In higher education, especially financial aid, change is CONSTANT.

- Seems to be an oxymoron!
- We must find a way to monitor changes
- We would like to find a way to drive or influence the changes

- Can come up quickly or draaaggggg on and on and on

- We will visit some pertinent issues today
Pennsylvania HB2124 – the “loan debt letter” bill
- Passed the house unanimously
- Currently in the Senate
- Would require annual notification to our students
  - Total amounts borrowed
  - Calculated estimated repayment amount
  - Questions remain as to including private loans
HB2124

- Is an unfunded mandate
- Could be confusing
  - Combining sub and unsub and plus
  - Try to predict when payment begins
  - Can’t know of future deferments, borrowing levels, consolidations, payment plan choice etc. etc.
  - Federal preemption
What’s Not Changing

- Verification 😊
  - Woo! No changes for 2019-2020
    - Still V1, V4, and V5
    - Still the same required documentation
    - Recommended verbiage is still pending but we don’t anticipate any changes there either
But......

- We will still have the 400 and 401 comment codes
  - These are due to the functionality of the DRT
  - It places the onus on us to “verify” that the entered working wages are correct
  - To me it feels like another verification category
  - W2s are generally required
  - Sometimes SCH C
  - If changes are needed, that can jog a verification status
We still can’t reveal income information for DRT users

- This is due to sneaky folks trying to use the FAFSA to commit tax fraud
- Must find a way to validate who are speaking to
- Can’t just discuss changes any longer
- Must protect the data
When the economy gets better, the rates go up.

- Undergrad loans = 5.05%
- Graduate loans = 6.6%
- Plus loans = 7.6%

- First disbursed after July 1st 2018
Currently in a waiting pattern
Nothing really new or any movement
PROSPER ACT
- Radical in nature
- Reigns in the loan programs
  - Totally ends the graduate plus program
  - Ends all campus based except FWS
- Ends the 90/10 rule
- Modifies selective service criteria
Legislatively Speaking....

- PROSPER
  - Invokes the concept of the Pell bonus
  - Radically changes R2T4
    - All students who withdraw would have a balance due. ALL OF THEM
  - Changes from CDR to repayment rate
  - Passed out of the House committee, but waiting to be considered on the floor
We haven’t seen a Senate concept bill yet
  - Talks with the Senate Education committee indicate that they are right in line with every concept within PROSPER

Appropriations bills and omnibus bills have been driving change lately

Maybe more important than reauthorization???
The omnibus gave us:

- Year round Pell – woo!
- Increase in FSEOG
- Increase in FWS

That was change we didn’t see coming! Flew in the face of Trump’s call to eliminate the programs and reign in spending
Legislatively Speaking....

- We may need to wait for the mid-term elections before we see movement.
- A shift in power would be a dramatic influencer for HEA
- Keep eyes out for stand alone bills
Old News, New Again

- We rallied through the 2\textsuperscript{nd} round of negotiated rulemaking on borrower defense and gainful employment
- Waiting for the NPRM
  - They were sort of promised in July…. Uh-huh
  - They need to be published by Nov 1 if they are going to take effect for 19-20.
Create the regulatory framework for which students can have their loans discharged AS WELL AS how much of that money the school will be on the hook for!

More letters of credit to be required?

More school responsibility for discharge?

Partial vs. full discharge?

Remains to be determined, we eagerly wait
We are all painfully aware of what this is
Had to “re-do” it according to Betsy

No consensus here either
Will it apply to all schools and all programs?
Will sanctions change?
Will disclosures change?
Maybe eliminated altogether?
Fiscal Responsibility Ratios

- Only applies to privates
- Calculation needs to change based on FASB definition and ratio changes
- Could be extremely detrimental to many schools
  - Especially those who use leases
- Expect changes in the borrower defense neg. reg.
- Little talked about topic but hugely important
Get Involved

- Track legislation
- Be in touch with your GRC
- Read your PASFAA post and NASFAA news
- Watch for NPRM
  - Comment! Its free 😊
- Change isn’t going away so let’s learn to live with it
Questions....