



## FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

### FEDERAL SCHOOL CODE LIST

On Feb. 3, 2014, the USDE published an [Electronic Announcement](#): 2014-2015 Federal School Code List of Participating Schools. The updated [2014-2015 FSC List of Participating Schools](#) is now available on the Information for Financial Aid Professionals website. The unique codes on this list are assigned by the USDE to schools participating in the Title IV federal student aid programs. Students enter the FSC on their Free Application for Federal Student Aid for each school they wish to receive the processed application results. Instructions are provided in the announcement for schools that need to correct or update their FSC on the list.

### DIRECT LOAN CLOSEOUT

The USDE published an [Electronic Announcement](#) Feb. 4, 2014: Direct Loan Closeout Information for 2012-2013 Program Year. The announcement provides important reminders and outlines school responsibilities related to Direct Loan closeout for the 2012-2013 program year. To be considered successfully closed out, a school must-

- Have an Ending Cash Balance of \$0 and Total Net Unbooked Disbursements of \$0 internally, and

as reflected on the School Account Statement, and

- Complete the Balance Confirmation on the [COD website](#).

The deadline for the Direct Loan closeout for the 2012-2013 program year is Thursday, July 31, 2014. For more information regarding the Direct Loan closeout process, review the [Frequently Asked Questions](#) attached to the electronic announcement.

### FINANCIAL AID SHOPPING SHEET

Dear Colleague Letter [GEN-13-26](#): 2014-2015 Financial Aid Shopping Sheet, was originally published by the USDE Dec. 13, 2013. The USDE updated DCL GEN-13-26 Feb. 10, 2014, by replacing the Data File Schema attachment and the Institutional Metrics Data attachment with updated files. Other attachments to DCL GEN-13-26 include the 2014-2015 Shopping Sheet Template in PDF Format and HTML specifications. Institutions can still adopt the Shopping Sheet for 2014-2015 by sending a request to or provide feedback to [ShoppingSheet@ed.gov](mailto:ShoppingSheet@ed.gov).

### FAFSA COMPLETION NUMBERS

On Feb. 11, 2014, the USDE published an [Electronic Announcement](#): FSA Tool



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Publishes FAFSA Completion Numbers for the High School Graduating Class of 2014. The FAFSA Completion Tool is designed to help guidance professionals, school administrators and practitioners both track and subsequently increase FAFSA completions at high schools across the country. Data is provided for every high school in the United States whose students have completed five or more FAFSAs, with information about how many applications were submitted and completed for the 2014-2015 application year, at [StudentAid.gov/fafsa-hs-data](http://StudentAid.gov/fafsa-hs-data). Comparison data from the 2013-2014 FAFSA application year is also made available. For additional resources and tools to aid in increasing FAFSA completion, be sure to visit the [Financial Aid Toolkit](#) website.

### STUDENT AID REPORT

The USDE published an [Electronic Announcement](#) Feb. 11, 2014: 2014-2015 Student Aid Report mock-up and the 2014-2015 SAR Acknowledgement mock-up. The SAR mock-up and SAR Acknowledgement mock-up are provided as a community resource that can be used as a training tool for staff or for financial aid presentations. The mock-ups, available in English and Spanish, are attached to the announcement in PDF format.

### FEDERAL PELL GRANT

On Feb. 7, 2014, the USDE updated an [Electronic Announcement](#) that was initially published Jan. 28, 2014: Availability of Report Readers for Pell Grant Reconciliation File, Pell Grant Year to Date File and School Account Statement Disbursement Detail on Demand File. An issue with all three reader files was corrected and the reader files were replaced on the [Common Origination and Disbursement website](#). If a school downloaded any of the reader files from Jan. 28, 2014, through Feb. 7, 2014, those saved reader files should be deleted and replaced with the updated files.

### CAMPUS-BASED PROGRAMS

The USDE published an [Electronic Announcement](#) Feb. 13, 2014: Draft 2015-2016 FISAP, Instructions and Technical Reference. A draft version of the Fiscal Operations Report for 2013-2014 and Application to Participate for 2015-2016 in the Campus-Based programs is attached to this announcement. The FISAP is currently under revision, with the Final 2015-2016 FISAP to be made available in August 2014. October 1, 2014, is the due date for the submission of the 2015-2016 FISAP. Changes being made to the FISAP



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instructions are included in the announcement.

