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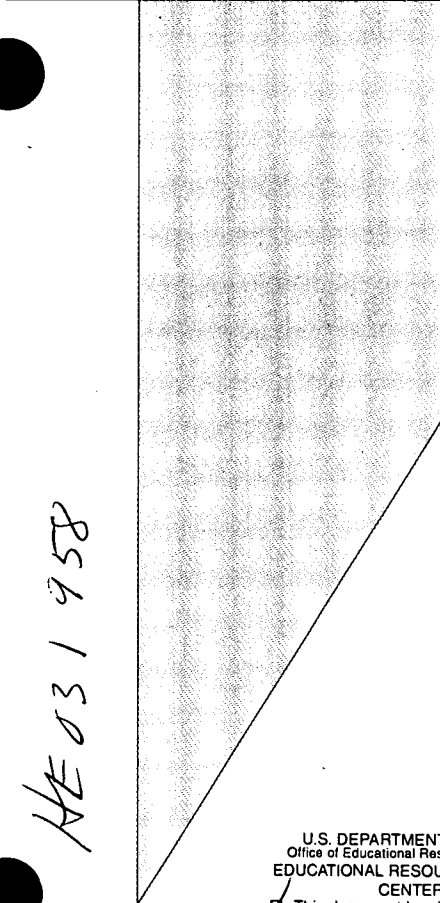
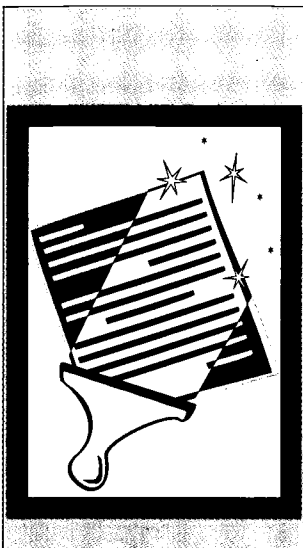
ABSTRACT

This participant's guide is intended to be used in a one-day workshop for college/university staff involved in administering federally supported student financial assistance programs under Title IV of the reauthorized Higher Education Act. The materials are in a workbook format and include copies of workshop display materials, space for notes, case studies, handouts, and an evaluation questionnaire. The guide covers seven workshop sessions: (1) introduction and changes in general program information; (2) changes in student eligibility and financial need; (3) changes in institutional eligibility and administrative requirements; (4) changes in federal Pell grant and campus-based programs; (5) changes in the loan programs; (6) other provisions; and (7) overview of new record keeping procedures in the new Recipient Financial Management System. (DB)

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# 1999-2000 Reauthorization Training

## Participant's Guide

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## ***Agenda***

- Session 1 — Introduction  
Changes in General Program Information
- Session 2 — Changes in Student Eligibility and Financial Need  
*Break*
- Session 3 — Changes in Institutional Eligibility and  
Administrative Requirements  
*Lunch*
- Session 4 — Changes to Federal Pell Grant and Campus-Based Programs  
*Break*
- Session 5 — Changes in the Loan Programs
- Session 6 — Other Provisions
- Session 7 — Overview of RFMS

***Session 1***



***Changes in  
General Program Information***

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## **Session 1: Changes in General Program Information**

### ***Objectives***

In this introductory session, you will learn:

- 1.** What resources are available for updates on development of guidance related to the Higher Education Amendments of 1998.
- 2.** The process and schedule for Negotiated Rulemaking.
- 3.** The changes made to the Master Calendar.
- 4.** About the student loan ombudsman, a new office in the Department of Education that will assist borrowers in resolving problems regarding their Title IV loans.



# Training Assessment Form

## Title IV Student Financial Assistance Programs

Date: \_\_\_\_\_ Region: \_\_\_\_\_ Location: \_\_\_\_\_

The information collected on this form will be used by Student Financial Assistance Programs to determine the effectiveness of the training and materials provided. Any information you provide will be deemed confidential. You are not required to answer any of the questions on this form. Names will not be published in any compilation of this data.

### Identification of Respondent (optional)

Name \_\_\_\_\_ Position \_\_\_\_\_

Institution/Agency \_\_\_\_\_

Street or P.O. Box # \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_

Type of Institution/College:

- One-year or less     Public
- Two- or Three-year     Private nonprofit
- Four-year or more     Private proprietary

Length of time in financial aid related responsibilities: (years/months) \_\_\_\_\_

Title IV Programs you participate in:     *Federal Pell*     *Federal Direct Loans*  
 *Federal Family Educational Loan Programs*     *Federal Campus-Based Programs*

### Training Content (Please respond to each of the following questions.)

1. Did the workshop provide information that you can apply to your work? Yes/No If No, why not?

\_\_\_\_\_

2. Which sessions were the most beneficial to you?

\_\_\_\_\_

3. Which sessions were the least beneficial to you?

\_\_\_\_\_

4. How would you suggest the training content be expanded or reduced?

\_\_\_\_\_

### Training Facilities

5. Were you satisfied with the facilities (training room(s), hotel accommodations, location, accessibility, learning environment, etc.)? Yes/No If No, why not?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Training Materials

