



## FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

### CAMPUS-BASED PROGRAMS

An [Electronic Announcement](#) was published by the USDE Aug. 1, 2016: Perkins Loan Program-Excess Liquid Capital Determinations and Timelines. In this announcement, institutions that participate in the Federal Perkins Loan Program are informed that the federal portion of any Excess Liquid Capital in their Perkins Loan Revolving Fund must be returned to the USDE no later than Nov. 17, 2016. The modified process for determining if ELC exists in an institution's Revolving Fund and for notifying institutions of ELC that must be returned is explained further in the announcement. Instructions for "[Returning Perkins Funds](#)" are located on the IFAP website. This statutory requirement is not directly related to the wind-down of the Perkins Loan program.

On Aug. 1, 2016, the USDE published an [Electronic Announcement](#): 2016-2017 Supplemental Campus-Based Funds. Information is provided in the announcement on how 2016-2017 supplemental award funds for each campus-based program will be distributed and how schools will be notified.

### FEDERAL SCHOOL CODE LIST

The USDE published An [Electronic Announcement](#) Aug. 1, 2016: 2016-2017 Federal School Code List of Participating Schools (Aug. 2016). The updated [Federal School Code List](#) includes schools participating in the Title IV federal student aid programs and the unique codes assigned to them by the U. S. Department of Education. These codes are used by students to indicate which postsecondary schools will receive the processed application results from their Free Application for Federal Student Aid. Instructions are given in the announcement for updating your school's FSC information.

### COHORT DEFAULT RATES

An [Electronic Announcement](#) was published by the USDE Aug. 3, 2016: Participation Rate Index Worksheet Availability. The Default Prevention Participation Rate Index Worksheet is available on the [Default Management website](#). The PRI Worksheet is in the "[Templates/Spreadsheets](#)" section under the "CDR Guide" link on the left-hand navigation bar. Instructions are provided with the worksheet. Use this worksheet to determine if your institution should challenge or appeal its CDR based on low participation in the FFEL and Direct Loan Program.



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### FAFSA

On Aug. 4, 2016, the USDE published an [Electronic Announcement](#): Revised Special Handling Process for FAFSA Filers Under the Age of 13. FAFSA Filers under the age of 13 who are otherwise eligible can apply for and receive Title IV, HEA program assistance. However, very young applicants require special procedures for filing and correcting the FAFSA per the provisions of the Children’s Online Privacy Protection Act of 1998. In general, the COPPA prohibits all entities from conducting any business or communication electronically with a person under age 13. The USDE has revised the filing process to allow parents to directly download the PDF FAFSA application for the appropriate award year, complete it and mail in the signed application to the processing center. Important instructions are outlined in this announcement.

### GAINFUL EMPLOYMENT

Two Electronic Announcements were published in Aug. 2016 regarding Gainful Employment. Links to these announcements with dates of publication are as follows:

- [Gainful Employment Electronic Announcement #86 – Upcoming Oct. 1, 2016 GE Reporting Deadline](#)

[for the 2015-2016 Award Year – Aug. 4, 2016](#)

- [Gainful Employment Electronic Announcement #87 – Updated NSLDS Gainful Employment User Guide and GE Program Tracking Information – Aug. 31, 2016](#)

### AUDIT REQUIREMENTS

The USDE published an [Electronic Announcement](#) Aug. 5, 2016: Applicability of Single Audit Act Regulations to the Title IV Student Aid Programs. Financial and compliance audits are required “on at least an annual basis” for each institution participating in Title IV programs per section 487(c) of the Higher Education Act of 1965, as amended. The Single Audit Act regulatory provisions issued in the Dec. 26, 2013 Federal Register indicate institutions with a “low-risk” threshold need only conduct compliance audits every three years rather than annually. This conflict has raised questions regarding audit requirements for institutions covered by the Single Audit Act. The USDE directs institutions to continue to submit financial and compliance audits annually. More detailed information is provided in the announcement.



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### ACCREDITATION

An [Electronic Announcement](#) was published by the USDE Aug. 5, 2016: Guidance for Schools Seeking New Accreditation. This announcement reminds institutions of the steps necessary to change a primary accrediting agency. The types of documentation that should be submitted with the application and instructions on how to apply are outlined. Additional information on this process can be found in [Volume 2, Chapter 5](#) of the 2016-2017 FSA Handbook.

### FEDERAL NEED ANALYSIS

A [Federal Register Notice](#) was issued by the USDE Aug. 8, 2016: Republication and Correction: Federal Need Analysis Methodology for the 2017-2018 Award Year. Information was missing from the “Education Savings and Asset Protection Allowance” table in the initial publication of the Federal Register Notice dated May 24, 2016. The first row of information was missing under the “Parents of Dependent Students” section in the original notice. No other information has changed.

### DEFAULT RESOLUTION GROUP

On Aug. 9, 2016, the USDE published an [Electronic Announcement](#): Contact Information Updates for Default Resolution

Group, Greenville Effective Aug. 2016. The contact information for questions about loan assignments and Federal Pell Grant overpayments has been updated at the Default Resolution Group, Greenville. Telephone numbers and fax numbers have been changed to the following:

- Loan Intake (FFEL Assignments) and Title IV (Pell Grant) Referrals:  
Phone: (903) 259-3877  
Fax: (903) 454-2243
- Department of Education’s On-Site Monitor at Greenville Facility:  
Phone: (903) 259-3915  
Fax: (903) 454-2312

### REFERENCE GUIDES

The updated reference guides below were published by the USDE in the month of Aug. The guides listed are linked with the corresponding electronic announcement with the date of publication.