An [Electronic Announcement](#) was published by the USDE Feb. 13, 2014: 2012-2013 Campus-Based Awards Closeout. The 2012-2013 awards closeout process for the Campus-Based programs is provided along with information regarding the notification process. Other topics discussed in the electronic announcement cover the following:

- Adjusting an Incorrect 2012-2013 FISAP Expenditure Report
- Closeout Amount in G5 and on G5 Reports
- Closeout Amounts Determination Process
- Notification of Award Decrease

The USDE published an [Electronic Announcement](#) Feb. 27, 2014: 2014-2015 Final Funding Authorizations for the Campus-Based Programs. The final 2014-2015 Campus-Based programs funding worksheets and the 2014-2015 Statement of Account for each of the Campus-Based programs will be posted to the eCampus-Based website by April 1, 2014. Important information related to the final funding authorizations is provided in the electronic announcement to include the following:

- How the Campus-Based Awards for a School are Determined
- Returning more than 10 percent of the 2012-2013 Allocation for one of the Campus-Based Programs Affects a School's 2014-2015 Allocation
- Notification of 2014-2015 Campus-Based Allocations
- Reallocation of Additional Campus-Based Funds for the 2014-2015 Award Year
- "Total Authorized Level of Expenditure" or "LOE" for the Federal Perkins Loan Program

### 3-YEAR COHORT DEFAULT RATES

On Feb. 18, 2014, the USDE published an [Electronic Announcement](#): FY 2011 3-Year Draft Cohort Default Rates Distributed Feb. 18, 2014. FY 2011 Draft Cohort Default Rate notification packages were distributed to all eligible domestic and foreign schools, guaranty agencies and lenders. This is the first year that only 3-year cohort default rates will be published and schools will be subject to loss of eligibility since three 3-year rates have been calculated. Instructions are provided in the announcement for making Incorrect Data Challenges and Participation Rate Index Challenges. Additional information regarding the school cohort default rate calculation or the challenge processes can be found in the



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[Cohort Default Rate Guide](#). The time period for challenging a school's FY 2011 3-Year Draft Cohort Default Rate began Feb. 26, 2014.

On Feb. 27, 2014, the USDE published Dear Colleague Letter [GEN-14-03](#): Impact of Cohort Default Rates on Institutional Title IV Program Eligibility. Information is summarized in this DCL on the calculation of an institution's cohort default rates and the regulatory provisions available to eliminate or lessen the impact of high cohort default rates. Details are given on the following topics:

- Continued Access to Federal Student Loans
- Cohort Default Rate Calculations
- Consequences of High Cohort Default Rates
- Challenges, Adjustments and Appeals of Cohort Default Rates and Sanctions

Attachments to the DCL include a Summary of Challenges, Adjustments, and Appeals and the Maximum Federal student loan participation percentage for a successful Participation Rate Index Challenge or Appeal. Additional information and instructions can be found in the [Cohort Default Rate Guide](#) located on the IFAP website.

## TRAINING

On Feb. 24, 2014, the USDE published a Dear Colleague Letter [ANN-14-04](#): Online Training Module-Default Aversion and Management. This training is an online, self-paced module about the cohort default rate process and default management. It includes information on the cohort default rate calculation, the sanctions and benefits that are associated with the draft cohort default rates and the challenge process. Financial aid professionals interested in all aspects of default management are encouraged to enroll in the training at the Federal Student Aid E-Training website located at <http://fsatraining.info>. Information on where to locate the training on the website is provided in the DCL.

The USDE published a Dear Colleague Letter [ANN-14-05](#): FSA COACH-2013-2014 Update for Foreign Schools. The newly updated FSA COACH for Foreign Schools has been released. This is an introductory Web-based tutorial on federal student aid administration at schools outside the United States. To access the training, log in to Federal Student Aid E-Training at <http://fsatraining.info>. Instructions for enrolling in the training once you log in are provided in the DCL.



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### NSLDS ENROLLMENT REPORTING

An [Electronic Announcement](#) was published by the USDE Feb. 24, 2014: Reminder to Institutions of NSLDS Enrollment Reporting Responsibilities. Institutions that participate in the Title IV federal student aid programs are reminded of the importance of accurate and timely reporting of students' enrollment status information to the National Student Loan Data System. Federal Student Aid continues to implement changes to the NSLDS enrollment reporting requirements, including changes made to implement the 150% Direct Subsidized Loan Limit provisions. Compliance is critically important to all institutions as it is their responsibility to adhere to all NSLDS enrollment reporting requirements, even if they use a third-party servicer for enrollment reporting. Information on NSLDS enrollment reporting requirements can be found in the [NSLDS Enrollment Reporting Guide](#) and the [NSLDS Reference Materials](#) section of the IFAP website.

On Feb. 27, 2014, the USDE published an [Electronic Announcement](#): 150% Direct Subsidized Loan Limit: Announcement #9-Availability of New NSLDS Enrollment Reporting File Layouts (UPDATED). The draft versions of the new NSLDS Enrollment Reporting File Layouts were released on Nov. 25, 2013. Updated layouts

are now available, in both fixed-width and comma separated values format, in the [NSLDS Records Layouts section](#) of the IFAP website. Changes from the draft file layouts are described in the electronic announcement. Schools may begin using the new file layouts no earlier than April 14, 2014, but must begin using one of the new enrollment reporting file layouts to report program-level enrollment information by July 1, 2014.