6. Check all the phrases that describe the training materials, including the overheads:

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Well-organized      | <input type="checkbox"/> Consistent                       | <input type="checkbox"/> Useful charts and illustrations       |
| <input type="checkbox"/> Difficult to follow | <input type="checkbox"/> Inconsistent                     | <input type="checkbox"/> Not enough charts and illustrations   |
| <input type="checkbox"/> Clear and concise   | <input type="checkbox"/> Contributed to my learning       | <input type="checkbox"/> Relevant case studies and exercises   |
| <input type="checkbox"/> Too complex         | <input type="checkbox"/> Not relevant to my job           | <input type="checkbox"/> Not enough case studies and exercises |
| <input type="checkbox"/> Accurate            | <input type="checkbox"/> Attractive and attention-getting | <input type="checkbox"/> Useful for future reference           |
| <input type="checkbox"/> Inaccurate          | <input type="checkbox"/> Too detailed                     | <input type="checkbox"/> Other _____                           |

## Instructors

7. Circle Yes or No for each characteristic.

(Instructor's Name)	Clear Presenter ?		Well-Organized Presenter ?		Knowledgeable About Subject ?		Responsive To Questions ?		(Other Comments)
	Yes	No	Yes	No	Yes	No	Yes	No	

## Comments

8. What suggestions would you offer to improve the workshop/materials? \_\_\_\_\_

9. What additional training would you like the U. S. Department of Education to provide? \_\_\_\_\_

10. Other Comments and Suggestions

(Please use this space to elaborate on any of the previous questions, or to make additional comments or suggestions about this training.)

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**Burden Statement:** Public reporting burden for this collection of information is estimated to average five minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Education, Information Management and Compliance Division, Washington, D.C. 20202-4651; and to the Office of Management and Budget, Paperwork Reduction Project 1840-0112, Washington, D.C. 20503

**Reauthorization Training**



**Welcome**

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**Workshop Sessions**



- 1—General Program Information
- 2—Student Eligibility
- 3—Institutional Eligibility
- 4—Pell & Campus-Based Programs
- 5—Loan Programs
- 6—Other Provisions
- 7—RFMS Overview

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**Session 1: Changes in  
General Program  
Information**



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### **Session 1 Objectives**

- ◆ Learn about available resources for updates on guidance
- ◆ Understand the process and schedule for Negotiated Rulemaking
- ◆ Understand changes made to the Master Calendar
- ◆ Learn about the student loan ombudsman

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### **Higher Education Amendments of 1998**

- ◆ Enacted October 7, 1998
- ◆ Implementation of changes ongoing
- ◆ Guidance issued (GEN-98-28)
- ◆ Negotiated Rulemaking in progress

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**For Updates**  
**<http://ifap.ed.gov>**

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### ***Negotiated Rulemaking***

**BEFORE:**

- ◆ Department identified provisions
- ◆ Department oversaw process
- ◆ Impartial arbitrator led sessions



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### ***Negotiated Rulemaking***

**AFTER:**

- ◆ All Title IV regulations subject to process
- ◆ ED required to develop proposed regulations with community
- ◆ Process must be timely
- ◆ Other elements remain



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### ***Negotiated Rulemaking***

**HOW:**

- ◆ Committee I: Lender and Guaranty Agency Issues
- ◆ Committee II: Loan Issues (FFEL, Direct Loan and Perkins Loan Programs)
- ◆ Committee III: Refunds, Program, and Student Eligibility Issues
- ◆ Committee IV: Institutional Eligibility Issues



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***Negotiated Rulemaking***

HOW:

- ◆ Process underway
- ◆ Meetings scheduled throughout 1999

WHEN:

- ◆ New process applies to all regulations developed after October 7, 1998



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***Master Calendar***

BEFORE:

- ◆ Regulations had to be published by December 1 to be effective following July 1



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***Master Calendar***

AFTER:

- ◆ Regulations must be published by November 1 to be effective following July 1
- ◆ ED must publish software and hardware requirements by December 1

WHEN:

- ◆ New provisions affect any regulations issued after October 7, 1998

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**Student Loan Ombudsman**

BEFORE:

- ◆ Student borrowers left on their own



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**Student Loan Ombudsman**

AFTER:

- ◆ Student Loan Ombudsman assists borrowers in resolving complaints
- ◆ COO analyzes and reports on resolution of borrower complaints



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**Student Loan Ombudsman**

WHEN:

- ◆ ED is in the process of creating a Student Loan Ombudsman



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**Session 1 Review**

- ◆ Learn about available resources for updates on guidance
- ◆ Understand the process and schedule for Negotiated Rulemaking
- ◆ Understand changes made to the Master Calendar
- ◆ Learn about the student loan ombudsman

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### Schedule of Negotiated Rulemaking Meetings and the Issuance of Regulatory Guidance

March 22–24	Committee I meets for the third time
March 24–26	Committee II meets for the third time
April 6–8	Committee III meets for the third time
April 8–10	Committee IV meets for the third time
April 19–21	Committee I meets for the fourth time
April 21–23	Committee II meets for the fourth time
May 3–5	Committee III has fourth meeting
May 5–7	Committee IV has fourth meeting
May 17–19	Committee I has last meeting
May 19–21	Committee II has last meeting
May 24–26	Committee III has last meeting
May 26–28	Committee IV has last meeting
June 14–18	ED publishes NPRMs from Committees I and II
June 21–25	ED publishes NPRMs from Committees III and IV
October 18–22	ED publishes Final regulations from Committees I and II
October 25–29	ED publishes Final regulations from Committees III and IV
July 1, 2000	REGULATIONS ARE EFFECTIVE

***Effective Dates for Reauthorization Provisions in Session 1***

Provision	Effective Date			
	10/1/98	10/7/98	2000-2001 Award Year	Other Date
Changes in Negotiated Rulemaking		✓		
Changes to Master Calendar		✓		
Creation of Student Loan Ombudsman				In Progress







## Session 2



# Changes in Student Eligibility and Financial Need

When a student's financial need changes, the school should be notified. The school should then determine if the student is eligible for financial aid. If the student is eligible, the school should adjust the student's financial aid package. If the student is not eligible, the school should inform the student of the reasons for the change in eligibility. The school should also provide information on other financial aid options available to the student.

