Federal Update

Negotiated Rulemaking

Borrower Defense to Repayment (BDTR)

• On Nov. 1, 2016, the Department published final regulations that were scheduled to take effect on July 1, 2017

• The final regulations:
  • Created a new Federal standard for BDTR
  • Prohibited mandatory arbitration clauses
  • Required loan repayment warnings under some circumstances
  • Provided for automatic closed school discharges
  • Updated false certification discharge regulations

• Department published Federal Register notices to delay the effective date

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Federal Update

Borrower Defense to Repayment

- The Department formed a Negotiated Rulemaking Committee to negotiate the following issues:
  - Federal Standard for BDTR
  - BDTR Process
  - Limited Aspects of Financial Responsibility and Administrative Capability
  - Pre-dispute Arbitration Agreements, Class Action Waivers, and Internal Dispute Processes
  - Closed School Discharges
  - False Certification Discharges
  - Guaranty Agency Collection Fees
  - Subsidized Usage Period Recalculation

- Financial Responsibility Subcommittee
  - Formed to consider issues relating to recent changes to the Financial Accounting Standards Board (FASB) standards

A Notice of Proposed Rulemaking (NPRM) was published July 31, 2018
  - The Department received nearly 32,000 comments in response

  In October 2018, the U.S. District Court for the District of Columbia invalidated the delay and the 2016 Borrower Defense regulations became effective

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Federal Update

**2016 Borrower Defense to Repayment Regs**

**March 15, 2019 – Electronic Announcement**

- Federal standard for Borrower Defense To Repayment (BDTR) applications will be applied for borrower defense to repayment claims asserted to loans first disbursed on or after July 1, 2017.
- Institutions need to notify the Secretary within specified timeframes about certain issues such as specific debts, lawsuits, 90/10 violations, stock exchange actions, accreditation probation or show-cause or loan agreement violations that occur on or after July 1, 2017.
- Provided language and steps to resolve prohibited class action bans and predispute arbitration agreements.
- Repayment rate warnings and financial protection disclosure guidance coming in the future.

**Gainful Employment**

- A negotiated rulemaking committee was formed to consider the Gainful Employment rules.
- The committee met:
  - Dec. 4-7, 2017,
  - Feb. 5-8, 2018, and
  - March 12-15, 2018
- Negotiations concluded without consensus being reached.

- A Notice of Proposed Rulemaking (NPRM) was published Aug. 14, 2018.
  - The comment period ended on Sept. 13, 2018.
  - The Department received nearly 14,000 comments.
- A final regulation is under development.

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### Final GE Completer Lists

April 5, 2019 – Electronic Announcement (GE #118)
- Final GE completer lists became available in NSLDS April 8, 2019
- Department’s review of draft GE completer list corrections can be viewed through “Edited” records on program’s GE Completers List page - GE tab
- Reports include:
  - GE Completers List Report (GEPDC1)
  - GE Completers List Case Outcomes Report (GEPDE1)
  - GE Completers List Unsubmitted Cases Report (GEPDD1)
- Since the Memorandum of Understanding under which the Social Security Administration shared earnings data with the Department has expired, the Department is unable to calculate D/E rates in 2019

### Statutory Updates

- Increased Maximum Pell Grant awards
- Level funding for FWS/FSEOG awards
- Deferment for Cancer Treatment
- FAFSA® Data Usage
- Temporary Extended Public Service Loan Forgiveness (TEPSLF)
- Public Service Loan Forgiveness (PSLF) Outreach

### Minibus Appropriations Bill

- On Sept. 28, 2018 the President signed the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 (H.R. 6157; Public Law No: 115-245) which impacted Federal student aid in several ways:
  - Increased Maximum Pell Grant awards
  - Level funding for FWS/FSEOG awards
  - Deferment for Cancer Treatment
  - FAFSA® Data Usage
  - Temporary Extended Public Service Loan Forgiveness (TEPSLF)
  - Public Service Loan Forgiveness (PSLF) Outreach
Federal Update

2019-2020 Maximum Pell Grant awards

- Maximum Scheduled Award: $6,195
  - Increase of $100 for 2019-2020
  - Able to receive up to 150% of scheduled Pell award
  - Minimum Award - $650
  - Maximum eligible EFC – 5576

Pell Payment and Disbursement Schedules
DCL GEN-19-01 (Jan. 23, 2019)

