



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

CAMPUS-BASED PROGRAMS

An [Electronic Announcement](#) was published by the USDE May 2, 2016: New Federal Perkins Loan Program Questions and Answers Available on IFAP website – May 2016. A new Perkins Loan Questions and Answers page has been implemented on the [Campus-Based Processing Information Page](#) of the [Information for Financial Aid Professionals website](#). Information is provided on the Perkins Loan Extension Act of 2015, along with other questions and answers unrelated to this act or the wind-down of the Perkins Loan Program.

On May 6, 2016, the USDE published an [Electronic Announcement](#): Revised Instructions for Returning Federal Perkins Loan Funds to the Department Available on the IFAP website. The revised instructions for returning Perkins Loan funds are posted on the [Campus-Based Processing Information Page](#) of the [IFAP website](#). These instructions replace all previous versions and must be followed.

An [Electronic Announcement](#) was published by the USDE May 25, 2016: Important Information about the Reallocation Process, the 2015-2016 Campus-Based Reallocation form and the Process to Request Supplemental Federal Work-Study Funds for 2016-2017. The 2015-2016 Reallocation

Form and Instructions are attached to this announcement. Details are provided on the reallocation process for schools to release unexpended portions of their 2015-2016 allocations in the Federal Work-Study and/or Federal Supplemental Educational Opportunity Grant programs, as well as how to request supplemental 2016-2017 FWS funds to employ students in community service jobs. The deadline date to electronically submit the 2015-2016 Campus-Based Reallocation Form is Monday, Aug. 15, 2016.

TECHNICAL

The USDE published an [Electronic Announcement](#) May 3, 2016: TDCM Web Portal Upgrade. On May 15, 2015, the Transaction Delivery Community Manager Web portal (SAIG Mailbox portal) was upgraded to resolve several archiving issues and to disable Transport Layer Security version 1.0. Additional information is provided in the announcement regarding the archiving issues and disablement of TLS 1.0.

An [Electronic Announcement](#) was published by the USDE May 13, 2016: Issue Alert: EDEXpress 2016-2017, Release 2.0 Update Available to Resolve Issue with Summary Information in Direct Loan Disbursement Lists. An issue was discovered in the Direct



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Loan module of EDEXpress for Windows 2016-2017, Release 2.0. Inaccurate summary information is printing on the final page of the List-Anticipated Disbursements and List-Actual Disbursements reports. An updated program file that will resolve this issue has been posted to the Federal Student Aid Download website located at <https://www.fsadownload.ed.gov>. Instructions on loading the EDEXpress program file are outlined in this announcement.

The USDE published an [Electronic Announcement](#) May 19, 2016: Internet Explorer 9 and 10 Browser Support Ending on COD, StudentLoans.gov and TEACH Grant Websites. Internet Explorer 9 and 10 are no longer supported on the Common Origination and Disbursement website, StudentLoans.gov and the TEACH Grant website as of May 26, 2016. To be able to access these sites, users can use Internet Explorer 11, Chrome, Firefox, and Safari, among others.

VERIFICATION

On May 4, 2016, the USDE published an [Electronic Announcement](#): Revised 2016-2017 FAFSA Verification – IRS Tax Return Transcript Matrix. Since publication of the 2016-2017 FAFSA Verification – IRS Tax Return Transcript Matrix on March 23,

2016, it has been noted that the matrix incorrectly described which lines from the IRS Tax Return Transcript should be used for verification of *Income Tax Paid*. A revised copy of the [2016-2017 FAFSA Verification – IRS Tax Return Transcript Matrix](#) is attached to this announcement.

FORMS

Dear Colleague Letter [GEN-16-08](#) was published by the USDE May 5, 2016: Approval of Servicemember Civil Relief Act (SCRA) Interest Rate Limitation Request for the Direct Loan and FFEL Programs. The new SCRA Interest Rate Limitation Request form has been approved and becomes effective July 1, 2016. The new form is attached to the DCL and can be distributed immediately. Information is provided in the DCL describing instances where the form should be used.

