

“HEOA: One Year Later”

GASFAA
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Federal Student Aid



NPRMs



Negotiating Teams

- Team I – General Loan Issues; Lenders and Guaranty Agencies
- Team II - Loan Issues – Schools
- Team III - Accreditation
- Team IV - Discretionary Title IV Grant Programs (TRIO, Gear UP...)
- Team V – General, non-loan program issues



Federal Register – July 23, 2009 NPRM

(Comment Period Ended August 24, 2009)

General Loan Issues; Lender/GA Issues

(Team I – Consensus Reached)

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Total and Permanent Disability Discharges—Definitions

- Total and permanent disability
 - Individual unable to engage in any substantial gainful activity due to a medically determined physical or mental impairment that:
 - Can be expected to result in death,
 - Has lasted for a continuous period of 60 months, or
 - Is expected to last for a continuous period of 60 months, OR
 - Has been determined by the VA to be unemployable due to a service connected disability

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Discharge Process

- Borrower submits application with physician's certification to loan holder
- Loan holder (and GA) determines eligibility for discharge and loan is assigned to the Secretary
- Secretary reviews discharge application and makes determination of eligibility for discharge
 - If determination does not support discharge, borrower is advised of the denial and the resumption of the repayment obligation to ED

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Discharge Process (conti.)

- Loan will be reinstated if, within three years from discharge date, the borrower
 - Receives new Title IV loan or TEACH Grant
 - Has employment earnings that exceed the poverty line for a family of two

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Discharge Process with VA Determination

- Permanent discharge granted if determined by the VA to be unemployable due to a service-connected disability
- Must provide loan holder with discharge application and documentation from VA showing that the borrower is unemployable
- No further medical documentation required
- If discharge granted, no post discharge monitoring

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Discharge Process with VA Determination

- Perkins Loans
 - Perkins school submits application and VA documentation directly to the Secretary
 - Secretary informs school whether the school should discharge the loan

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Discharge Process with VA Determination

- FFEL Program Loan
 - FFEL lender submits discharge claim to GA with borrower’s application and VA documentation
 - GA reviews documentation
 - GA submits application and documentation to Secretary
 - Secretary informs GA if discharge claim should be paid.

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Borrower Eligibility After Discharge

- All borrowers whose Title IV loan was discharged must meet certain conditions in order to receive a new Title IV loan
 - Provide physician certification that borrower is able to engage in substantial gainful activity
 - Sign a statement acknowledging that any new loan cannot be discharged based on any present condition unless that condition substantially deteriorates

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Consolidation Loans

- Lenders must inform borrower applying for Consolidation Loan that the borrower is not obligated to agree to the loan
 - Must provide borrower at least 10 days from date of notification to cancel the loan
 - Must be provided to borrower before any payments are made to pay off a loan to be included in the consolidation

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FFEL & Direct Loan Teacher Loan Forgiveness

- Borrowers performing eligible teaching service now includes those who are employed by an eligible “educational service agency” or at a combination of eligible elementary or secondary schools and an eligible educational service agency

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Parent PLUS Loans In-School Deferments

- Parent PLUS borrower may defer repayment for the period when the student on whose behalf the loan was made is enrolled on at least a half-time basis, and for the period that corresponds to the student’s 6-month grace period
 - Effective for loans first disbursed on or after July 1, 2008
 - Parent PLUS borrower must separately request deferment for each period

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Grad PLUS Loans In-School Deferments

- Grad PLUS borrower may defer repayment during the 6-month period that begins on the day the student was no longer enrolled on at least a half-time basis
 - Effective for loans first disbursed on or after July 1, 2008
 - Borrower need not request deferment
 - Lender must notify borrower of deferment and permit borrower to cancel

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Rehabilitation of Defaulted FFEL & Direct Loans

- Borrowers may rehabilitate a FFEL or DL loan only once
- Rehabilitation is tied to the loan, not the borrower
- Applies to any loan that is rehabilitated on or after August 14, 2008

