students

# GE Disclosures – EA 6/30/2017

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- Must still comply with 668.412 (c) to provide a completed disclosure template, or link thereto, to its GE web page
- Template Released on January 19
- Should have been in place by July 1, 2017

# GE Alternate Earnings Appeal

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- EA 8/18/2017: Announcement of Appeals Deadline
  - Notice of Intent to appeal deadline was October 6, 2017
  - Submission of Alternate Earnings Appeal deadline is February 1, 2018
    - Schools that have already submitted an appeal and wish to provide supplemental data, must have contacted the Department by October 5, 2017
  - Please note this appeal is for data submitted related to D/E ratios released January 2017



# GE Reporting

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- EA 8/2/2017: Information for GE Reporting by the October 1, 2017 Deadline
- Data for the 2016-2017 Award Year Due October 1, 2017
- Same data requirements, data items, and definitions as last reporting

# Notice of Intent to Negotiate

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- Notice of intent to negotiate the following topics published June 16, 2017:
  - Borrower Defense
  - Gainful Employment
  - Authority of Guaranty Agencies to charge collection costs to defaulted FFEL borrowers who enter into repayment agreements
- Federal Register – August 30, 2017: Negotiator Nominations and Committee Meetings
  - Nomination Deadline was September 29, 2017
  - Negotiations to begin November 2017 through March 2018
- Aiming to publish final regulations by November 1, 2018

# Regulatory Reform Agenda

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- **Executive Order on Regulatory Review**
  - On February 24, 2017, the President signed Executive Order 13777 to reduce regulatory burdens on the American people through regulatory reform.
  - As required by Executive Order 13777, ED has created a Regulatory Reform Task Force (RRTF) to review regulatory and sub-regulatory guidance throughout the Department.

# Regulatory Review Task Force

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- Consistent with applicable law, the RRTF will identify regulations that:
  - Eliminate jobs or inhibit job creation;
  - Are outdated, unnecessary, or ineffective;
  - Impose costs that exceed benefits; or
  - Create a serious inconsistency or otherwise interfere with regulatory reform initiatives and policies.

# 2017-2018 Federal Pell Grant Program



# Year-Round Pell: DCL GEN-17-06

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- Per the Consolidated Appropriations Act of 2017, a student may now receive Pell Grant funds up to 150% of the Scheduled Award in an award year
- Effective with the 2017-2018 award year
  - Does not apply to summer 2017 if it is treated as a trailer to the 2016-2017 award year
- Technical information – Electronic Announcement: June 20, 2017

# Year-Round Pell: Student Eligibility

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- Student must be enrolled at least half-time in the payment period(s) for which s/he receives the additional Pell Grant funds (additional 50%)
  - Dropping below half-time enrollment after Pell is disbursed will not render the student ineligible
- Pell calculations and formulas remain unchanged
- The additional Pell Grant funds will be reflected in the student's 600% maximum Pell Lifetime Eligibility Used (LEU)

# Year-Round Pell: Awarding

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- A disbursement in a payment period may include awards from both the initial Pell Grant Scheduled Award and from the additional Pell Grant award
- When the calculated award for a payment period is greater than the remaining balance of an initial Scheduled Award, the award for the payment period is the remaining balance plus an amount from the additional Pell Grant award



# Year-Round Pell: Awarding

2017-2018 Scheduled Award:  
Additional Pell:

\$2000 (100%)  
\$1000 (50%)

FALL  
Full-time

SPRING  
Half-time

SUMMER  
Full-time

Disbursement = \$1000 (50%)

Disbursement = \$500 (25%)

Disbursement = \$1000  
1<sup>st</sup> Scheduled Award = \$500 (25%)  
Additional Pell = \$500 (25%)

Total Pell Used = 125%

# Crossover Payment Periods

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- Includes both June 30 and July 1, overlapping two award years
- Institutions have the flexibility to assign crossover payment periods to either of the relevant award years “as it determines is most beneficial to students”

