



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

FAFSA

On Nov. 4, 2014, the USDE published an Electronic Announcement: The FAFSA Completion Challenge. High school and college access professionals have an exciting opportunity to have First Lady Michelle Obama deliver remarks during a 2015 high school commencement. The First Lady's Reach Higher initiative issued a "FAFSA Completion Challenge" urging schools to increase Free Application for Federal Student Aid completion rates among seniors. All high school guidance counselors and administrators should be encouraged to participate in this challenge. To participate, high schools will create and submit three- to five-minute videos showing how they are ensuring every high school senior fills out a FAFSA. Videos will be accepted from Jan. 1, 2015, through March 16, 2015.

FOREIGN INSTITUTIONS

The USDE published Dear Colleague Letter GEN-14-20 Nov. 4, 2015: Ineligible Courses at Foreign Institutions. There are limitations on what coursework may be offered by a foreign institution as part of an eligible program under the Federal Direct Loan program. This DCL provides guidance regarding those limits as well as several questions and answers to clarify certain points. Additional guidance regarding

program eligibility and written arrangements between U.S. and foreign institutions is available in DCL GEN-11-18, published Oct. 25, 2011.

VERIFICATION

An Electronic Announcement was published by the USDE Nov. 6, 2015: Reminder of Institutional Responsibility to Report the Results of Verification Groups V4 and V5. An institution is required to report the verification results for groups V4 and V5, if the USDE places the applicant in the Verification Tracking Group 4 or Verification Tracking Group 5 on the ISIR and the institution has requested the applicant submit identity and high school completion status documents. This does not include students the institution selects for verification. Additional information on this topic is found in this electronic announcement, which also includes links to other electronic announcements and Federal Registers.

An Electronic Announcement was published by the USDE Nov. 24, 2014: 2015-2016 Verification-Suggested Text and Availability of 2014 IRS Tax Information. There are six appendices attached to the announcement explaining important information related to verification. The topics are provided below.



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- APPENDIX A: 2015-2016 Suggested Verification Text
- APPENDIX B: Example for a dependent student selected for Verification Tracking Group V4
- APPENDIX C: Table of 2015-2016 Verification Items
- APPENDIX D: 2015-2016 Verification Tracking Groups, FAFSA Information Required to be Verified
- APPENDIX E: IRS Tax Return Transcript and IRS Record of Account Request Process
- APPENDIX F: 2015-2016 FAFSA Verification, Timeline Availability of 2014 IRS Tax Information

Institutions are not required to use the USDE’s suggested text and formats for verification documents, with the exception of the “Statement of Educational Purpose” in Appendix A. For students who are placed in Verification Tracking Groups V4 or V5, institutions must use the exact language provided by the USDE for the “Statement of Educational Purpose.”

REFERENCE GUIDES

On Nov. 12, 2014, the USDE published an Electronic Announcement: Complete 2014-

2015 Federal Student Aid Handbook with Index Linked to Entries. The indexed version of the 2014-2015 FSA Handbook has been released. Several updates have been made to include addition of the Appendices and updates to the Application and Verification Guide.

An Electronic Announcement was published by the USDE Nov. 24, 2014: 2015-2016 Summary of Changes for the Application Processing System Guide. Changes and enhancements to the application processing system for 2015-2016 are provided in this guide, including the topics listed here:

- Major changes to the 2015-2016 application processing system
- Application processing system schedule for 2015-2016
- 2015-2016 FAFSA[®], including information about ordering and distribution of *FAFSA on the Web*SM Worksheets
- 2015-2016 *FAFSA on the Web*
- 2015-2016 FAA Access to CPS Online
- 2015-2016 Central Processing System (CPS), including database matches, edits, need analysis, communications sent to students, and other notable changes

The USDE published an Electronic Announcement Nov. 25, 2014: 2015-2016



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COD Technical Reference. The 2015-2016 Common Origination and Disbursement Technical Reference has been posted with development data for the 2015-2016 Award Year.

The USDE published an Electronic Announcement Nov. 28, 2014: Availability of the New NSLDS Transfer Student Monitoring/Financial Aid History User Guide and Updated Batch File Layouts. The new guide and batch file layouts are to be used beginning Jan. 1, 2015. These NSLDS TSM and FAH User Guide and Batch File Layouts can be found on IFAP in the NSLDS Reference Materials section.

TEACH GRANT PROGRAM

A Federal Register Notice was issued by the USDE Nov. 12, 2014: TEACH Grant Program Agreement to Serve – Request for Comment. The USDE is requesting comments on a proposed revision of an existing information collection, the TEACH Grant Agreement to Serve. Comments must be submitted to the USDE on or before Jan. 12, 2015. All written comments submitted will be considered public records.

PERKINS LOAN PROGRAM

The USDE published an Electronic Announcement Nov. 13, 2014: Federal

Perkins Loan Portfolio Liquidation and Assignment Procedures Available on IFAP Website. Complete information about the Federal Perkins Loan Portfolio liquidation and assignment is available in a centralized location on the Campus-Based Processing Information Page on the Information for Financial Aid Professionals. The following information is posted on this page.