## ***Objectives***

In this session you will learn:

- 1.** How the Income Protection Allowance (IPA) guidelines have changed for independent students.
- 2.** Other changes that will affect the Expected Family Contribution (EFC) or cost of attendance, including the treatment of parents in college, negative available income, and proration of the student's contribution for enrollment periods less than 9 months long.
- 3.** The new parameters for professional judgement.
- 4.** How convictions for drug-related offenses will affect student eligibility.



**Session 2: Changes in Student Eligibility and Financial Need**

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**Session 2 Objectives**

- ◆ Know how the Income Protection Allowance (IPA) has changed
- ◆ Understand other changes that affect Expected Family Contribution (EFC)
- ◆ Learn new professional judgement parameters
- ◆ Know how drug convictions will affect student eligibility

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**Financial Need/ Cost of Attendance**

- ◆ Cost of attendance may include a documented allowance for computer rental or purchase expenses
- ◆ Minimum living allowances removed

Effective October 7, 1998

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**Cost of Attendance (COA)**

BEFORE:

- ◆ Cost of personal computers, unless required, were excluded

AFTER:

- ◆ Such costs, if documented, can now be included

WHEN:

- ◆ Effective: periods of enrollment beginning on or after October 7, 1998

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**Cost of Attendance (COA)**

BEFORE:

- ◆ Minimum allowance for students living with parents or off-campus

AFTER:

- ◆ No statutory minimum; must use reasonable living expense allowance

WHEN:

- ◆ Effective: periods of enrollment beginning on or after October 7, 1998

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**Financial Need/EFC**

◆ Modifications to Income Protection Allowance (IPA):

- Single independent and married independent/ no dependents/ spouse in college: \$5,000
- Married independent / spouse not enrolled in college: \$8,000
- Dependent: \$2,200

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Effective 2000-2001 Award Year

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### Income Protection Allowance

	Dependent	Independent w/o dependents (Single or married spouse enrolled)	Independent w/o dependents (married spouse not enrolled)	Independent w dependents
Income Protection Allowance Before 1998-99	\$1,750	\$2,000	\$0,000	
Income Protection Allowance 1998-99 and 1999-2000	\$2,200	\$4,250	\$1,250	Varies with number in household and college
Income Protection Allowance 2000-2001	\$2,200	\$5,000	\$0,000	

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### Financial Need/EFC

- ◆ Parents attending college excluded from number of family members in college

Effective 2000-2001 Award Year

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### Financial Need/EFC

- ◆ Student's contribution is offset when parents' income is lower than standard expense allowance (available parent income is negative)
- ◆ Dependent student's contribution component of EFC prorated for periods shorter than nine months

Effective 2000-2001 Award Year

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### ***Financial Need/EFC***

- ◆ Special circumstances for professional judgement are clarified, can include:
  - Elementary/secondary tuition paid for other children
  - Unreimbursed medical and dental expenses
  - Unemployment of parent
  - Other changes to income, assets, or student's dependency status

**Effective October 1, 1998**

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### ***Financial Need***

- ◆ Financial Aid Administrator (FAA) can use professional judgement to refuse to certify, or certify for less than the borrower's eligible amount
  - Must document the reason
  - Must notify the borrower and give reason

**Effective October 1, 1998**

2-11

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### ***Financial Need***

- ◆ V.A. Montgomery Bill V.A. and Americorps benefits considered as other aid for Title IV eligibility
  - Exceptions: not considered for Stafford or Direct subsidized loans.

**Effective October 1, 1998**

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**Financial Need/EFC**

- ◆ ED is given authority to :
  - Collect parents' names, Social Security numbers, and dates of birth on aid application
  - Verify this information with Social Security Administration
  - Confirm information with Internal Revenue Service

**Effective 2000-2001 Award Year**

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**Student Eligibility**

- ◆ If a student is convicted of any offense involving the possession of a controlled substance, student ineligible for Title IV aid for :
  - One year after the first conviction
  - Two years after the second conviction
  - Indefinitely after the third conviction

**Effective for periods of enrollment beginning on or after 10/07/1998**

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**Student Eligibility**

- ◆ If a student is convicted of any offense involving the sale of a controlled substance, student ineligible for Title IV aid for :
  - Two years following the first conviction
  - Indefinitely after the second conviction

**Effective periods of enrollment beginning on or after 10/07/1998**

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**Student Eligibility**

- ◆ Eligibility restored upon satisfactory completion of rehabilitation program or if conviction reversed

**Effective for periods of enrollment beginning on or after 10/07/1998**

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**Session 2 Review**

- ◆ Know how the Income Protection Allowance (IPA) has changed
- ◆ Understand other changes that affect Expected Family Contribution (EFC)
- ◆ Learn new professional judgement parameters
- ◆ Know how drug convictions will affect student eligibility

2-17

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Before	After
1) \$1500 minimum COA allowance for students living at home	a) \$1,000 required b) \$500 required c) no set minimum, but must have a reasonable allowance
2) Parents enrolled in postsecondary school included in total family members enrolled	a) parents not included b) parents not included, but could be using professional judgement c) parents included only if attending full-time
3) Schools could not consider laptops or other PCs as educational expenses to determine Title IV aid eligibility	a) schools may include such costs, if documented b) schools must systematically include an allowance for such costs for all students c) schools may include such cost for students in business programs only

Answers:

a. 1) c, 2) b, 3) a.