# Crossover Payment Periods

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- Must consider the crossover payment period to occur entirely within one award year
- Must have a valid SAR or valid ISIR for the selected award year
- The selected year for the crossover may be different than the year used for other Title IV aid

# Crossover Payment Periods

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- The choice of crossover payment period award year can be made based on an institutional policy that –
  - Provides for an individual decision for each student
  - Applies to all students (or students within a group) without exception
  - Applies to all students (or students within a group) with flexibility for individual student exception

# Crossover Payment Periods

2017-2018 Scheduled Award: \$2000  
2018-2019 Scheduled Award: \$3000

SUMMER  
Full-time

Disbursement = \$1000

FALL  
Half-time

Disbursement = \$500

SPRING  
Half-time

Disbursement = \$500

SUMMER  
Full-time

Disbursement = \$1000 (2017-2018)  
OR  
\$1500 (2018-2019)

# Year-Round Pell: EA June 20, 2017

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- COD Implementation October 13-15, 2017
  - The <AdditionalEligibilityIndicator> tag identifies Pell Grant recipients eligible for additional grant funds
  - The Pell Grant Potential Overaward Project (POP) process updated to account for additional Pell Grant eligibility
  - Reject/warning edits specific to updated Pell calculations are sent in response files
  - COD Web Site screens and reports updated to incorporate Year-round Pell

After October 15, schools may update Pell Grant information in COD to reflect additional eligibility

# Pell Restoration

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- Students who received Pell Grant funds to attend a school that later closed may have had eligibility restored
  - Student must not have completed a program at the closed school
  - Student must have a valid enrollment status date at the closed school in NSLDS within 2 years prior to closure
- Electronic Announcements
  - December 21, 2016 and April 3, 2017

# Pell Restoration

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- Email notifications are sent to students with restored eligibility who...
  - Do not have graduate-level aid
  - Had an LEU greater than 500% or have altered eligibility for the current award year due to the restoration
  - Filed a FAFSA in the last 5 years
    - ISIRs pushed for students if they meet pre/post-screening rules
    - Schools are provided lists of students with restored Pell associated with their school
    - COD Warning Edit 221



# Pell Restoration

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- Schools may become aware that a student has had Pell restored such that 2016-2017 eligibility could be increased, though the year has ended
- Guidance is forthcoming on how to address this situation for current and future years

The seal of the U.S. Department of Education is centered in the background. It features a tree with a globe as its trunk, surrounded by rays of light. The text "DEPARTMENT OF EDUCATION" is at the top and "UNITED STATES OF AMERICA" is at the bottom of the circular seal.

# 2018-19 FAFSA and CPS Processing

# Cancelled Enhancements

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- The IRS will not be able provide as part of the DRT process confirmation that a person did not file a tax return
- Student Federal School Code selections will remain in the order chosen by the student on data sent to state agencies

# IRS Data Retrieval Tool (DRT) Changes

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- The IRS DRT function will be reinstated for use in the 2018-2019 FAFSA on the Web
- To enhance the security and privacy of the sensitive personal data, all DRT data will be encrypted/masked and hidden from view on:
  - IRS DRT website
  - FAFSA web pages
  - Student Aid Report (SAR)
- Applicants and parents will see the words “Transferred from the IRS” in the data entry fields on the FAFSA web pages and SAR

**Elec. Ann. 8/7/17**

# IRS Data Retrieval Tool (DRT) Changes

- Institutional and state agency ISIRs will have IRS data
  - Because transferred data is not displayed, applicants and parents will be **unable to make corrections to IRS DRT** transferred items on FAFSA form before or after submission
  - However, **institutions will continue to be able** to make any necessary DRT data field corrections
    - Anticipate few corrections since data coming from IRS
    - Possible corrections: rollover correction; not allowed to use DRT; amended tax return
    - **If secure access, schools will be able to share IRS-DRT** information with student/spouse/parent
      - *“Secure access” guidance forthcoming*