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Lender and Guaranty Agency Prohibited Inducements

- Incorporates all new prohibited and permitted activities including:
 - Prohibits both lenders and GAs from
 - Performing or paying third party to perform any school function required under Title IV except that they may provide *exit and entrance* counseling
- HR 1777 removed entrance counseling prohibition

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Information to Borrowers Transfer, Sale or Assignment of Loan

- Adds information to be provided to a borrower (or endorser) when there is a transfer, sale or assignment of loan resulting in a change in the identity of the party to whom payments and communications must be sent
 - Effective date of assignment or transfer
 - Date current loan servicer will stop accepting borrower's payment and
 - Date new loan servicer will begin accepting payments

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GA Consumer Education Information

- GA must work with schools that it serves to
 - Develop and make available high-quality educational materials and programs that
 - provide training for students and their families in budgeting and financial management, including debt management and other aspects of financial literacy

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Additional Topics

- Forbearances
 - PLUS realignment
 - Capitalization notification
- Deferment interest notification
- Income-Based Repayment (IBR)
 - Financial hardship determination
 - Loan payments used in formula
 - Married filing jointly
- Active Duty Service Members
 - Interest waivers and reductions

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Federal Register – July 28, 2009

NPRM

(Comment Period Ended August 27, 2009)

School-based Loan Issues
(Team II – Consensus Reached)

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New Regulatory Section

- Part 601 added to title 34 of CFR
 - To implement statutory provisions of sections 151 through 155 of HEA
 - significant new disclosures to borrowers of education loans and related institutional and lender reporting to the Department

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Definitions

- Agent is an officer or employee of institution or affiliated organization
- Covered institution is a Title IV institution
- An institution-affiliated organization is directly or indirectly related to a Title IV institution and engages in recommending, promoting, or endorsing education loans for students
- Lender is
 - An eligible lender in the FFEL program
 - ED in the Direct Loan program
 - A private education lender as defined in TILA

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Definitions

- Education loan is any loan made under the FFEL program, Direct Loan program, and a private education loan
- Private education loan is a loan issued expressly for postsecondary education expense regardless of whether the loan is provided through the institution or directly to borrower from lender

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Preferred Lender Arrangement

- Definition – Arrangement between lender a Title IV institution or institution-affiliated organization under which lender provides education loans to students/families and in return institution recommends, promotes, or endorses lender's education loan products
- PLA does not involve
 - Direct Loans
 - Private education loans made by the institution if loan is made
 - Using institution's own funds
 - With donor-directed contribution
 - Under Title VII or VIII of Public Service Health Act
 - Under institutional payment plan of institution

Effective Date – 8/14/08



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Components of Preferred Lender Arrangement

- Information required in the model disclosure form to be developed by the Secretary together with the Federal Reserve
- Statement of why school participates with lender
 - Terms/conditions favorable to borrower
- Statement that students may choose any lender, on or off preferred lender list
- Method and criteria used in selecting lenders



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Components of Preferred Lender Arrangement

Must include

- For FFEL, at least three unaffiliated lenders
- For Private Education Loans, at least two unaffiliated lenders
- ★ Must specifically indicate, for each listed lender, whether that lender is or is not an affiliate of each other lender on PLA



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Preferred Lender Disclosures

- Must be made on web site and in all publications , mailings, electronic messages or materials that are distributed to prospective/current students and describe financial aid opportunities to students
- Must be made annually prior to student's selection of lender

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Preferred Lender Disclosures

- Preferred lender arrangement requires disclosure of
 - Maximum amount Title IV grant and loan aid available
 - Information from model disclosure form about loans for which school has PLA
 - Statement that school must accept applications from any FFEL lender
 - TILA information about private education loans for which school has PLA