***Income Protection Allowance***

	Dependent	Independent without dependents (Single or married/spouse enrolled)	Independent without dependents (married/spouse not enrolled)	Independent with dependents
Income Protection Allowance Before: 1998-99	\$1,750	\$3,000	\$6,000	Varies with number in household and college
Income Protection Allowance 1998-99 and 1999-2000	\$2,200	\$4,250	\$7,250	
Income Protection Allowance 2000-2001	\$2,200	\$5,000	\$8,000	

**Effective Dates for Reauthorization Provisions in Session 2**

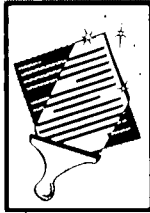
Provision	Effective Date			
	10/1/98	10/7/98	2000-2001 Award Year	Other Date
Personal Computers & Cost of Attendance		✓		
Equipment for Telecommunication Study		✓		
Reasonable Living Allowance		✓		
Income Protection Allowance			✓	
Parents Attending College			✓	
Student Contribution in EFC			✓	
Professional Judgement				Not a new provision
Montgomery Bill and Americorps Benefits	✓			
Verification of Applicant Data			✓	
Conviction for Drug Related Offenses		✓		

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Session 3



***Institutional Eligibility and  
Administrative Requirements***

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## ***Objectives***

In this session, we will discuss changes that affect institutional eligibility and certain institutional administrative requirements.

In particular, at the end of this session you will learn:

- 1.** About changes that affect a school's ability to participate in the programs.
- 2.** How changes regarding program reviews will affect campus operations.
- 3.** About new reporting requirements, including the additional information about campus crimes that must be made available.
- 4.** About changes to the Quality Assurance program.
- 5.** How changes in policies affecting accreditation might affect campuses.





**Session 3: Changes in Institutional Eligibility & Administrative Requirements**

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**Session 3 Objectives:**

- ◆ Learn about changes that affect eligibility to participate
- ◆ Understand changes regarding program reviews
- ◆ Learn about new reporting requirements
- ◆ Understand changes to Quality Assurance program
- ◆ Know changes affecting accreditation
- ◆ Learn about return of Title IV funds

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**Institutional Eligibility: Certification**

- ◆ Definitions of "institutions of higher education" consolidated
- ◆ Proprietary schools: 85/15 Rule now 90/10 Rule

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***Institutional Eligibility: Certification***

- ◆ Eligible telecommunications programs may include certificate programs
- ◆ Restrictions:
  - Not considered a correspondence program
  - Less than 50% of school's courses are telecom or correspondence
  - 50% or more of school's programs lead to a degree

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***85/15 Rule***

- ◆ BEFORE:  
85% limit of Title IV funds as proportion of revenue
- ◆ AFTER:  
90% limit of Title IV funds as proportion of revenue
- ◆ WHEN:  
School's first fiscal year that includes October 1, 1998

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***Institutional Eligibility: Certification***

- ◆ Schools keep copy of contract with any financial aid service providers or loan servicers

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### ***Institutional Eligibility: Certification***

- ◆ Site visits for certification & recertification:
  - Permitted (not mandatory)
  - ED must coordinate visit with other entities
  - ED is not authorized to charge fee for expenses

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### ***Institutional Eligibility: Recertification***

- ◆ ED must notify six months before eligibility expires
- ◆ Period extended to six years

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### ***Institutional Eligibility: Change of Ownership***

- ◆ ED may provisionally certify on a monthly basis
- ◆ Must develop a 2 year default management plan, unless
  - cohort default rate is 10% or less, and
  - new owner does not own nor has not owned a school with a cohort default rate greater than 10%

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***Institutional Eligibility:  
Voter Registration***

◆ If a school is located in a state exempt from section 4 (b) of the National Voter Registration Act it must:

- Request mail voter registration forms from the state and distribute them to students enrolled in degree programs, and
- Make such forms available to all students

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***Institutional Eligibility:  
Program Reviews***

◆ Program review selection factors:

- Top 25% cohort default > 25%
- Top 25% loan \$ in default
- Large fluctuations in Stafford, Direct Loan and/or Pell Grant volume
- Reported by states to have deficiencies or problems
- Determined by ED as at risk

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***Institutional Eligibility:  
Program Reviews***

◆ ED must provide:

- Guidelines and procedures
- Information on adverse findings

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### ***Institutional Eligibility: Default Rate***

- ◆ Program costs of lost appeal borne by institution
- ◆ ED considers mitigating circumstances
- ◆ Schools granted access to default records

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### ***Administrative Requirements: Reporting***

- ◆ Information dissemination by July 1
- ◆ Completion and graduation rates
- ◆ Annual revenue and expense reporting

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### ***Administrative Requirements: Reporting***

- ◆ Reportable campus crimes expanded:
  - Manslaughter, arson, referrals for disciplinary action due to drug related or liquor law violations, or weapons possession
  - Crimes motivated by prejudice
  - Crimes that occur near campuses

3-15

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### **Administrative Requirements: Reporting**

- ◆ Campus crime (continued)
  - Schools must maintain daily log
  - ED can fine schools
  - Schools can withhold information in certain circumstances

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### **Administrative Requirements: Reporting**

- ◆ ED to publish an annual report, comparing college tuition and fees
  - Schools to provide timely/ accurate data
  - Or be subject to a \$25,000 fine

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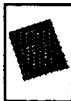
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### **Quality Assurance**

BEFORE:

- ◆ Alternative systems and procedures limited to verification
- ◆ ED could waive any verification requirement