# IRS Data Retrieval Tool (DRT) Changes

- Special provisions for Rollovers:
  - If greater than \$0 transferred from IRS into Untaxed Portions of IRA Distributions field/Untaxed Portions of Pensions field, applicant/parent required to answer a new question about a rollover
    - If they answer “yes,” he/she will be required to provide the amount of the rollover in a new entry field
    - System will subtract user-reported rollover amount from the IRA/Pension distribution that was transferred from the IRS, and the result will be used in the calculation of the EFC

# IRS Data Retrieval Tool (DRT) Changes

- Special provisions for Income Earned From Work:
  - Because IRS-transferred information will not be displayed, applicants and parents who filed a **joint tax return will no longer be able to transfer** their combined income earned from work into the FAFSA form from the IRS DRT website
  - These joint filers will *now* be **required to enter their income** earned from work **manually**
  - Single applicants and single parents will continue to have their income earned from work transferred from the IRS into their FAFSA form

# IRS Data Retrieval Tool (DRT) Changes

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- IRS Data Field Flags
  - NEW set of flags to help financial aid administrators know what, if any, specific information was changed once retrieved from the IRS and transferred into the FAFSA form
  - Flags provided separately for student and parent
  - Flags listed for EACH IRS-related data fields that can be transferred from the IRS
- DIFFERENT flags than the IRS Request Flags
  - 02 Request flag still means no data changed for verification purposes



# IRS Data Retrieval Tool (DRT) Changes

- List of *IRS Data Field Flag* values:
  - Blank = IRS data not transferred from IRS (FAFSA submitted via paper or by a financial aid administrator)
  - 0 = IRS data not transferred from IRS (FAFSA not submitted via paper or by a financial aid administrator)
  - 1 = IRS data transferred from IRS – Not changed by user
  - 2 = IRS data transferred from IRS – Field changed by user prior to submission of application (only occur if IRA/Pension fields changed by user entering rollover amount)
  - 3 = IRS data transferred from the IRS – Field corrected by the user on this transaction
  - 4 = IRS data transferred from the IRS – Field corrected by the user on a previous transaction

# IRS Data Retrieval Tool (DRT) Changes

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- Any web edits that include information transferred from IRS will **no longer be presented to the applicant or parent**
- **Instead, new SAR comments will display on the ISIR (and SAR)** to alert financial aid administrators that at least one edit was triggered but could not be displayed and therefore, could not be resolved online
- Comment Codes:
  - 400 = Your Financial Aid Administrator may contact you to resolve any issues related to parental data reported on your FAFSA.
  - 401 = Your Financial Aid Administrator may contact you to resolve any issues related to data reported on your FAFSA.

# Parent Marital Status

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Issue - Parents have difficulty answering the parent marital status question correctly.

Resolution - Question 59 has been modified so that the term “legal” only applies to “unmarried and both parents living together.”

# HOMELESS YOUTH

## Issue

Applicants aged 22 or 23 who indicate on the FAFSA that they are homeless must rely on the FAA to set a Homeless Youth Override flag in order for the applicant to complete the FAFSA as an independent student.

## Resolution

- Logic for FAFSA questions 56, 57, and 58 is modified
- Questions display to all applicants who indicate homeless
- Allows applicants aged 22 or 23 to indicate if they've received a homeless determination



# Amended Returns & IRS DRT

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- Amended tax return filtering question removed from the FAFSA
- Applicant or parent can use the IRS DRT to import information from their original return
- Flag from the IRS will indicate if there is an amended tax return on file
  - IRS Request Flag 07
- Institution must obtain documentation for the updated information and make any necessary corrections regardless if selected for verification



# Verification

# 2017-2018 Verification Updates

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- Verification Tracking Group V6 was eliminated for 2017-18
  - Schools still have authority to select additional students and items of their choosing for verification
- SNAP and Child Support Paid removed as individual verification items under V1, V4 or V5