- Perkins Liquidation and Assignment Info
- Perkins Liquidation Procedures
- Returning Perkins Funds
- Perkins Assignment Procedures
- Perkins Assignment Form – Instructions
- Perkins Assignment Form – Institutional Certification
- Perkins Assignment Form – Borrower and Loan Info

STUDENT AID REPORT

An Electronic Announcement was published by the USDE Nov. 17, 2014: Issue Alert: Pending Updates to 2014-2015 SAR Deadline Dates Referenced in SAR Comment Codes 125 and 127. The 2014-2015 Student Aid Report deadline date in the text for SAR Comment Codes 125 and 127 is outdated and will be corrected at the end of Dec. 2014. The deadline date should



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be Sept. 28, 2015, not Sept. 26, 2015 currently referenced by comment codes 125 and 127. The date will be corrected in the CPS and other USDE systems to reflect the correct date. An updated version of the 2014-2015 SAR Comment Codes and Text reference guide with corrected SAR deadline date references will be published in 2015.

FEDERAL STUDENT AID ID

A Federal Register Notice was issued by the USDE Nov. 20, 2014: Comment Request; Personal Authentication Service (PAS) for FSA ID. The USDE is requesting comments on a proposed information collection. Federal Student Aid is replacing the current PIN system with the PAS, which will utilize a standard user name and password for access to certain FSA systems. Users must register online for an FSA ID account. Information collected to create the FSA ID will enable the electronic authentication and authorization of users that will protect them from unauthorized access to their accounts. Comments must be submitted to the USDE on or before Jan. 20, 2015. All written comments submitted will be considered public records.

150% DIRECT SUBSIDIZED LOAN LIMIT

On Nov. 21, 2014, the USDE published an Electronic Announcement: 150% Direct Subsidized Loan Limit: Electronic Announcement #16 – Important Reminders About COD Reporting Responsibilities for 150% Calculations. Schools are reminded in this announcement of the importance of accurate and timely reporting of a student's Direct Loan information to the Common Origination and Disbursement System. This is to ensure the Subsidized Usage Period is calculated correctly. Previously-reported loan information should also be updated to reflect any key changes in award data. Reasons why a school will likely be required to update award and disbursement information are included in the announcement, along with an explanation of required actions needed to make the update. There is also an attachment with scenarios and examples for further clarification.

DIRECT LOAN PROGRAM RECONCILIATION

The USDE published an Electronic Announcement Nov. 21, 2014: William D. Ford Federal Direct Loan Program Reconciliation. Specific information is provided in this announcement to assist schools with reconciling the William D.



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Ford Federal Direct Loan Program. Both the Financial Aid Office and the Business Office should review this announcement. It is mandatory that Direct Loan reconciliation be conducted monthly per 34 CFR 685.300(b)(5). An attachment is included with the announcement that has questions and answers for additional information.

COMMON ORIGINATION AND DISBURSEMENT SYSTEM

On Nov. 24, 2014, the USDE published an Electronic Announcement: COD School Testing for the 2015-2016 Award Year. Common Record Manual Verification and Structured Application Testing for the 2015-2016 Award Year will be conducted by the COD School Relations Center from Jan. 2, 2015 through Nov. 6, 2015. There will also be an Optional Unstructured Testing available from April 20, 2015 through Dec. 18, 2015. Information in the announcement outlines the following:

- Who Should Participate in COD School Testing for the 2015-2016 Award Year
- School Testing Phases
- COD School Testing Sign-Up Process
- Contact

Schools, third party servicers, and software vendors can sign-up beginning Jan. 2, 2015, by submitting a “COD School Testing 2015-2016 Sign-Up Document”.

LOAN SERVICING

An Electronic Announcement was published by the USDE Nov. 26, 2014: Loan Servicing Information – Update on Loan Servicing Process Changes. The USDE renegotiated the terms of their Title IV Additional Servicer Contracts effective Sep. 1, 2014, to incorporate revised performance metrics and allocation schedules. The Not-For-Profit servicing contracts were changed to reflect the same revisions effective Oct. 1, 2014. As a result of those modifications, two loan servicing process changes are being implemented. Beginning Jan. 1, 2015, seven of the NFP servicers will receive 25 percent of the new Direct Loans originated from Jan. 1, 2015 through Aug. 30, 2015. Customer Satisfaction Surveys are also being adjusted to reflect the changes to servicer incentives and performance metrics in the TIVAS and NFP servicing contracts.

CAMPUS SAFETY AND SECURITY

A Federal Register Notice was issued by the USDE Nov. 28, 2014: Comment Request; Campus Safety and Security Survey. The USDE is requesting comments on a



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proposed revision of an existing information collection, the Campus Safety and Security Survey. This collection of information is necessary to increase transparency around college safety and security information for students, prospective students, parents, employees and the general public.

Comments must be submitted to the USDE on or before Jan. 27, 2015. All written comments submitted will be considered public records.