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### Quality Assurance

**AFTER:**

- ◆ Alternative systems now also include:
  - Processing and disbursement of funds
  - Loan entrance and exit counseling
- ◆ Selection criteria ensure more diversity among participating schools

**WHEN**

- ◆ Effective: October 1, 1998



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### Experimental Sites

**BEFORE:**

- ◆ ED had autonomy selecting participants
- ◆ ED had limited authority granting regulatory waivers



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### Experimental Sites

**AFTER:**

- ◆ ED must consult with Congress
- ◆ Has broader authority to grant regulatory relief
- ◆ Results of experiments will influence future amendments to Higher Education Act



3-21

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### ***Experimental Sites***

WHEN:

- ◆ Sites participating as of October 7, 1998 must meet new provisions by June 30, 1999 to continue
- ◆ ED must report to Congress on prior experiments by April 7, 1999



3-22

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### ***Distance Education Demonstration Programs***

Purpose:

- ◆ Test quality and viability of distance programs,
- ◆ Increase access to higher education, and
- ◆ Determine
  - Best means of instruction
  - Regulatory relief needed
  - Appropriate level of student aid

3-23

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### ***Distance Education Demonstration Programs***

Participation:

- ◆ Up to 15 projects the first year
- ◆ Up to 35 additional projects the third year
- ◆ See <http://www.ed.gov/offices/OPE/PPI/DistEd> for details

3-24

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**Distance Education  
Demonstration Programs**

Participating schools will:

- ◆ Provide data for project
- ◆ Have regulations that hinder distance education waived

3-25

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**Distance Education  
Demonstration Programs**

ED will:

- ◆ Publish list of participant programs
- ◆ Report results to Congress
- ◆ Use results to improve regulations regarding distance education

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**Institutional Eligibility:  
Accreditation**

Accrediting Bodies

- ◆ Must assess distance learning programs
- ◆ Not required to consider tuition and fees in relation to subject matter
- ◆ Not required to make unannounced visits to vocational and training schools
- ◆ Can make unannounced visits to problem schools
- ◆ Authorized to take corrective steps, within a twelve-month timeframe, in lieu of termination

3-27

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***Institutional Eligibility:  
Accreditation***  
**The Department of Education**

- ◆ Must determine the scope of recognition for an agency
- ◆ Will include accreditation of schools offering distance education programs if such programs are included in the scope
- ◆ Must maintain information associated with the accreditation process
- ◆ Must make public the reason for denying recognition of an agency

3-28

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***Return of Funds***

- ◆ Penalty assessed for willful failure to return funds (not tied to new provisions)
- ◆ Applies to unreturned funds first required to be returned 90 days after 10/7/1998
- ◆ Substantial control: high level executive (e.g. president or other CEO, owner, CFO)

3-29

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***Refunds/ Repayments***

BEFORE:

- ◆ Required to compare 3 policies
- ◆ Only first-year students pro-rata
- ◆ Federal policy applied to non-federal funds



3-30

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### **Return of Title IV Funds**

AFTER:

- ◆ One simplified policy for all
- ◆ Applies only to Title IV funds
- ◆ Student grant repayment limited to 50%



3-31

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### **Return of Title IV Funds**

WHEN:

- ◆ Options:
  - October 7, 2000
  - Before



3-32

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### **Step 1: Basic Information**

Number of Days/ Hours Completed  
÷ Number of Days/ Hours in Period  
= Percentage Earned\*  
\* 100% if greater than 60%

100% - Percentage Earned = Percentage Unearned

3-33

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### Withdrawal Date

One of the following:

- ◆ Date from attendance records
- ◆ When student began withdrawal process
- ◆ When student provided official notification of intent to withdraw
- ◆ Period midpoint or later as determined by the school

3-34

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### Step 2: Determine Amount of Earned Title IV Aid

Percentage Earned

$$X \text{ Total Title IV Disbursement} \\ = \text{Amount of Earned Title IV Aid}$$

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### Step 3: Determine Amount of Unearned Title IV Aid

Percentage Unearned

$$X \text{ Total Title IV Disbursement} \\ = \text{Amount of Unearned Title IV Aid}$$

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### Step 4: Determine Title IV Aid to be Disbursed

Amount of Earned Title IV Aid  
 - Actual Title IV Disbursement  
 = Disbursement Due

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### Step 5: Determine Title IV Aid to be Returned

Actual Title IV Disbursement  
 - Amount of Earned Title IV Aid  
 = Total Amount of Title IV Aid to be Returned

3-38

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### Step 6: Calculate School's Responsibility

Lesser of:  
 Amount of Unearned Title IV Aid  
 and  
 Institutional Charges X Percentage  
 Unearned  
 = School's Responsibility

3-39

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### Step 7: Determine Amount School Returns by Program

#### Loans

1. Unsubsidized Federal Stafford loans
2. Subsidized Federal Stafford loans
3. Unsubsidized Direct Stafford loans
4. Subsidized Direct Stafford loans
5. Perkins loans
6. Federal PLUS loans
7. Direct PLUS loans

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### Step 7: Determine Amount School Returns by Program

#### Grants

8. Federal Pell Grant
9. Federal SEOG
10. Other Title IV Assistance

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### Step 8: Determine Student's Responsibility

Amount of Unearned Title IV Aid

- School's Responsibility
- = Student's Responsibility

342

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### Step 9: Determine Amount Student Returns by Program

