



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

TEACHER PREPARATION

A [Federal Register Notice](#) was issued by the USDE Dec. 3, 2014: Teacher Preparation – Proposed Rule (NPRM). Proposed changes include new regulations to implement requirements for the teacher preparation program accountability system under Title II of the Higher Education Act of 1965, as amended. The development and distribution of more meaningful data on teacher preparation program quality (Title II reporting system) would be the end result. The USDE also proposes amending regulations governing the Teacher Education Assistance for College and Higher Education Grant Program under Title IV of the HEA. Those changes will be designed to condition TEACH Grant program funding on teacher preparation program quality. In addition, revisions will be made to update, clarify and improve current regulations, aligning them with the Title II reporting system data. Comments must be received on or before Feb. 2, 2015. Instructions for submitting comments are provided in the notice.

GAINFUL EMPLOYMENT

On Dec. 4, 2014, the USDE issued a [Federal Register Notice](#): Gainful Employment Final Rule – Technical Correction. This notice corrects regulatory text, footnotes and a

chart in the Gainful Employment Final Rule published on Oct. 31, 2014.

FEDERAL PELL GRANT

Dear Colleague Letter [GEN-14-21](#) was published by the USDE Dec. 8, 2014: Federal Pell Grant Eligibility for Students Confined or Incarcerated in Locations That Are Not Federal or State Penal Institutions. Students who are confined or incarcerated in locations that are not Federal or State penal institutions, such as juvenile justice facilities, who otherwise meet applicable eligibility, are eligible for Federal Pell Grants. This would include local or county jails, penitentiaries and correctional facilities under the jurisdiction of local or county governments that are not Federal or State penal institutions. Incarcerated students are not eligible for Title IV student loans. A [Question and Answer](#) document is attached to this DCL for further clarification, along with an updated [fact sheet](#) for students.

REFERENCE GUIDES

An [Electronic Announcement](#) was published by the USDE Dec. 8, 2014: Availability of the Updated Federal Perkins Data Provider Instructions. The [National Student Loan Data System Federal Perkins Data Provider Instructions](#) is a manual on reporting requirements for the Federal Perkins Loan



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Program. It is designed to assist data providers with the processes used to add or update Federal Perkins Loans on NSLDS.

On Dec. 11, 2014, the USDE published an [Electronic Announcement](#): 2015-2016 EDE Technical Reference (December 2014 Update). This update contains revisions to valid field content in several layouts in the Record Layouts section. The fields for High School Name, Reprocessed Reason Code, Pushed ISIR Flag and Verification Tracking Flag are those impacted by the changes. The [2015-2016 Electronic Data Exchange Technical Reference](#) has been posted on the [Information for Financial Aid Professionals](#) website and is also available on the Federal Student Aid Download website at <https://www.fsadownload.ed.gov>.

FSA DATA CENTER

The USDE published an [Electronic Announcement](#) Dec. 9, 2014: 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 Sep. 30, 2014. The announcement outlines the reports available, along with several key findings based on those reports.

TRAINING

The USDE published Dear Colleague Letter [ANN-14-25](#) Dec. 10, 2014: Live Internet Webinar – Software Developers January 2015 Webinar (Updated Dec. 17, 2014). This latest instructor-led, online training session provides operational updates for software developers on the COD System, CPS, NSLDS and EDEExpress. Training is scheduled for Jan. 21, 2015, from 1:30 – 5:00 p.m. (ET). Registration is available at <http://fsaregistration.ed.gov/d/srq7xq>.

Dear Colleague Letter [ANN-14-26](#) was published by the USDE Dec. 11, 2014: Online Training Module – Return of Title IV Funds. An online training module is available on the Return to Title IV Funds calculation at <http://fsatraining.info>. Information is provided in this course on elements of the R2T4 regulations, considerations for the formulation of school policy and lessons for completing R2T4 for clock-hour programs, credit-hour programs and credit-hour programs with modules.