### FEDERAL REGISTER

The USDE published a [Federal Register](#) Feb.25, 2014: June 18-19, 2014, National Advisory Committee on Institutional Quality and Integrity (NACIQI) meeting. This notice outlines the agenda for the June 18-19, 2014, meeting of the NACIQI. It also provides information to the public about submitting written comments and requesting to make oral comments at the meeting. The location of the meeting will be published in the Federal Register and on the USDE's website by May 16, 2014, at this link: <http://www2.ed.gov/about/bdscomm/list/naciqi.html#meetings>. The NACIQI will be reviewing accrediting agencies and State approval agencies for Secretarial recognition. A list of the agencies requesting recognition is provided in the Federal Register identifying the scope of recognition being requested. The meeting agenda will



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also include presentations to further inform the Committee about current issues and discussions concerning accreditation and to discuss recommendations developed in preparation for the reauthorization of the Higher Education Act.

- Federal Family Education Loan Program loans owned by the USDE
- FFEL Program loans not owned by the USDE
- A majority of Sallie Mae private loans that exist prior to the change

### LOAN SERVICING

On Feb. 25, 2014, the USDE published an [Electronic Announcement](#): Loan Servicing Information-Sallie Mae to Separate into Two Companies. In the fall of 2014, Sallie Mae will separate into two distinct companies, Navient and Sallie Mae. This announcement summarizes how this change will affect federal student loan borrowers and schools. While the projected impact of this change will be minimal, there are a few things to note. There will be a change in the loan servicer's name and website for federal student loan borrowers. Schools will need to change the e-mail address they use to contact the servicer, in addition to the name and website change. Changes will not take effect until fall 2014. Sallie Mae will be providing notices to federal student loan borrowers and school customers over the next several months as the transition occurs. Navient will assume responsibility for servicing the following loans:

- William D. Ford Federal Direct Loan Program loans

Sallie Mae will originate and service new private education loans. The announcement has a number of questions and answers to help clarify key information.

The USDE published an [Electronic Announcement](#) Feb. 26, 2014: Direct Loan Processing Information-Discontinuation of Paper Check Processing for Direct Loan Refunds of Cash Beginning Jan. 1, 2015. Federal Student Aid will no longer accept Direct Loan refunds of cash sent by paper check, beginning Jan. 1, 2015. Schools are encouraged to refund cash electronically through the [G5 website](#). This change is necessary to increase efficiency and improve funds control. Processes at schools should be updated to start refunding cash electronically via the G5 website as soon as possible, but no later than Dec. 31, 2014. Foreign schools should refer to the "Funding Process Overview" document on the [Foreign School Information web page](#) for information on returning funds electronically.



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### STATE AUTHORIZATION

On Feb. 27, 2014, the USDE published Dear Colleague Letter [GEN-14-04](#): State Authorization Regulations-Student complaint process-further guidance and clarification. This DCL serves as a reminder to institutions about and provides clarification regarding the requirement for a State student complaint process per [34 CFR 600.9](#) State authorization regulations. Two basic requirements an institution must meet to be considered legally authorized by the State for Title IV funding eligibility purposes are:

- The State must authorize an institution by name to operate educational programs beyond secondary education. Compliance is determined by the type of institution being authorized.
- With the exception of tribal and Federal institutions, the State must have a process applicable to all institutions to review and appropriately act on complaints concerning the institution, including enforcement of applicable State laws.

Additional clarification and guidance for these regulatory requirements can be found in Dear Colleague Letter [GEN-11-05](#), DCL [GEN-12-13](#) and DCL [GEN 13-20](#).

### COMMON ORIGINATION AND DISBURSEMENT SYSTEM

The USDE published an [Electronic Announcement](#) Feb. 28, 2014: 150% Direct Subsidized Loan Limit: Electronic Announcement #10-COD System Readiness for Reporting Non-Credential Teacher Certification Programs for 2013-2014 and Prior. As advised in an October 25, 2013, [Electronic Announcement](#), schools must identify Direct Subsidized Loans made to first-time borrowers and first disbursed on or after July 1, 2013, that were received for attendance in a Non-Credential Teacher Certification Program. The data must be reported to the COD System by sending a special Teacher Certification Program Ad-Hoc Reporting File. This electronic announcement provides schools with operational guidance related to the special reporting process for first-time borrowers enrolled in certain types of teacher certification programs.

### FORMS

On Feb. 28, 2014, the USDE published an [Electronic Announcement](#): New Direct Consolidation Loan Process Information-Continued Use of Current Forms Until Revised Forms Are Approved by OMB. Direct Consolidation Loan Forms, with an



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expiration date of Feb. 28, 2014, and the Repayment Plan Selection Form, with an expiration date of Nov. 30, 2013, will remain valid for use until the Office of Management and Budget has approved revised versions of the forms.