**DCL GEN-16-07**



# 2017-2018 Verification Updates

- Due to DRT concerns, we are providing institutions with flexibilities they may choose to use as part of their verification procedures for **2016-2017 and 2017-2018**:
  - IRS Tax Return Filers – In lieu of using the IRS DRT, or obtaining an IRS transcript, institutions *may* consider a signed paper copy of the 2015 IRS tax return that was used by the tax filer for submission to the IRS as acceptable documentation to verify FAFSA/ISIR tax return information
    - Signature requirements (FSA HDBK, AVG section Chapter 4) indicate one of the filers of a joint return and tax preparer signatures are acceptable

**DCL GEN-17-04**



# 2017-2018 Verification Updates

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- Verification of Nonfiling – Institutions no longer required to collect documentation obtained from IRS or other tax authorities verifying that applicant, the applicant's spouse or the applicant's parents did not file a 2015 tax return
  - Nonfilers must still provide - signed statement certifying individual has not filed and not required to file and a listing of sources of 2015 income earned and W-2s, if applicable
    - Signed verification worksheets with this information provided is acceptable
- GEN-17-04 serves as guidance for alternative documents when tax filer is unable to obtain a tax transcript (replaces the 10/18/16 electronic announcement)

***DCL GEN-17-04***

# 2018-2019 Verification Updates

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- May 5, 2017 Federal Register and GEN-17-05
  - No changes to verification tracking groups
  - Tax extenders must now show IRS proof of extensions beyond automatic 6-month extension
    - If cannot produce, must provide tax data through DRT or tax transcripts
  - *Dependent students* who do not file taxes, do not have to provide proof of nonfiling
- EA 8/16/2017: 2018-19 Verification Suggested Text

# 2018-2019 Verification Updates

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- May 5, 2017 Federal Register and GEN-17-05
  - An unexpired valid government-issued photo identification is one issued by the U.S. government, any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, a federally recognized American Indian and Alaska Native Tribe, American Samoa, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau

# 2018-2019 Verification Updates

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- May 5, 2017 Federal Register and GEN-17-05
  - Remind schools that students selected for verification that qualify for an auto zero EFC have reduced requirements –
    - *For dependent students*
      - The parents' AGI if the parents were tax filers
      - The parents' income earned from work if the parents were nontax filers; and
      - The student's high school completion status and identity/ statement of educational purpose, if selected

# 2018-2019 Verification Updates

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- May 5, 2017 Federal Register and GEN-17-05
  - Remind schools students selected for verification that qualify for an auto zero EFC have reduced requirements:
    - *For independent students*
      - The student's and spouse's AGI if they were tax filers
      - Student's and spouse's income earned from work if were nontax filers
      - The student's high school completion status and identity/ statement of educational purpose, if selected;
      - The number of household members to determine if the independent student has one or more dependents other than a spouse

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# Perkins Loan Extension Act of 2015

# Perkins Awarding

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- No new Perkins Loans should have been awarded to graduate students after September 30, 2016
- No new Perkins Loans can be awarded to undergraduate students after September 30, 2017
  - Subsequent disbursements may only be made through June 30, 2018, including for summer 2018, as long as the loan is first disbursed between July 1, 2017 and September 30, 2017

# Perkins Loan Assignment

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- Liquidation of a school's Perkins portfolio after the program ends is *not required*. Schools may...
  - Continue to service their own portfolios
  - Contract with a third-party servicer for servicing
  - Choose to assign any or all loans to the Department, whether defaulted or not
- Since new loans will no longer be made, the Federal share of funds will be returned to the Department, similar to the existing ELC process