#### Loans

1. Unsubsidized Federal Stafford loans\*
2. Subsidized Federal Stafford loans\*
3. Unsubsidized Direct Stafford loans\*
4. Subsidized Direct Stafford loans\*
5. Perkins loans\*
6. Federal PLUS loans\*
7. Direct PLUS loans\*

\*In accordance with terms of promissory note

3-43

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### Step 9: Determine Amount Student Returns by Program

#### Grants

8. Federal Pell Grant x 50%
9. Federal SEOG x 50%
10. Other Title IV Assistance

3-44

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### Leave of Absence

Student not withdrawn if:

- ◆ School has a formal leave of absence policy, and
- ◆ Policy was followed when:
  - Student requested leave
  - School granted leave

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4/7

## Case Study #1

### School Profile

Filmore University is a four-year college. FU participates in Federal Pell, Title IV campus-based and FFEL programs. The academic year for all programs consists of two semesters, each eighteen weeks in length. Coursework is measured in credit hours.

### Student Profile

Jane Rushton enrolled for the fall semester at Filmore University. Her costs for the semester are as follows (charges paid directly to the college are indicated with an asterisk):

Tuition & fees*	\$7,000
Room & board*	\$3,000
Books & supplies	\$450
Transportation	\$350
Personal expenses	\$300

Jane was awarded the following aid for the year:

Federal Pell	\$2,150
Federal SEOG	\$1,500
Federal Stafford Loan (subsidized)	\$2,625
Federal Work Study	\$1,500
Filmore Scholarship	\$5,000

The semester began on August 17 and the last day of the semester is December 20, 125 calendar days later. On October 25, 69 calendar days after the semester began, Jane officially withdrew from all her courses and stopped attending classes.

### Disbursement and Payments

The following aid had been disbursed to her student account at the school:

Pell	\$1,075
SEOG	\$750
Federal Stafford Loan	\$1,260
Filmore Scholarship	\$2,500

All aid was disbursed that could have been disbursed during the payment period. She had earned Federal Work-Study each week.



## Treatment of Title IV Funds When a Student Withdraws

Student's Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

### STEP 1: Basic Information

	Disbursed	Could Have Been Disbursed		Disbursed	Could Have Been Disbursed
Unsubsidized Federal Stafford Loans _____	_____	_____	Federal PLUS _____	_____	_____
Subsidized Federal Stafford Loans _____	_____	_____	Direct PLUS _____	_____	_____
Unsubsidized Direct Stafford Loans _____	_____	_____	Pell Grants _____	_____	_____
Subsidized Direct Stafford Loans _____	_____	_____	FSEOG _____	_____	_____
Perkins Loan _____	_____	_____	Other Title IV programs _____	_____	_____
			Do not include FWS.		

A. Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment A

B. Total Title IV aid disbursed, or that could have been disbursed, for the payment period or period of enrollment B

C. Percentage of payment period or period of enrollment completed

- If school is not required to take attendance and student withdrew without notification, enter 50% in line C (or the school may choose to use a documented attendance date that is past the 50% point).

Withdrawal date \_\_\_\_\_ Payment period or period of enrollment start date and end date \_\_\_\_\_

Calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment OR  ÷

Clock hours completed in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment  ÷  C

D. Institutional charges for the payment period or period of enrollment D

E. Percentage of Title IV aid earned (equal to line C up to 60%, otherwise 100%) E

F. Percentage of Title IV aid unearned (100% - line E) F

### STEP 2: Amount of Title IV Aid Earned by the Student

G. Percentage of Title IV aid earned (line E) x Title IV aid disbursed or could have been disbursed for the payment period or period of enrollment (line B)  x  G   
line E line B

### STEP 3: Amount of Title IV Aid Unearned by the Student

H. Percentage of Title IV aid unearned (line F) x Title IV aid disbursed or could have been disbursed for the payment period or period of enrollment (line B)  x  H   
line F line B

### STEP 4: Total Title IV Aid to be Disbursed

I. If the amount of Title IV aid earned (line G) is greater than the amount of Title IV aid disbursed for the payment period or period of enrollment (line A), subtract Title IV aid disbursed for the payment period or period of enrollment (line A) from the amount of Title IV aid earned (line G). This is the amount of the disbursement due.  -  I   
line G line A

If a disbursement is due, do not complete steps 5-9.

**STEP 5: Total Unearned Title IV Aid to be Returned**

J. If the amount of Title IV aid earned (line G) is less than the amount of Title IV aid disbursed for the payment period or period of enrollment (line A), subtract the amount of Title IV aid earned (line G) from Title IV aid disbursed for the payment period or period of enrollment (line A). This is the amount of Title IV aid that must be returned.

[ ]	-	[ ]		J	[ ]
line A		line G			

**STEP 6: Amount of Unearned Title IV Aid Due from the SCHOOL**

K. Multiply institutional charges for the payment period or period of enrollment (line D) times the percentage of Title IV aid unearned (line F)

[ ]	x	[ ]		K	[ ]
line D		line F			

L. Compare the amount of Title IV aid unearned (line H) to line K and enter the lesser amount.

L	[ ]
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**STEP 7: Return of Funds by the SCHOOL**

The school must return the unearned aid for which the school is responsible (line L) by repaying funds to the following sources, in order, up to the total received from each source until the amount in line L is reached.