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Annual Report To ED

- Preferred lender arrangement requires annual report by school to ED
- Must be available to public and students
- For each lender
 - Information required in PLA disclosures
 - TILA as required by Federal Reserve Board
 - Detailed explanation of reason for PLA including why terms, conditions, and provisions of each type of education loan are beneficial to students

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Title IV Loan School Code of Conduct

- Included in Program Participation Agreement that institution that participates in *any TIV loan program* or as a preferred lender arrangement
 - Develop and publish code of conduct with respect to FFEL and private education loans
 - Display prominently on it's website
 - Administer and enforce such code
 - school staff with loan duties annually informed
- Code must prohibit conflict of interest with responsibilities of agents with respect to such loans

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Title IV Loan School Code of Conduct

- Must prohibit:
 - Revenue-sharing arrangements with any lender
 - Receipt of gifts from lenders, guarantors, or servicers
 - consulting or other contracting arrangements
 - Directing borrowers to particular lenders or assigning of lender to first-time borrower
 - Refusal to certify or delay of certification based upon choice of lender
 - Offers of funds for private loans
 - Staffing assistance
 - Receipt of compensation for advisory board service

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Program Participation Agreement

Now includes

- If have PLA, must at least annually compile, maintain, and make available a list of specific lenders of FFEL and private education loans that institution recommends in preferred lender arrangement
- Provide required information for private education loan self-certification form

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Perkins Loan Exit Counseling

- New HEOA requirements include:
 - Explain options to prepay/pay on shorter schedule
 - Review of loan consolidation and refinancing
 - Explain use of master promissory note
 - Describe types of tax
 - Emphasize that borrower must repay in full even if academic program not completed
 - Provide general description of forgiveness, cancellation/deferment/extensions/forbearance
 - Explain how NSLDS can be used to obtain Title IV loan status information

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Perkins Loan Cancellations

Teacher, Head Start and Law Enforcement:

- Teachers in designated low-income elementary and secondary schools and full-time special education
- Full-time staff in pre-kindergarten childcare programs
- Full-time attorneys employed in federal Public Defender or Community Defender Organizations.
- Full-time firefighters with local/state/federal fire department
- Full-time faculty members at Tribal colleges/universities
- Librarians and full-time speech-language pathologists with master's degree employed at or serving Title I school

Military Service Cancellations for active duty in hostile areas

- Moved from 50% to 100%

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Perkins Loan Teacher, Head Start, Law Enforcement Cancellations

Includes expanded cancellation categories and applicable definitions

- Teachers in designated low-income elementary and secondary schools and full-time special education teachers working for/employed by educational service agency
- Full-time staff members in pre-kindergarten or childcare programs licenses/regulated by state
- Full-time attorneys employed in federal Public Defender or Community Defender Organizations per Title 18 U.S.C.
- Full-time firefighters with local, state, or federal fire department or district
- Full-time faculty members at Tribal colleges/universities
- Librarians and full-time speech-language pathologists with master's degree employed at or serving Title I school

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Perkins Loan Military Service Cancellation

- Borrowers serving in areas of hostility now eligible to received up to 100% cancellation of loan for each full year of active duty service that includes or begins on/after 8/14/08
 - 15% for first and second years of service
 - 20% for third and fourth years of service
 - 30% for fifth year of service

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FFEL & Direct Loan Entrance Counseling

- HEOA adds entrance counseling in law
- Must provide comprehensive information on terms/conditions of loan and responsibilities of borrower with respect to loan
 - During in-person counseling session
 - On separate written form provided to borrower that borrower signs and returns to school
 - By online or interactive electronic means, with borrower acknowledging receipt of information
 - Institution may require completion of interactive program testing borrower’s understanding

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FFEL & Direct Loan Entrance Counseling

New information to be provided includes:

- Effect of accepting loan to be disbursed on EFA
- Information on how interest accrues/capitalized
- Option to pay interest while in school
- Definition of half-time and consequences
- Importance of contact with appropriate school offices prior to withdrawal
- Information on NSLDS and TIV loan information
- Name and contact information of loan questions