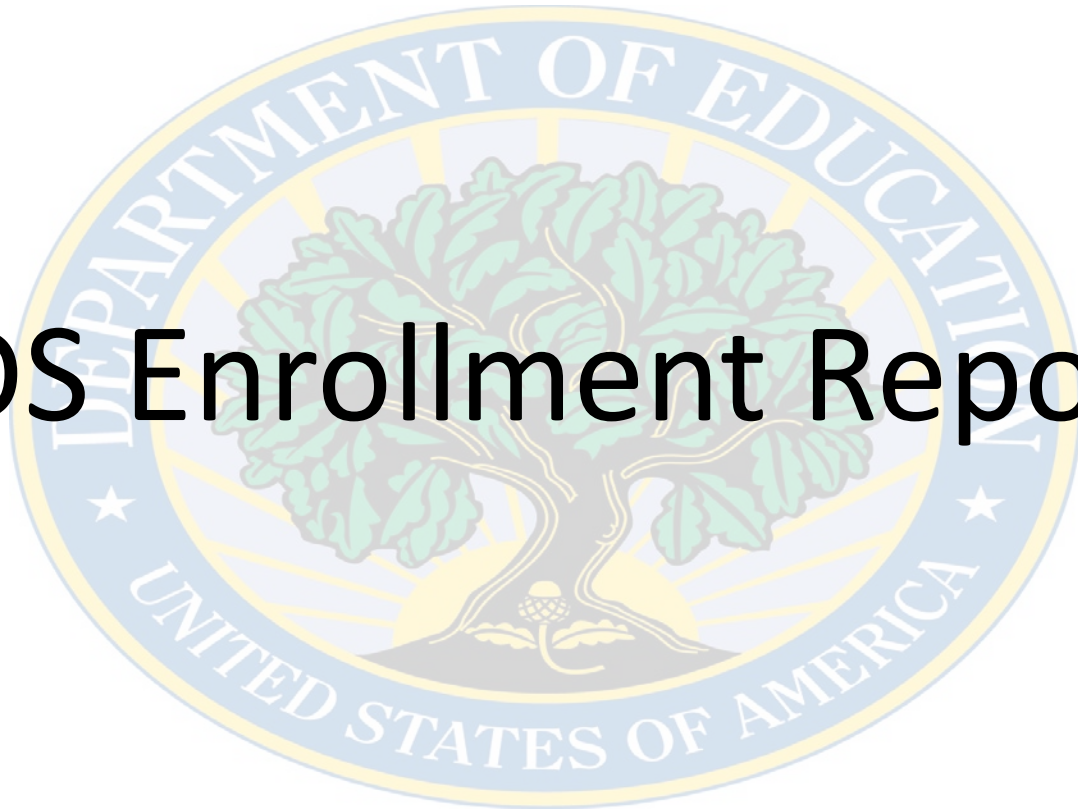
# Perkins Resources

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- Dear Colleague Letter GEN-16-05
- Federal Student Aid Handbook, Vol. 6, Chap. 5
- Perkins Liquidation and Assignment resource pages:  
<https://ifap.ed.gov/ifap/cbp.jsp>

*Stay tuned to IFAP for more information!*

# NSLDS Enrollment Reporting



# Program-Level Enrollment Reporting

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- Program enrollment data reporting by schools has been required since **October 1, 2014.**
- Program level enrollment data is essential for administering the 150% Direct Subsidized Loan Limit.
- Incorrect or unreported program data can harm students.
- FSA has posted many communications on the program reporting requirements, going back to 2013.

# Compliance Notifications

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- EA 4/21/2017 – NSLDS Enrollment Reporting: Compliance Notifications
  - Email notifications will be sent by NSLDS to schools not reporting academic program-level information
    - Only sent to schools not reporting at least 90% of students on the school’s NSLDS Enrollment Reporting Roster
    - Escalating first, second, and final notifications will be sent depending upon a school’s continued non-compliance
  - Schools may be referred to FSA Program compliance
  - Schools with a high percentage of students actually not enrolled in any programs may request an exception – [ERCompliance@ed.gov](mailto:ERCompliance@ed.gov)

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# Protecting Student Information

# Protecting Student Information

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- Schools, and their third-party servicers, are obligated under various Federal and state laws to protect data used in all aspects of administering the Title IV Federal student financial aid programs
  - Higher Education Act, Family Educational Rights and Privacy Act (FERPA), the Privacy Act of 1974, the Gramm-Leach-Bliley Act, state data breach/privacy laws
- Dear Colleague Letters GEN-15-18 and GEN-16-12
- Electronic Announcement: March 21, 2017