No Change to FWS/FSEOG levels

- Campus-based appropriations have provided (with no changes from the previous award year):
  - $1,130,000,000 for the FWS Program
    - The Secretary exercised her authority to award $10,000,000 at a later date to support an experimental site
  - $840,000,000 for the FSEOG Program

Deferment for Cancer Treatment

- Direct Loan, FFELP, and Perkins Loan borrowers will become eligible for an interest-subsidized deferment for the period of time for which they are receiving treatment for cancer and for the 6-month period following the cessation of such treatment. The term “cancer treatment” is undefined.
- This provision is only available for loans that are disbursed on or after the date of enactment, Sept. 28, 2018, or loans in repayment on the date of enactment.
- Loans disbursed prior to Sept. 28, 2018 that have not yet entered repayment are not eligible for this benefit

For discussion purposes only
**Deferment for Cancer Treatment**

- Servicers are currently able to offer temporary forbearance for students who may be eligible for this benefit, at the student's request.
- The Department provided servicers with appropriate guidance to help ensure consistent application.

**FAFSA Data Usage**

- The law permits, but does not require, schools to provide FAFSA data to a scholarship granting organization, or to an organization that assists the applicant in applying for and receiving Federal, State, local or tribal assistance if:
  - The applicant has provided explicit written consent, and
  - The disclosure is to assist the applicant in applying for and receiving financial assistance at that school.
- The organization cannot sell or otherwise share the FAFSA data they receive from schools under this section.
- This provision will remain in effect until the HEA is reauthorized.

**Public Service Loan Forgiveness (PSLF)**

- The appropriations law sets aside an additional $2.3 million from the Student Aid Administrative account (same as in FY 2018) for FSA to perform outreach to all Direct Loan borrowers with respect to PSLF, particularly those who are not in qualifying repayment plans for PSLF.
- The law also permits FSA to spend these funds on enhancements to PSLF operations.
  - PSLF Help Tool - StudentLoans.gov/pslf

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**TEPSLF**

- The appropriations law provides a supplemental $350 million for the temporary expansion of PSLF for Direct Loan borrowers that was created in FY 2018, bringing the total appropriation to $700 million.
- This expansion is available to those who do not otherwise qualify for PSLF solely because some or all of their payments were made on a non-qualifying repayment plan (such as the Extended Repayment Plan).
- To qualify for the temporary expansion, a borrower must demonstrate that the payment they made 12 months prior to applying for the temporary expansion of PSLF and the payment they made immediately prior to applying for the expansion are at least as much as they would have paid under an income-driven repayment plan.

**Children of Fallen Heroes Scholarship Act**

- On March 23, 2018 the President signed the Consolidated Appropriations Act, 2018, (H.R. 1625, Public Law 115-141)
- Amends Sec. 473(b) of HEA and expands special rule for “EFC shall be deemed zero”
- Student must be eligible to receive Pell Grant for the year in which eligibility determination is made beginning with 2018-2019 award year (EFC > 0 and ≤ the maximum EFC for Pell Grant)
- Parent or guardian actively serving as a public safety officer and died in the line of duty while performing as a public safety officer

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Federal Update

Children of Fallen Heroes Scholarship Act

- School’s responsibility
  - Determine and document, working with the student, that the student met eligibility requirements
  - Documentation requirements are not prescribed but may include
    - Determination letter for certain federal benefits under DOJ’s Public Safety Officers Benefit Program
    - Written attestation made by a state or local government official with authority over the individual who died in the line of duty
    - See 11/19/2018 EA for more examples
  - Submit eligibility determination to FSA through the COD System in awards 2018-19 and 2019-20
    - Eligibility determination validation will move to FAA Access beginning in the 2020-2021 award year

myStudentAid Mobile App and FAFSA on the Web

- The FAFSA® form is now mobile on fafsa.gov and via myStudentAid mobile app
  - fafsa.gov changes (mobile-friendly website) launched July 22, 2018
  - myStudentAid mobile app with 2019-20 FAFSA form launched October 1, 2018
  - July 24, 2018 Electronic Announcement
  - October 1, 2018 Electronic Announcement
  - Additional Resources for Schools and Financial Aid Partners

For discussion purposes only
Oct. 1 myStudentAid Mobile App

fafsa.gov is Mobile-Friendly

- [fafsa.gov](https://fafsa.gov) reshaped and resized to fit mobile devices such as smartphones and tablets
- Page design now has more modern and user-friendly look and feel