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FFEL & Direct Loan Exit Counseling

Now required for borrowers with Stafford Loan and grad PLUS loans

- New information to be provided includes:
 - Review of different features of each repayment plan and sample information showing average anticipated monthly payment and interest
 - Explain options to prepay, pay on a shorter schedule, or change repayment plans
 - Provide information of effects of loan consolidation
 - Must include debt management strategies

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FFEL & Direct Loan Exit Counseling

- Describe likely consequences of default, including delinquent debt collection procedures under federal law and litigation
- Provide general description of forgiveness, cancellation, deferment, extension of repayment, and forbearance
- Explain how NSLDS can be used to obtain Title IV loan status information
- Describe types of tax benefits available to borrowers

Entrance & Exit Provisions Effective 8/14/08

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Administrative Capability

- Now includes annual report to Secretary on reasonable reimbursements paid by a private education lender or group of lenders to any school staff with financial aid or edu. loan responsibilities
 - Amount of each instance of reasonable expense paid or reimbursed
 - Name of agent, dates of activity, and description of activity by staff member
- Reasonable expenses
 - Meet standards set by state or federal government for reimbursement

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Cohort Default Rate FFEL & Direct Loan

- Changes cohort default rate calculation
 - From two years to three years, effective with FY 2011 cohort
 - First official 3-year rate released September 2014
 - Transition period
- Changes threshold for loss of eligibility from 25% for three consecutive years to 30% for three consecutive years
 - Still have 40% threshold
- Increases “disbursement relief” CDR to 15%
 - Effective October 1, 2011

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Cohort Default Rates FFEL & Direct Loan

- Section 668 Subpart M is applicable to two year rates calculated for fiscal years through 2011
- Newly created Section 668 Subpart N provides regulations for calculating three year rates beginning with fiscal year 2009
 - ED will annually issue a two year and a three year rate for fiscal years 2009, 2010, and 2011

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Default Rate Benefits

- Default rate of less than 15% for three most recent fiscal years allows
 - Waiver of 30 day delay for loans first disbursed on/after 10/01/2011
 - Waiver of multiple disbursement requirement for one term loans for loan disbursements made on/after 10/01/2011

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Cohort Default Rate Consequences

- Cohort Default Rate
 - Effective on/after 2014, must be less than 30% for at least two of three most recent fiscal years for which rates are issued
 - Failure to meet this threshold will result in provisional certification

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Default Rate Appeals

- Economically disadvantaged appeal
 - If default rate is $\geq 30\%$, but less than 40%, for two consecutive years
 - May file appeal economically disadvantaged appeal
 - Must appeal no later than 30 days after receipt of notice regarding second rate exceeding threshold
 - Satisfactory appeal prohibits provisional certification solely because of default rate

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Default Rate Appeals

- Participation rate index appeal
 - HEOA increased participation rate index to 0.0625
 - May file appeal if participation rate index is ≤ 0.0625 for any of applicable cohorts
- Appeal applicable if default rate
 - is $\geq 30\%$, but less than 40%, for more for two consecutive years or
 - is 30% or more for three consecutive years
- Must appeal no later than 30 days after receipt of notice default rate

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Default Prevention

- First year of default rate => 30 % requires default prevention task force with plan to
 - Identify factors causing rate to exceed threshold
 - Establish measurable objectives and steps to improve default rate
 - Specify actions to improve student loan repayment
- 2nd year => 30% - revised plans
- Plans must be submitted to ED for review

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Federal Register – August 21, 2009

(Comment Period Ended July 20, 2009)

NPRM – General and Non-Loan Issues

(Team V – Did Not Reach Consensus)

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Teach-Outs

- Plan provides equitable treatment of student if an institution/location that provides 100% of a program ceases to operate prior to program completion
- PPA requires submission of plan to accrediting body under certain conditions
 - ED LS&T
 - Loss of license/legal authorization
 - Closes a location offering 100% of a program
 - Intends to cease to operate