The USDE published an [Electronic Announcement](#) Dec. 17, 2014: 2015-2016 FAFSA on the Web Preview Presentation. The Microsoft PowerPoint presentation attached to the announcement contains information and screen shots to assist the community with the 2015-2016 FAFSA



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processing cycle. Financial aid administrators, mentors and counselors can use the presentation as a reference tool for internal staff training and high school night presentations. The 2015-2016 Web Demonstration is available at <http://fafsademo.test.ed.gov> and can be used as a training tool for staff, students and parents. The User ID to access the demonstration site is **eddemo** and the password is **fafsatest**. Contact information for further assistance is provided in the announcement.

COD SYSTEM PROCESSING

An [Electronic Announcement](#) was published by the USDE Dec. 12, 2014: 2014-2015 COD System Peak Processing Reminders. January 2015 begins another peak processing period for the Common Origination and Disbursement System. This announcement outlines key reminders for schools to assist with planning and processing.

The USDE published an [Electronic Announcement](#) Dec. 23, 2014: Temporary Change to COD Reject Edit 147 – December 2014 – March 2015. During the weekend of Dec. 12-14, 2014, the USDE implemented changes to the COD System to include revising the functionality for COD Reject Edit 147. Some schools experienced

unexpected rejected records for their Direct PLUS Loans for graduate/professional students, due to this change. To lessen the impact during the early 2015 peak processing period, the change was reversed temporarily. Evaluation of records for graduate/professional student Direct PLUS Loan borrowers will occur as follows:

- ***From December 30, 2014 until March 27, 2015***, the USDE will not enforce the COD Reject Edit 147 change. This means that they will not require the identifier change tags in both the student block and the borrower block of the Common Record.
- ***Beginning March 27, 2015***, the USDE will enforce the COD Reject Edit 147 change. At that time, they will require the identifier change tags in both the student block and the borrower block of the Common Record.

TITLE IV FUNDS

On Dec. 18, 2014, the USDE published an [Electronic Announcement](#): Title IV Aid Disbursement Reporting, Excess Cash and Reconciliation Requirements. Schools are reminded in this announcement of Title IV program requirements for general disbursement reporting, excess cash and reconciliation. Both the Financial Aid Office and the Business Office should review the



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information provided as the requirements apply to disbursement and financial data.

APPRENTICESHIPS

Dear Colleague Letter [GEN-14-22](#) was published by the USDE Dec. 18, 2014: Apprenticeships and the Federal Student Aid Programs. Federal Student Aid is available through the Job Location Development Program to support students in apprenticeship programs. This includes the use of Federal Work-Study funds. Detailed information is provided in the DCL on ways postsecondary institutions may use federal student aid funds to support students in apprenticeships. Topics covered involve:

- Apprenticeships as Components of Eligible Programs
- Employment in Apprenticeships through the Federal Work-Study Program
- Job Location and Development Program

The goal of the Administration is to double the number of apprentices in the United States over the next five years.

NEGOTIATED RULEMAKING

A [Federal Register Notice](#) was issued by the USDE Dec. 19, 2014: Negotiator

Nominations and Schedule of Committee Meetings – William D. Ford Federal Direct Loan Program. The USDE has announced their intention to establish a negotiated rulemaking committee to prepare proposed regulations governing the Federal Direct Loan Program. Nominations are requested for individual negotiators who represent key stakeholder constituencies for the issues being negotiated. Topics for the meetings will include expansion of the Pay As You Earn Repayment Plan and establishing procedures for the FFELP loan holders for identifying U.S. military servicemembers who might be eligible for an interest rate reduction under the Servicemembers Civil Relief Act. This will align the FFELP Program with the Direct Loan Program procedures for the SCRA. Nominations for negotiators to serve on the negotiated rulemaking committee must be submitted on or before Jan. 20, 2015. Committee meetings have been scheduled as follows:

- Session 1: February 24–26, 2015
- Session 2: March 31–April 2, 2015
- Session 3: April 28–30, 2015
- Sessions will run from 9 a.m. to 5 p.m.