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United and Consistent Brand

- Launched 2019-20 FAFSA
- Released myStudentAid
- Integrated FAFSA into Studentaid.gov

Rebranded All Customer-Facing Elements

fafsa.gov Home Page Transition

- On 10/01/18, the fafsa.gov home page moved to StudentAid.gov
  - New URL: StudentAid.ed.gov/sa/fafsa
  - Allows for a more integrated applicant experience
  - If using fafsa.gov or fafsa.ed.gov in browser bar, applicant will automatically be redirected to the new URL

Integrated Awareness Campaign for Students

For discussion purposes only
Federal Update

myFAFSA Enhancements
March 22, 2019 – Electronic Announcement
- Customize messaging based on user role – student, parent or preparer
- Users no longer instructed to provide a touch signature
  (manual signature using a finger on the screen) and will now have
  the opportunity to provide active agreement to the terms and
  conditions on the Agreement of Terms view
- The Social Security Number (SSN) field on the Student Identifiers
  view will now be masked for heightened security

FSA ID Enhancements
March 20, 2019 – Electronic Announcement
- FSA ID users will be able to log in with a verified mobile phone
  number as an alternative to a username or verified email address
- User must register mobile phone number on FSA ID website
- Password change only required after a security event
- Special characters in password will be optional
- Warn users when account will be locked out (indicate remaining
  log-in attempts)
- Reminder to use email address will have continued access to

Verification

For discussion purposes only
## Electronic Announcement: January 9, 2019

- Signed copies of paper tax returns may now be accepted in lieu of documents issued by the IRS
  - Schools may still opt to require IRS documentation
  - Signature requirements for tax preparers continue to apply
- IRS verification of non-filing (VNF) is still required for non-filing parents, independent students and spouses, but a signed statement may be provided if the VNF cannot be obtained
  - Applicants are not required to document their attempt to obtain IRS documents, unless the school doubts the attempt was made

## Tax Filing Extenders: Documentation

- A signed statement certifying that the individual:
  - Attempted to obtain non-filing verification from the IRS or other tax authorities and was unable to; and
  - Has not filed a Federal income tax return
- A list of the sources of any income, and the amount of income from each
  - If self-employed, the signed statement must also include the AGI and the amount of U.S. income tax paid

## Tax Filing Extenders: Other Documents

- Copy of the IRS’s approval of an extension beyond the automatic six-month period
- Copy of IRS Form W–2 for each source of employment income received or an equivalent document

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## Amended Tax Returns

- Individuals who filed an amended tax return must submit the following documents to the institution:
  - If identified by IRS Request Flag 07, all original income and tax information is considered verified
  - If not identified by IRS Request Flag 07, an IRS Tax Return Transcript, or any other IRS tax transcript(s) that include all of the income and tax information required, or a signed copy of the original tax return;
  - AND
  - a signed copy of IRS Form 1040X that was filed with the IRS
- If the amendment was not due to filing a 1040X, the applicant must provide IRS documentation of the change

## Identity Theft

- Victims of IRS tax-related identity theft must submit:
  - Statement signed and dated by the tax filer indicating s/he was a victim of IRS tax-related identity theft and the IRS has been made aware;
  - AND
  - An IRS Tax Return Database View (TRDBV) transcript
    - Tax filers who cannot obtain a TRDBV transcript may instead submit other official IRS document(s) if they include all income and tax information required to be verified, or a signed copy of the tax return

## Non-IRS Tax Filers

- Tax filers who filed an income tax return with a taxing authority in a US territory or commonwealth, or with a foreign central government, may submit:
  - a copy of a transcript of their tax information, if available free of charge
  - OR
  - a signed copy of the applicable income tax return that was filed with the taxing authority
Federal Update

2019-2020 Verification: References

  - No changes to verification tracking groups or FAFSA verification items from 2018-2019
- June 8, 2018 Electronic Announcement - 2019-20 Verification Suggested Text
- July 30, 2018 Electronic Announcement - EDE Technical Reference for the 2019-20 ISIR record layout, including Verification Tracking Flags

Federal Student Aid Updates and Reminders

SAVE Third Step Verification Update

2/14/19 – Electronic Announcement
- A new field was added to FAA Access to CPS Online in Corrections, “Resend Record to Matches”
  - FAAs can use this field to resend a student’s record to matching agencies and generate a new ISIR
  - If the student’s eligibility is not confirmed, a new DHS verification number is provided to resubmit the third step verification request through SAVE
- New process replaces the “Requesting a new DHS Verification Number” section of SAVE Instructions for School Users 2.0 document

For discussion purposes only
### Proration of Payment Period Charges

**3/5/19 – Electronic Announcement**

- Provides guidance and a series of Q & As around when and how to prorate costs associated with books, supplies and equipment when a school charges these costs upfront for periods greater than a payment period.
- Guidance includes:
  - Discussion around when a student has a real and reasonable opportunity to purchase books elsewhere (including online options).
  - Institutional vs. non-institutional charges.
  - Specific proration procedures.
  - R2T4 considerations.