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Effective 8/14/08



Teach-Outs

- If the closed school had an accrediting agency approved teach-out plan AND;
- The school performing teach-out applies and is approved to add the closed school
 - 2-year rule waived
 - Will not assume liabilities of closed location
 - Will not assume cohort default rate of closed school

*Any money paid to closed school for purchase may be used to offset liabilities

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Readmission of Service Members

- Adds provision that an institution may not deny readmission to a service member on the basis of that service
- Institution must readmit service member with same academic status as student had when last attended
 - Also applies when student had been admitted but could not attend due to military service
 - Institution must promptly readmit to next class of student's program beginning after student provides intent to reenroll
 - Unless student requests later date or unusual circumstances require later date

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34 CFR 668.18(a)



Readmission of Service Members

- Student is entitled to readmission if
 - Can provide advance notice of call to military service
 - Cumulative absence for service does not exceed 5 years
 - Student gives notice of intent to return to appropriate office designated by institution
 - Student who completes services must return not later than 3 years following completion of military service
 - Exception for student hospitalized or convalescing from illness or injury sustained during service who must return within 2 years from end of recovery
 - Exception to advance notice requirement if precluded by military necessity

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34 CFR 668.16(c)



TEACH Grant

- Grant recipients who are called to active military duty may request suspension of 8-year service period
 - May not exceed 3 year increments
 - Once 3 years exceeded, may request a discharge of all or portion of service obligation based on number of active duty service years
 - Must apply and provide evidence of dates of active duty service

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Consumer Information

(1) Academic Program Improvement Plans

- Requirement to make available any plans for improving program
 - Institution may determine what a “plan” is and when a plan becomes a plan

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Consumer Information

(2) Peer-to-Peer File Sharing and Copyrighted Materials

- Adds requirement to PPA that institution has developed and implemented written plans to effectively combat unauthorized distribution of copyrighted materials
 - Applies to all users of institution’s network without interfering with educational and research use of network
- Also adds a requirement that the institution publish and distribute its policies and sanctions related to copyright infringement

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34 CFR 668.14(b)(30)



Consumer Information

(2) Peer-to-Peer File Sharing and Copyrighted Materials

- Institutions must, in consultation with chief technology officer, or other designated officer of institution
 - Review legal alternatives for downloading or otherwise acquiring copyrighted materials
 - Make available results of said review to students
 - To extent practicable, offer legal alternatives for downloading or acquiring copyrighted materials

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34 CFR 668.14(b)(30)



Consumer Information

(3) Retention/Placement/Grad. Rates

- Make available to any enrolled or prospective student:
 - Institution's retention rate as reported to IPEDS
 - Placement of and employment obtained by graduates of degree or certificate programs
 - Types of graduate and professional education in which graduates of 4 yr. degree programs enroll
- "On Request" removed*

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Consumer Information

(3) Placement Rate Detail

- Gathered from:
 - Institution's placement rate for any program, if it calculates such a rate
 - Must disclose
 - State data systems, alumni or student satisfaction surveys; or other relevant sources
- Source of information provided must be identified (including associated timeframes and methodologies)

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Consumer Information

(4) Graduation/Professional Education Detail

- Gathered from:
 - State data systems, alumni or student satisfaction surveys or other relevant sources
- Source of information provided must be identified (including associated timeframes and methodologies)
- Make available to graduates of its 4-yr. programs enroll
- Completion and graduation rates must be disaggregated:
 - Gender, major racial and ethnic group
 - Receipt or nonreceipt of certain types of TIV aid

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Consumer Information

(5) Retention Rate

- Rate at which students persist in their educational program expressed as a percentage
 - 4-yr. institutions
 - % of 1st time bachelors degree-seeking undergraduates from previous fall again enrolled in the current fall
 - All other institutions
 - % of 1st time degree/certificate seeking students from previous fall who reenrolled or successfully completed their program by the current fall
- Must make available to enrolled or prospective student the rate as disclosed in IPEDS
 - For a prospective student, info. must be made available prior to his or her enrolling or entering into any financial obligation with the institution