DIRECT LOAN PROGRAM CLOSEOUT

An [Electronic Announcement](#) was published by the USDE May 5, 2016: Record Submission Due Date for 2014-2015 Direct Loan Program Year Closeout. The closeout deadline for the 2014-2015 Direct Loan Program Year is Friday, July 29, 2016. All school data must be received and accepted by 8:00 P.M. (ET) on this date to be



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included in a school's final Ending Cash Balance for the year. Additional information and instructions are provided in the announcement to assist schools in meeting this deadline.

- [Gainful Employment Electronic Announcement #78 - Draft GE Completers List Files – May 31, 2016](#)

GAINFUL EMPLOYMENT

Several Electronic Announcements were published in May 2016 regarding Gainful Employment. Links to these announcements with dates of publication on IFAP are as follows:

- [Gainful Employment Electronic Announcement #74 - Correcting GE Data Prior to the Department's Distribution of Draft GE Completers Lists – May 6, 2016](#)
- [Gainful Employment Electronic Announcement #75 - NSLDS Enrollment Update Access Required for Draft GE Completers List Corrections – May 10, 2016](#)
- [Gainful Employment Electronic Announcement #76 - Live Internet Webinars: Reading Your Draft GE Completers List Files and Submitting GE Completers List Corrections – May 13, 2016](#)
- [Gainful Employment Electronic Announcement #77 - Fulfilling GE Certification Requirements when Updating the E-App – May 26, 2016](#)

EARLY FAFSA

An [Electronic Announcement](#) was published by the USDE May 6, 2016: Early FAFSA Electronic Announcement #6: Important Publication, System and Software Availability Dates in Preparation for 2017-2018 Early FAFSA. This announcement provides a monthly release schedule for publications, systems and software associated with the beginning of the 2017-2018 FAFSA filing cycle. No changes are anticipated with the [Transfer Student Monitoring/Financial Aid History User Guide and Batch File Layouts dated Jan. 2016](#), originally published Nov. 24, 2015. Additional information can be found on the [Early FAFSA](#) page on the IFAP website.

ELIGIBILITY FOR TITLE IV AID

The USDE published Dear Colleague Letter [GEN-16-09](#) May 9, 2016: Changes to Title IV Eligibility for Students Without a Valid High School Diploma Who Are Enrolled in Eligible Career Pathway Programs. The Consolidated Appropriations Act of 2016 made changes to the definition of an eligible career pathway program and Federal Pell



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Grant award amounts for students enrolled in those programs. In addition to the revised definition of an eligible career pathway program, information is provided in the DCL on Federal Pell Grant eligibility and implementation for the changes. An attachment to the DCL has a set of questions and answers on these topics.

On May 11, 2016, the USDE published Dear Colleague Letter [GEN-16-10](#): Receiving Title IV Aid for Teacher Certification Programs. This DCL clarifies eligibility requirements for programs and students to receive Title IV aid for enrollment in teacher certification programs, required by a State to receive a professional certification or licensing credential for employment as an elementary or secondary school teacher. The guidance in the DCL applies only to students enrolled in teacher certification programs that do not lead to a degree, certificate or other credential awarded by an institution.

150% DIRECT SUBSIDIZED LOAN LIMIT

Two Electronic Announcements were published in May 2016 regarding the 150% Direct Subsidized Loan Limit. Links to these announcements with dates of publication on IFAP are as follows:

- [150% Direct Subsidized Loan Limit: Electronic Announcement #21 - Common Subsidized Loan Limit Usage Inquiries – May 11, 2016](#)
- [150% Direct Subsidized Loan Limit: Electronic Announcement #22 - Important Reminders About Program-Level Enrollment Reporting to NSLDS – May 13, 2016](#)

CASH MANAGEMENT

An [Electronic Announcement](#) was published by the USDE May 12, 2016: Cash Management Questions and Answers. Because of numerous inquiries regarding the Program Integrity and Improvement final regulations issued Oct. 30, 2015, a set of Q&As have been developed to assist institutions with the regulations effective July 1, 2016. The Q&As are provided as an attachment to the announcement in Word format.