# Protecting Student Information

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- The Privacy Technical Assistance Center (PTAC) and the Family Policy Compliance Office (FPCO) websites are now combined:
  - *<https://studentprivacy.ed.gov>*
- The Offices of the Chief Privacy Officer (OCPO) have been reorganized into the Student Privacy Protection and Assistance Division (SPPAD), to provide best practices and technical assistance with FERPA and other student privacy topics

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# Recent Guidance



# Electronic G-845 Process

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- Please note that beginning in *May, 2018*, the U.S. Citizenship and Immigration Services (USCIS) will be moving to an electronic process for reviewing and replying to G-845 data
- ***Once the electronic G-845 process is implemented, immigration will no longer accept paper forms nor return paper responses***
- More information will be available from ED and USCIS in the future through a variety of communication formats

# Federal Registers

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**July 18, 2017:** Final Disclosure Format for T1 and T2 schools as related to major features and types of assessed fees

- The Department is allowing additional time – January 1, 2018 – to comply with the applicable disclosure requirement

# Dear Colleague Letters

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## GEN-17-08 – Major Disasters

- provides updated information regarding the impact of a “major disaster” on the administration of the Title IV student assistance programs and *supersedes guidance* included in previous Dear Colleague Letters

# Dear Colleague Letters

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## **ANN-17-07**– FSA Coach 17/18 Advanced Training Course

- provides an online training opportunity for financial aid directors and includes a primer for new directors, a module on audits and program reviews, and cash management
- Now have Basic, Intermediate and Advanced FSA Coach

## **ANN-17-03** – Fundamental Workshops

- Provides registration process and location of all ED-led Fundamentals of FSA Administration workshops throughout the country between July 2017-June 2018

# Electronic Announcements

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## 6/16/17 – Tier 1 and Tier 2 Contract Date Reporting Format

- Provides reporting formatting for T1/T2 schools on the following data that must have been posted on their website no later than September 1, 2017
  - T1 and/or T2 contract data pertaining to the total consideration paid or received by the contracting parties under the arrangement for the most recently completed award year
  - The mean and median costs its students incurred
  - The number of students who had financial accounts under the contract at any time during the most recently completed award year

# Electronic Announcements

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## 8/29/17 – eCampus-Based Functions to Move to COD System in 2018

- ***No change in Campus-Based processing until 2018***
- Schools will continue to access ***current*** eCB System for 2018-2019 FISAP (was due 9/29/17) and for edit corrections (due 12/15/17)
- No change in Campus-Based data reporting process or content
- Will not require a schema change or student-level origination and disbursement records for Campus-Based awards in COD System
- No change to methodology of calculating Campus-Based awards

# Electronic Announcements

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## 8/10/17 – Code 399 Updates

- 399 codes will continue in 17/18 FAFSA processing cycle
- Must continue to resolve 399s as outlined in GEN-16-14
- Schools not required to submit corrections for 16/17 after 9/9
- If no required documentation is submitted by school's 399 deadline, all appropriate aid will have to be returned for 16/17 and 17/18 as applicable