COMPETENCY-BASED PROGRAMS

The USDE published Dear Colleague Letter [GEN-14-23](#) Dec. 19, 2014: Competency-



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Based Education Programs – Questions and Answers. This DCL provides guidance to institutions regarding the eligibility of competency-based education programs, under existing statutory and regulatory requirements for the Title IV, HEA student assistance programs. This also involves direct assessment programs. The attachment to this DCL is in a Question and Answer format that clarifies several issues, including:

- The distinction between credit hour competency-based education and direct assessment;
- Requirements for establishing credit hour equivalencies in direct assessment programs;
- Requirements for regular and substantive interaction between students and faculty;
- Prohibitions on paying Title IV aid for credit earned through prior learning assessments;
- Satisfactory academic progress;
- Return of Title IV Funds provisions; and
- Accrediting agencies' roles in reviewing competency-based education programs.

Institutions can submit additional questions about Title IV requirements for these programs to CBE@ed.gov.

STUDENT AID INTERNET GATEWAY

An [Electronic Announcement](#) was published by the USDE Dec. 22, 2014: Access Removed for Unconfirmed TG Numbers (SAIG) and Electronic Services User Accounts. The active confirmation process to review and validate assigned TG numbers required for every organization enrolled for a Student Aid Internet Gateway account has been completed. Access has been removed to enrolled services for accounts that were not actively confirmed. If account access needs to be restored, contact your organization's Primary Destination Point Administrator to have the account validated. Instructions for how to validate an account are provided in this announcement.

FOREIGN SCHOOLS

A [Foreign School Update](#) was published by the USDE Dec. 22, 2014: Foreign School Information Web Page Updates – Revised Direct Loan Setup and Funding Process Documents. Guidance and information for foreign schools is consolidated in one location on the [Foreign School Information Web page](#). The listed documents have been updated and posted to the site.

- Direct Loan Overview and Contact Information
- Instructions for Funding Setup



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- Funding Process Overview

ENROLLMENT REPORTING

On Dec. 23, 2014, the USDE published an [Electronic Announcement](#): Compliance with Program-Level Enrollment Reporting to NSLDS. As of Feb. 1, 2015, the National Student Loan Data System will no longer accept enrollment reporting files in file layout formats that are older than those posted to the Information for Financial Aid Professionals Website on [Feb. 27, 2014](#). Schools will continue to be monitored for compliance with NSLDS enrollment reporting requirements. A notice will be sent within the next few weeks to the Chief Executive Officer of any school that remains out of compliance with these requirements. Schools that fail to comply will also be referred to the USDE Program Compliance Office. Additional guidance is provided in the announcement regarding accurate program-level enrollment reporting, student permanent address, and NSLDS enrollment reporting resources.

TECHNICAL

The USDE published an [Electronic Announcement](#) Dec. 29, 2014: Availability of 2015-2016 CPS Web Applications Demonstration (Web Demo) System and 2015-2016 CPS Mainframe Test System.

The 2015-2016 CPS Web Demo System and 2015-2016 CPS Mainframe Test System are located at <http://fafsademo.test.ed.gov> and are now available for testing. Information on what features are accessible in the test environment is outlined in the announcement, along with the user name and password to use the website.

TRANSITION TO SOFT TOKENS

An [Electronic Announcement](#) was published by the USDE Dec. 29, 2014: TFA Information – Transition to Soft Tokens. An alternative is now available for users who currently access Federal Student Aid systems with the Two Factor Authentication physical token. Users can now choose to use a “soft token” on their mobile device. The soft token automatically generates the One-Time Password through an application that is downloaded onto the user’s mobile device. The OTP is used to login to any FSA System the user is authorized to access. The announcement provides detailed information on how to obtain a soft token and includes several commonly-asked questions and answers. Attachments to the announcement include [“How to Switch from a Physical Token to a Soft Token”](#) and [“How to Install and Register a TFA Token for New Users”](#). Users of FSA Systems are highly recommended to switch to a soft token.



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FAFSA

On Dec. 18, 2014, the USDE published an [Electronic Announcement](#): 2015-2016 FAFSA on the Web Worksheet (English and Spanish) (Updated Dec. 30, 2014). The final version of the 2015-2016 FAFSA on the Web Worksheet is available in English or Spanish at www.fafsa.gov. Students can print the FAFSA and complete it manually or enter their data on a screen-fillable form before printing. The optional FAFSA on the Web Worksheet gives applicants an opportunity to preview questions that may be asked when completing the FAFSA on the Web. Copies of the 2015-2016 FAFSA on the Web, [English](#) and [Spanish](#), are attached to the announcement.