RESOURCES

The USDE published an [Electronic Announcement](#) May 13, 2016: Messaging for Student Loan Borrowers Leaving School. Links to new resources that can be used to communicate with borrowers about their payment options are available in this



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announcement. Links to existing resources are also provided.

On May 13, 2016, the USDE published an [Electronic Announcement](#): 2016-2017 Application and Verification Guide. The updated [Application and Verification Guide](#) for the [2016-2017 Federal Student Aid Handbook](#) is now available on the IFAP website.

The USDE published an [Electronic Announcement](#) May 18, 2016: 2016-2017 SAR Comment Codes and Text (May 2016 Update). The updated [2016-2017 SAR Comment Codes and Text reference guide](#) has been made available on the [IFAP website](#) and the [FSA Download website](#). Comment codes that have been updated are outlined in the announcement.

An [Electronic Announcement](#) was published by the USDE May 23, 2016: 2017-2018 EDE Technical Reference (Spring Draft). Updated Record Layouts and Processing Codes sections are included in this draft. The draft [2017-2018 Electronic Data Exchange Technical Reference](#) has been posted on the [Information for Financial Aid Professionals](#) website and the Federal Student Aid Download website at <https://www.fsadownload.ed.gov>.

INTEREST RATES

An [Electronic Announcement](#) was published by the USDE May 13, 2016: Interest Rates for Direct Loans First Disbursed between July 1, 2016 and June 30, 2017. A table of Direct Loan interest rates for 2016-2017 is included in this announcement, showing the 10-Year Treasury Note Index and Add-On that make up the fixed rates below.

- Direct Subsidized Loans 3.76%
(Undergraduate)
- Direct Unsubsidized Loans 3.76%
(Undergraduate)
- Direct Unsubsidized Loans 5.31%
(Graduate/Professional)
- Direct Plus Loans 6.31%
(Parent Plus/Grad Plus)

FEDERAL NEED ANALYSIS

A [Federal Register Notice](#) was issued by the USDE May 24, 2016: Federal Need Analysis Methodology for the 2017-2018 Award Year. The criteria, data elements, calculations and tables the USDE uses in the Federal Need Analysis Methodology, to determine the Expected Family Contribution, has been updated for the 2017-2018 Award Year. These updates are required by statute annually in Section 478 of part F of Title IV of the Higher Education Act of 1965, as amended. In general, the



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updates are based upon increases in the Consumer Price Index. A description of the changes and charts with the updated figures are provided in the PDF version of the Federal Register.

Required reductions for the Iraq-Afghanistan Service Grant and TEACH Grant awards, for first disbursements on or after Oct. 1, 2016 and before Oct. 1, 2017, are listed below:

SEQUESTER REQUIRED CHANGES

Dear Colleague Letter [GEN-16-11](#) was published by the USDE May 31, 2016: FY 2017 Sequester Required Changes to the Title IV Student Aid Programs. Information provided in this letter include sequester required changes to loan fees in the Direct Loan Program where a first disbursement is on or after Oct. 1, 2016. Loan fees charged to borrowers for Direct Subsidized, Direct Unsubsidized and Direct Plus Loans, with a first disbursement made on or after Oct. 1, 2016 and before Oct. 1, 2017, will be increased to the following percentages:

- Direct Subsidized 1.069%
- Direct Unsubsidized 1.069%
- Direct Plus 4.276%

- Iraq-Afghanistan Service Grants will be reduced 6.9% from the statutory award amount.
- TEACH Grants will be reduced 6.9% from the statutory award amount.

Institutions may begin submitting Direct Loan origination records into the COD System, as long as the correct loan fees are provided for first disbursements on or after Oct. 1, 2016. There are also required reductions to the Iraq-Afghanistan Service Grant and TEACH Grant awards where first disbursements are on or after Oct. 1, 2016.