	Amount for School to return	Amount Remaining for the Program		Amount for School to return	Amount Remaining for the Program
Unsubsidized Federal Stafford Loans	_____	_____	Federal PLUS	_____	_____
Subsidized Federal Stafford Loans	_____	_____	Direct PLUS	_____	_____
Unsubsidized Direct Stafford Loans	_____	_____	Pell Grants	_____	_____
Subsidized Direct Stafford Loans	_____	_____	FSEOG	_____	_____
Perkins Loan	_____	_____	Other Title IV programs	_____	_____

**STEP 8: Amount of Unearned Title IV Due from the STUDENT**

M. The amount of Title IV aid unearned to be returned (line J) – the amount of Title IV aid due from the school (line L)

[ ]	-	[ ]		M	[ ]
line J		line L			

**STEP 9: Return of Funds by the STUDENT**

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (line M) in the following order:

	Amount for Student to return	Amount Remaining for the Program	Initial amount to return	Amount for Student to return	Amount Remaining for the Program
Unsubsidized Federal Stafford Loans*	_____	_____	Pell Grants	_____ x 50%=	_____
Subsidized Federal Stafford Loans*	_____	_____	FSEOG	_____ x 50%=	_____
Unsubsidized Direct Stafford Loans*	_____	_____	Other Title IV programs	_____	_____
Subsidized Direct Stafford Loans*	_____	_____	(x 50% for grant funds)	_____	_____
Perkins Loan*	_____	_____			
Federal PLUS*	_____	_____			
Direct PLUS*	_____	_____			

\*Loan amounts are returned in accordance with the terms of the loan.

## Case Study #2

### School Profile

Ferndale Community College (FCC) offers one and two year programs. FCC participates in the Federal Pell and FFEL programs. The academic year consists of four quarters, each eight weeks in length.

### Student Profile

Wade Fox enrolled for the fall quarter at FCC and rented an apartment off campus. His costs for the quarter are as follows (charges paid directly to the college are indicated with an asterisk):

Tuition & fees*	\$700
Room & board	\$1,300
Books & supplies	\$250
Transportation	\$200
Personal expenses	\$400

Wade was awarded the following aid for the year:

Federal Pell	\$2,150
Federal Stafford Loan (subsidized)	\$3,500
State Grant (non-SSIG)	\$1,200

The quarter began on August 24, and the last day of the quarter is October 18, 55 calendar days later. Wade stopped attending classes September 10, 17 calendar days after the quarter began. He didn't officially withdraw until September 23, 30 calendar days after the quarter began. Since attendance is not taken, his absence went unnoticed by faculty and administration of the college between September 10 and 23.

### Disbursement and Payments

The following aid was disbursed or paid:

Stafford Loan (subsidized)	\$840
Federal Pell	\$538
State Grant	\$400

All aid was disbursed that could have been disbursed.

## Treatment of Title IV Funds When a Student Withdraws

Student's Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

### STEP 1: Basic Information

	Disbursed	Could Have Been Disbursed		Disbursed	Could Have Been Disbursed
Unsubsidized Federal Stafford Loans _____	_____	_____	Federal PLUS	_____	_____
Subsidized Federal Stafford Loans _____	_____	_____	Direct PLUS	_____	_____
Unsubsidized Direct Stafford Loans _____	_____	_____	Pell Grants	_____	_____
Subsidized Direct Stafford Loans _____	_____	_____	FSEOG	_____	_____
Perkins Loan _____	_____	_____	Other Title IV programs	_____	_____
			Do not include FWS.		

A. Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment A

B. Total Title IV aid disbursed, or that could have been disbursed, for the payment period or period of enrollment B

C. Percentage of payment period or period of enrollment completed

- If school is not required to take attendance and student withdrew without notification, enter 50% in line C (or the school may choose to use a documented attendance date that is past the 50% point).

Withdrawal date \_\_\_\_\_ Payment period or period of enrollment start date and end date \_\_\_\_\_

Calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment OR  ÷

Clock hours completed in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment  ÷  C

D. Institutional charges for the payment period or period of enrollment D

E. Percentage of Title IV aid earned (equal to line C up to 60%, otherwise 100%) E

F. Percentage of Title IV aid unearned (100% - line E) F

### STEP 2: Amount of Title IV Aid Earned by the Student

G. Percentage of Title IV aid earned (line E) x Title IV aid disbursed or could have been disbursed for the payment period or period of enrollment (line B) G   
line E x line B

### STEP 3: Amount of Title IV Aid Unearned by the Student

H. Percentage of Title IV aid unearned (line F) x Title IV aid disbursed or could have been disbursed for the payment period or period of enrollment (line B) H   
line F x line B

### STEP 4: Total Title IV Aid to be Disbursed

I. If the amount of Title IV aid earned (line G) is greater than the amount of Title IV aid disbursed for the payment period or period of enrollment (line A), subtract Title IV aid disbursed for the payment period or period of enrollment (line A) from the amount of Title IV aid earned (line G). This is the amount of the disbursement due. I   
line G - line A

If a disbursement is due, do not complete steps 5-9.

**STEP 5: Total Unearned Title IV Aid to be Returned**

J. If the amount of Title IV aid earned (line G) is less than the amount of Title IV aid disbursed for the payment period or period of enrollment (line A), subtract the amount of Title IV aid earned (line G) from Title IV aid disbursed for the payment period or period of enrollment (line A). This is the amount of Title IV aid that must be returned.

—   
 line A                      line G

J

**STEP 6: Amount of Unearned Title IV Aid Due from the SCHOOL**

K. Multiply institutional charges for the payment period or period of enrollment (line D) times the percentage of Title IV aid unearned (line F)

x   
 line D                      line F

K

L. Compare the amount of Title IV aid unearned (line H) to line K and enter the lesser amount.

L

**STEP 7: Return of Funds by the SCHOOL**

The school must return the unearned aid for which the school is responsible (line L) by repaying funds to the following sources, in order, up to the total received from each source until the amount in line L is reached.