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Consumer Information

(6) Completion/Graduation Rate

- Institution must disaggregate completion and graduation rate information by: (not applicable to 2-year degree-granting schools until 2011-2012)
 - Gender*
 - Each major racial and ethnic group (per IPEDS)*
 - Recipients of Pell Grant*
 - Recipients of a FFEL or DL other than an unsub. FFEL or DL Stafford Loan*
 - Recipients of neither a Pell Grant nor an FFEL or DL other than an unsub. FFEL or DL Stafford Loan*
- *Not required if number would not yield statistically reliable information or would reveal personally identifiable information

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Consumer Information

(6a) Completion/Graduation Rate

- Alternative completion/graduation rate calculation allowed for students who left to:
 - Serve in the Armed Forces
 - Serve on official church missions
 - Serve with a foreign aid service of the Federal Government (such as the Peace Corps)
- If 20% or more of certificate or degree-seeking, full-time undergraduate students left school for above reasons, institution may recalculate their completion rate
 - Add to the 150% timeframe normally allowed, time students were not enrolled due to service in a specified category

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Consumer Information

(7) Campus Security

- **Hate Crime Reporting** expanded to include:
 - Larceny-theft
 - Simple assault
 - Intimidation
 - Destruction, damage or vandalism of property
- Appendix A to Subpart D of 34 CFR part 668 revised *FBI definitions* for:
 - Weapons, drug abuse violations and liquor law violations

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Consumer Information

(8) Campus Security

- **Emergency Response/Evacuation**
 - Part of annual security report
 - Required with the annual security report distributed by October 1, 2010
 - Required elements of policy statement
 - Must describe how it will test procedures on an annual basis to reach students/staff
 - » Document the test
 - Describe how institution will immediately notify campus community upon confirmation of an emergency or threat (and larger segment as applicable)
 - » No separate timely warning requirement

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Consumer Information

(8a) Campus Security

- Emergency Response/Evacuation

- Required elements of policy statement
 - Description of process institution will use to:
 - » Confirm there is an emergency or threat
 - » Determine appropriate segment(s) of campus community to be notified
 - » Determine the content of the notification
 - » Initiate the notification system
 - List of titles of responsible persons & organizations

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Consumer Information

(9) Campus Security

- Missing Student Notification

- Institution that provides *on-campus student housing*
 - On-campus housing is a dormitory or residential facility located on an institution's campus
 - » Property and/or facility owned by the school;
- Required with 10/1/10 annual security report
- Policy includes:
 - Titles of persons/organizations to which a student missing for 24 hours should be reported
 - Missing student reports be referred immediately to campus police/security/local law (if applicable)

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Consumer Information

(9a) Campus Security

• Missing Student Notification

- Student living on-campus option to identify contact person(s) to be notified if the student is determined missing (within 24 hours of officially missing)
- Advise students that their information will be registered confidentially
- Advise students that if under 18 and not emancipated, parent or guardian must be notified (within 24 hours of officially missing)
- Advise students local police will be notified
 - Within 24 hours of officially missing

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Consumer Information

(10) Annual Fire Safety Report

- Institution with *on campus student housing*
- Required by October 1, 2010
- Annual security report and annual fire safety report *may* be published together
- Same distribution method as for annual security report
- Must maintain a Fire Log

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Consumer Information

(10a) Annual Fire Safety Report

- Must contain certain statistics for 3 most recent calendar years for which data is available
 - Number of fires in on-campus housing facilities
 - Cause of each fire
 - Number of injuries/deaths related to each fire
 - Value of property damage caused by the fire
- Annual fire safety report must include:
 - Required Fire statistics
 - On-campus student housing fire safety systems
 - Number of mandatory supervised fire drills
 - Policies on portable appliances, smoking and open flames in a student housing facility