# Training

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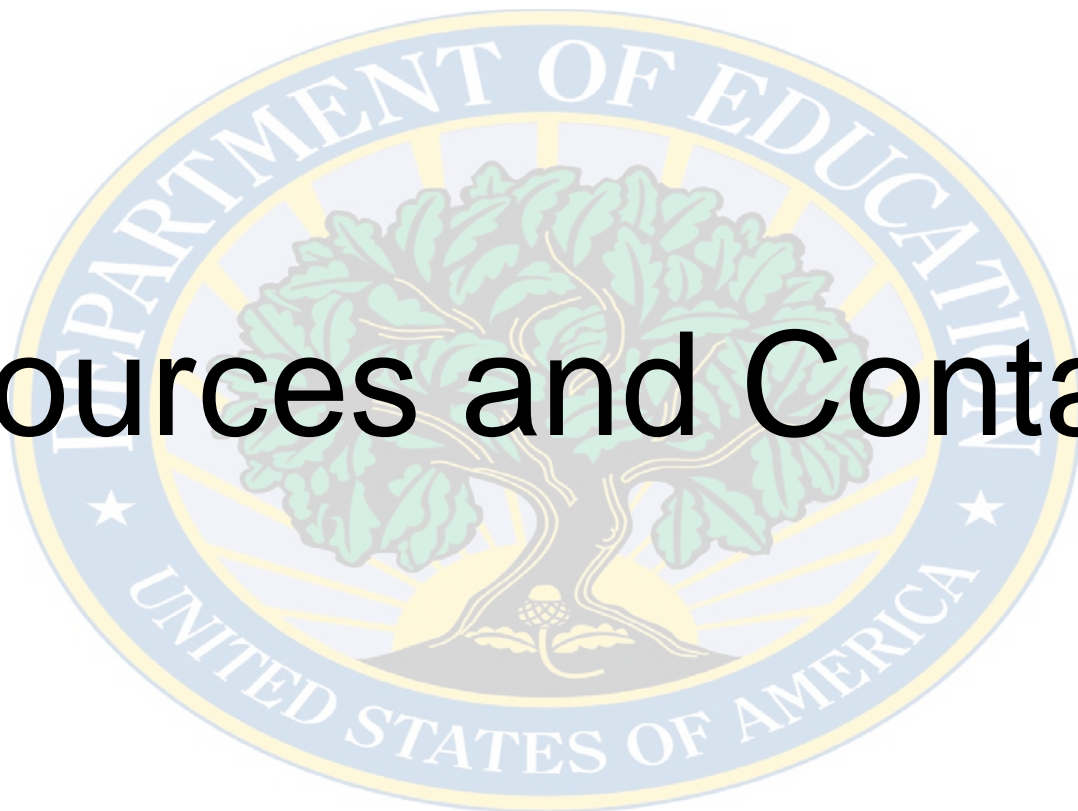
- **2017 FSA Training Conference**
  - Tuesday, November 28 – Friday, December 1, 2017
  - Orlando, Florida
  - Conference and lodging registration is open!
    - [fsaconferences.ed.gov](http://fsaconferences.ed.gov) (right-hand side of IFAP website)



**Orlando**  
November 28-Dec 1  
**2017**



# Resources and Contacts



# Department of Education Contacts

## Research and Customer Care Center

800.433.7327

[fsa.customer.support@ed.gov](mailto:fsa.customer.support@ed.gov)



## Reach FSA

855.FSA.4FAA -- 1 number to reach 10 contact centers!

<i>Campus Based Call Center</i>	<i>eZ-Audit</i>
<i>COD</i>	<i>School Eligibility Service Group</i>
<i>CPS/SAIG</i>	<i>Foreign Schools Participation Division</i>
<i>NSLDS</i>	<i>Research and Customer Care Center</i>
<i>G5</i>	<i>Nelnet Total &amp; Permanent Disability Team</i>

# Contacts - School Participation Team

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- *School Participation Main Number*

**215-656-6442**

- *Region III Institutional Improvement Specialist (IIS)*

***Joe Kern***

**215 656-8566**

**[joe.kern@ed.gov](mailto:joe.kern@ed.gov)**

# Region 3 Contacts - Federal Training Officers

- *Amber Johnson*

202-377-3369

[amber.johnson@ed.gov](mailto:amber.johnson@ed.gov)

- *Craig Rorie*

215-656-5916

[craig.rorie@ed.gov](mailto:craig.rorie@ed.gov)



# Training Feedback

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To ensure quality training we ask all participants to please fill out an online session evaluation

- Go to <http://s.zoomerang.com/s/CraigRorie>
  - Evaluation form is specific to Craig Rorie
- 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 feedback about training can be directed to [joann.borel@ed.gov](mailto:joann.borel@ed.gov)



**Thank You!**