### 2020-2021 Draft FAFSA Form

**4/3/19 – Federal Register**

- Interested persons are invited to provide comments on the 2020-2021 FAFSA form and related documents.
- To access and review all the documents related to the information collection listed in this notice, please use [http://www.regulations.gov](http://www.regulations.gov) and search Docket ID number ED–2019–ICCD–0039.
- All comments need to be submitted by June 3, 2019.

### Items to Avoid with Financial Aid Offers

**4/15/19 – Electronic Announcement**

- ED guidance on what schools should avoid when issuing financial aid offers:
  - Avoid calling your financial aid offer an “award” and avoid calling it a “letter.”
  - Avoid issuing a financial aid offer that does not include cost of attendance.
  - Avoid listing the cost of attendance without breaking it down into clear components.
  - Avoid listing grant and/or scholarship aid, loans, and work-study together.
  - Avoid listing student loans without clarifying the source (federal, state, institutional, or private).
  - Avoid listing Parent PLUS loans with student loans.
  - Avoid issuing a financial aid offer without CRITICAL next steps.
  - Avoid issuing a financial aid offer without net cost calculated.
Federal Update

Release of 2019 GE Disclosure Template

5/9/19 – Electronic Announcement

- Now Includes:
  - Normal time to complete the program
  - Total program costs if completing the program within normal time (including tuition and fees plus books, supplies, and equipment; excluding room, board, or other expenses)
  - Median cumulative debt for Title IV students completing the program within normal time (including Federal, private, and institutional debt)
  - Licensure information for the program’s target occupation
  - URL for the College Scorecard
  - Warning language if required under 34 CFR 668.410

Release of 2019 GE Disclosure Template

5/9/19 – Electronic Announcement

- Deadline of July 1, 2019 to post to GE webpages
- The 2019 GE Disclosure Template is available on the following web page:
  - https://www2.ed.gov/about/offices/list/ope/ge-template.html
  - https://ope.ed.gov/GainfulEmployment/
- Questions: GE-Questions@ed.gov

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2019 Federal Student Aid Training Conference

We look forward to seeing you at the FSATC in Reno, NV
Dec. 3 – Dec. 6, 2019 at the Reno-Sparks Convention Center

Stay tuned to IFAP for registration, housing and agenda information
https://fsaconferences.ed.gov/

Additional Contact Information

CODSupport@ed.gov; 800-848-0978
• Questions related to the Common Origination and Disbursement (COD) System, the Campus-Based programs, or Iraq and Afghanistan Service Grant, Pell Grant, TEACH Grant, and Direct Loan processing

nslds@ed.gov; 800-999-8219
• Questions related to NSLDS functions such as student eligibility, overpayments, loan history, and enrollment reporting

CPSSAIG@ed.gov; 800-330-5947
• Questions related to the Central Processing System (CPS), the Student Aid Internet Gateway (SAIG), FAA Access to CPS Online, and assistance with software products such as EDconnect and EDExpress

edcaps.user@ed.gov; 888-336-8930
• Questions related to G5, the Department of Education's electronic system for grants management and payments

Training Feedback

To ensure quality training we ask all participants to please fill out an online session evaluation
• All registrants for this session will receive an email with a link to an electronic evaluation that we ask you to complete
• This feedback tool will provide a means to educate and inform areas for improvement and support an effective process for “listening” to our customers

For discussion purposes only
Ask A Fed goes online!

FSA has implemented a new resource to assist Financial Aid Administrators obtain guidance about the FSA programs. Based on the popularity and effectiveness of the Ask A Fed desk at the annual FSA Training Conference, we have instituted a similar process using email. Please send your inquiries about Title IV regulations to AskAFed@ed.gov.

The Ask A Fed email box is staffed every business day by a team of FSA Training Officers and they are ready to assist schools with their questions.

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