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Consumer Information

(10b) Annual Fire Safety Report

- Annual fire safety report must include for the 3 most recent years:
 - Procedures for student housing evacuation in the case of a fire
 - Policies regarding fire safety education and training programs provided students/faculty/staff
 - List of titles of persons/organizations to which students report that a fire occurred
 - Plans for future improvements in fire safety, if determined necessary

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Consumer Information

(10c) Annual Fire Safety Report

- Fire Log
 - Must be written and easily understood
 - Must record by date reported, any fire in an on-campus student housing facility
 - Nature, date, time and location of each fire
 - Entries must be made within 2 business days of receipt of the information
 - Fire log for the most recent 60 day period must be available for public inspection
 - Older portion of log within 2 business days of request
 - Source document for annual fire safety report

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Intellectual Disabilities Program

- Adds a comprehensive transition and postsecondary program as eligible program
- Program designed to support students with intellectual disabilities to prepare for gainful employment
- Program eligibility:
 - Advising and curriculum structure
 - Students participating *at least ½ time*
 - Includes 1 or more of the following
 - Enrollment or participation (i.e. audit) in courses with students *without disabilities* (credit/noncredit)
 - Participation in internships or work based training

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Intellectual Disabilities Program

- Program Eligibility:
 - Program must be approved by the Secretary
 - If designed for individual student EACH student's program must be approved
 - Does not have to lead to a degree or certificate
 - Only to students physically attending
- Student eligibility
 - Meet general student eligibility requirements, except:
 - Does not have to be enrolled in a degree or certificate
 - Does not have to have a HS diploma/GED/ATB test
 - Must be making SAP according to published standards for this type of program
 - Eligible for funding from Pell, FWS and FSEOG
 - Meet definition intellectual disability criteria

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FWS

- Adds emergency preparedness to the definition of community service
- Expands FWS community service jobs to include students employed in civic education
 - May be paid up to 100% federal funds
- Removes separate authorization for holding credit balances
- Removes requirement to obtain student authorization to make EFT
 - Allows school to require bank acct for FWS
 - Must pay, can't refuse to hire or fire

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FWS Use of Funds

- Permits schools affected by a major disaster to make FWS payments to disaster affected students
 - Time in which student could not fulfill FWS obligation
 - May not exceed 1 academic year
 - Payment amount is equal to or less than amount student would have been paid if able to work
- Institution must provide match for all payments
- Disaster affected student is one who
 - Received FWS award for period during disaster
 - Earned wages from institution during award period
 - Was prevented from working due to the natural disaster
 - Was unable to be reassigned to another FWS job

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Year Round Pell – 2nd Scheduled Award

- To receive a **second** scheduled award, student must
 - **Successfully complete** credit or clock hours of the first academic year in the award year
 - Enroll in an eligible program leading to a bachelor's or associate degree or other recognized educational credential
 - Enroll at least as a half-time student

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Year Round Pell – 2nd Scheduled Award

- May waive requirement to complete hours of the academic year
 - Must be due to circumstances beyond the student’s control
 - May include circumstances such as illness or classes not offered
 - Does not include withdrawing to avoid a grade or failing to register
 - Must be determined and documented on individual basis

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Year Round Pell – 2nd Scheduled Award

- In determining eligibility for a second Scheduled Award in an award year, may NOT use hours based on:
 - Advanced Placement (AP) programs
 - International Baccalaureate (IB) programs
 - Testing out, life experience, or similar competency measures

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Year Round Pell: Transfers

- Assume completed first academic year if received all of first Scheduled Award at prior institution
 - If less than first Scheduled Award was received, assumption that student completed the same ratio of the academic year as the % of Pell received

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34 CFR 690.67(b)



Year Round Pell: Crossovers

- Full-time or three-quarter-time
 - Must assign a crossover payment period to award year in which student receives greater payment at time payment is initially calculated
 - Must reassign if subsequent information shows greater payment would result
- Half-time or less
 - May assign to either year
- If student requests, must assign to award year that maximizes benefits over 2 award years