- [EDEXpress for Windows 2017-2018 Packaging Technical Reference Available on FSADownload Website – Aug 10, 2016](#)
- [2017-2018 SAR Comment Codes and Text Guide – Aug. 10, 2016](#)
- [2017-2018 ISIR Guide – Aug. 10, 2016](#)



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- [Volume 6 – The Campus-Based Programs \(2016-2017 Federal Student Aid Handbook\) – Aug. 18, 2016](#)
- [2017-2018 Summary of Changes for the Application Processing System Guide – Aug. 23, 2016](#)

### TECHNICAL

The USDE published an [Electronic Announcement](#) Aug. 12, 2016: No Change to NSLDS TSM/FAH User Guide and Batch File Layouts for 2017-2018. For the 2017-2018 Award Year, no changes were made to the National Student Loan Data System Transfer Student Monitoring/Financial Aid History User Guide and Batch File Layouts dated Jan. 2016. Schools may continue to use the Jan. 2016 version for the upcoming award year.

### RESOURCES

An [Electronic Announcement](#) was published by the USDE Aug. 12, 2016: Information About Teacher Cancellation Low-Income Directory Updates. Schools were advised that an email was sent to states reminding them to submit their updated lists of low-income schools and education service agencies to be included in the Directory of Designated Low-Income Schools for Teacher Cancellation Benefits. The

directory is available at <https://www.tcli.ed.gov> and is also known as the Teacher Cancellation Low-Income Directory or TCLI Directory. Eligibility of teachers for loan cancellation with the Perkins Loan Program and loan forgiveness with the FFEL Program and Direct Loan Program is determined using the list of schools and educational service agencies that serve low-income families in the TCLI Directory. Schools may use the TCLI Directory when counseling students who are planning to become teachers. A copy of the email to the states is attached to this announcement.

### LOAN SERVICING

On Aug. 15, 2016, the USDE published an [Electronic Announcement](#): Loan Servicing Information-Federal Loan Servicer Team Change Update and Contact Center Support Service Status. VSAC Federal Loans will be ceasing operations as a federal loan servicer team member. This announcement provides information on completing the transfer of William D. Ford Federal Direct Loan Program loan accounts from VSAC Federal Loans to Nelnet. Transfer-related reminders are also included, along with the phone number, website and e-mail status for VSAC Federal Loans.



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The USDE published an [Electronic Announcement](#) Aug. 17, 2016: Loan Servicing Information – Federal Loan Servicer Name Change. One of the Not-for-Profit members of the federal loan servicer team has changed its name from ESA/Edfinancial to HESC/Edfinancial. The contact information for support services has not changed. All of the USDE websites and systems have been updated with this new information.

### FSA DATA CENTER

An [Electronic Announcement](#) was published by the USDE Aug. 22, 2016: Federal Student Aid Posts Updated Reports to FSA Data Center. The [FSA Data Center](#) is a centralized online source for Federal Student Aid data. The application, loan, grant and portfolio reports are updated by Federal Student Aid quarterly. The reports recently posted reflect activity as of June 30, 2016. The announcement outlines the reports available, along with several key findings based on those reports.

### TRAINING

Dear Colleague Letter [ANN-16-13](#): Online Training Module-Completing the 2017-2018 FISAP. This training module is available on the Federal Student Aid E-Training website, which is located at <http://fsatraining.info>.

Instructions for accessing the training are provided in the DCL. The FISAP must be submitted no later than Sep. 30, 2016 by schools that participate in the Federal Perkins Loan Program, Federal Supplemental Educational Opportunity Grant Program and Federal Work-Study Program.

### PELL GRANTS

On Aug. 26, 2016, the USDE published an [Electronic Announcement](#): Second Pell Grant Administrative Cost Allowance Payments for 2015-2016 Award Year. The announcement explains which students a school is eligible to receive ACA payments for and indicates that funds may only be used to defray the costs of administering the Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work-Study and Federal Perkins Loan programs. The USDE began processing the second ACA payments for all schools on Aug. 24, 2016 and includes those records processed by the COD System from Feb. 29, 2016. Contact information is provided for those schools that need assistance regarding their ACA payments.

The USDE published another [Electronic Announcement](#) on Aug. 26, 2016: Third and Final Pell Grant Administrative Cost Allowance Payment for 2014-2015 Award



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Year. This announcement provides much of the same information as the announcement above. However, it indicates the third and final ACA payments for the 2014-2015 award year will be deposited for all schools beginning on Aug. 24, 2016 and includes those records processed by the COD System from Aug. 24, 2015. Contact information is provided for those schools that need assistance regarding their ACA payments.

### **FISAP**

An [Electronic Announcement](#) was published by the USDE Aug. 30, 2016: Reminder – Sep. 30, 2016 Deadline for Submitting FISAP. The Fiscal Operations Report for 2015-2016 and the Application to Participate for 2017-2018 for the Federal Perkins Loan, FSEOG and FWS programs must be submitted on or before Friday, Sep. 30, 2016, with the required Signature Pages. Additional information and instructions are included in the announcement.