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Year Round Pell: Payment from Two Scheduled Awards

- Payment for payment period is greater than balance of first Scheduled award.
- Payment is the remaining amount of the first Scheduled Award plus an amount from the second Scheduled Award for the balance of the payment.
- Payment from two awards may arise due to:
 - Acting on special circumstances
 - Completing the hours of the academic year but not receive all of first Scheduled Award

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Max Pell for Children of Soldiers

***NPRM incorrect-690.75(e)**

Corrected by HR-1777 Technical Corrections Bill

- For any student whose parent or guardian was a member of the Armed Forces and died in Iraq or Afghanistan after 9/11/01
 - For the 2009-2010 award year -
 - If Pell eligible EFC, all Title IV aid awarded using zero EFC (Pell).
 - If not Pell eligible EFC, all Title IV aid awarded using calculated EFC (No Pell).

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Max Pell for Children of Soldiers

For 2010-2011 and following award years –

- If Pell eligible EFC, all TIV use zero EFC (Pell).
- If not Pell eligible EFC -
 - Undergraduate student get new Iraq/Afghanistan Service Grant in amount of maximum Pell for enrollment status.
 - All other TIV use calculated EFC (No Pell).

Questions about possible eligible students -
Patricia Lyles (202-377-4334;
patricia.lyles@ed.gov)

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Proprietary Institution of Higher Education

- Definition of “Proprietary Institution of Education” amended to add an institution that provides program leading to a baccalaureate degree in liberal arts
 - Must be a program offered since January 1, 2009
 - Institution must have been accredited since October 1, 2007 or earlier

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90/10

- 90/10 rule is moved from Institutional Eligibility to General Provisions (PPA)
 - Requirement that a proprietary institution derive at least 10% of its revenue from non-Title IV
- Consequences of failure to meet 90/10
 - For a fiscal year
 - Provisional certification for two years
 - For two fiscal years
 - Loss of eligibility for at least two fiscal years
- Notify ED within 45 days of failure

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90/10

- Institution may consider as revenue only funds generated from:
 - Tuition, fees and other inst. Charges for students in eligible programs
 - Activities necessary for education/training of students
 - Stipulations apply
 - Funds paid by or on behalf of a student (except by the school) for a program not Title IV eligible
 - Must be accredited and state approved, or
 - Provide an industry recognized credential or certification

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90/10

- Institutional aid that may count as revenue
 - Net present value (NPV) of loans made by the school during applicable fiscal year (loans made on or after July 1, 2008 and prior to July 1, 2012)
 - Accounted for on an accrual basis, enforceable prom. notes, issued at intervals related to enrollment periods and subject to regular repayments/collections
 - Refer to pages 42434-42437
 - Amount of loan repayments received during applicable fiscal year (loans made on or after July 1, 2012) excluding loans on which NPV was used
 - Institutional scholarships – either monetary aid or tuition discounts
 - Based upon academic achievement or financial need
 - From a restricted account consisting of funds from an outside source or income earned on those funds

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90/10

- Revenue from unsubsidized Stafford Loan funds in excess of pre-ECASLA loan limits (on or after July 1, 2008 and prior to July 1, 2011)
 - Amount of the loan disbursement for a payment period that exceeds the disbursement for which the student would have been eligible prior to ECASLA is included as revenue from a source other than Title IV
 - Only to the extent that the excess amount pays for tuition and fees or inst. charges remaining after application of Title IV aid

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Upcoming Regulatory Process

(Two Neg RegTeams)

Possible Topics

- Foreign Schools
- Satisfactory Academic Progress
- Credit Hours - determining eligibility
- Verification
- High school diploma
- Incentive compensation
- Gainful employment in a recognized occupation
- State authorization for institutional participation

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THANK YOU!

Title IV Training Officers

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Feedback on Training

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