	Amount for School to return	Amount Remaining for the Program		Amount for School to return	Amount Remaining for the Program
Unsubsidized Federal Stafford Loans	_____	_____	Federal PLUS	_____	_____
Subsidized Federal Stafford Loans	_____	_____	Direct PLUS	_____	_____
Unsubsidized Direct Stafford Loans	_____	_____	Pell Grants	_____	_____
Subsidized Direct Stafford Loans	_____	_____	FSEOG	_____	_____
Perkins Loan	_____	_____	Other Title IV programs	_____	_____

**STEP 8: Amount of Unearned Title IV Due from the STUDENT**

M. The amount of Title IV aid unearned to be returned (line J) – the amount of Title IV aid due from the school (line L)

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 line J                      line L

M

**STEP 9: Return of Funds by the STUDENT**

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (line M) in the following order:

	Amount for Student to return	Amount Remaining for the Program	Initial amount to return	Amount for Student to return	Amount Remaining for the Program
Unsubsidized Federal Stafford Loans*	_____	_____	Pell Grants	_____ x 50%=	_____
Subsidized Federal Stafford Loans*	_____	_____	FSEOG	_____ x 50%=	_____
Unsubsidized Direct Stafford Loans*	_____	_____	Other Title IV programs	_____	_____
Subsidized Direct Stafford Loans*	_____	_____	(x 50% for grant funds)	_____	_____
Perkins Loan*	_____	_____			
Federal PLUS*	_____	_____			
Direct PLUS*	_____	_____			

\*Loan amounts are returned in accordance with the terms of the loan.

## **Case Study #3**

### **School Profile**

Technical Institute offers 900- and 1200-clock hour programs and charges for the entire program at the time of enrollment. The 900-hour program lasts for 30 weeks and is divided into two payment periods (450 hours each). The 1200-hour program is 40 weeks long and is divided into 3 payment periods: 450 hours, 450 hours and 400 hours.

### **Student Profile**

Geraldine Hayes enrolled in a 900-hour program at Technical. She rents an apartment, and her costs for the program are as follows (charges paid directly to the school are indicated with an asterisk):

Tuition & fees*	\$3,800
Room & board	\$2,800
Books & supplies	\$650
Transportation	\$900
Personal expenses	\$400

Geraldine was awarded the following aid for the year:

Federal SEOG	\$2,000
Federal Pell	\$2,300

Geraldine began her program on February 19 and withdrew on July 14 after completing 450 clock hours (50% of the program).

### **Disbursement and Payments**

The following aid was disbursed to Geraldine and her parents:

Federal SEOG	\$2,000
Federal Pell Grant	\$2,300

All aid was disbursed that could have been disbursed in the payment period.

## Treatment of Title IV Funds When a Student Withdraws

Student's Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

### STEP 1: Basic Information

	Disbursed	Could Have Been Disbursed		Disbursed	Could Have Been Disbursed
Unsubsidized Federal Stafford Loans _____	_____	_____	Federal PLUS	_____	_____
Subsidized Federal Stafford Loans _____	_____	_____	Direct PLUS	_____	_____
Unsubsidized Direct Stafford Loans _____	_____	_____	Pell Grants	_____	_____
Subsidized Direct Stafford Loans _____	_____	_____	FSEOG	_____	_____
Perkins Loan _____	_____	_____	Other Title IV programs	_____	_____
			Do not include FWS.		

A. Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment A

B. Total Title IV aid disbursed, or that could have been disbursed, for the payment period or period of enrollment B

C. Percentage of payment period or period of enrollment completed

If school is not required to take attendance and student withdrew without notification, enter 50% in line C (or the school may choose to use a documented attendance date that is past the 50% point).

Withdrawal date \_\_\_\_\_ Payment period or period of enrollment start date and end date \_\_\_\_\_

Calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment OR  ÷

Clock hours completed in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment C

D. Institutional charges for the payment period or period of enrollment D

E. Percentage of Title IV aid earned (equal to line C up to 60%, otherwise 100%) E

F. Percentage of Title IV aid unearned (100% - line E) F

### STEP 2: Amount of Title IV Aid Earned by the Student

G. Percentage of Title IV aid earned (line E) x Title IV aid disbursed or could have been disbursed for the payment period or period of enrollment (line B) G

line E x line B

### STEP 3: Amount of Title IV Aid Unearned by the Student

H. Percentage of Title IV aid unearned (line F) x Title IV aid disbursed or could have been disbursed for the payment period or period of enrollment (line B) H

line F x line B

### STEP 4: Total Title IV Aid to be Disbursed

I. If the amount of Title IV aid earned (line G) is greater than the amount of Title IV aid disbursed for the payment period or period of enrollment (line A), subtract Title IV aid disbursed for the payment period or period of enrollment (line A) from the amount of Title IV aid earned (line G). This is the amount of the disbursement due. I

line G - line A

If a disbursement is due, do not complete steps 5-9.

**STEP 5: Total Unearned Title IV Aid to be Returned**

J. If the amount of Title IV aid earned (line G) is less than the amount of Title IV aid disbursed for the payment period or period of enrollment (line A), subtract the amount of Title IV aid earned (line G) from Title IV aid disbursed for the payment period or period of enrollment (line A). This is the amount of Title IV aid that must be returned.

-  J   
 line A                      line G

**STEP 6: Amount of Unearned Title IV Aid Due from the SCHOOL**

K. Multiply institutional charges for the payment period or period of enrollment (line D) times the percentage of Title IV aid unearned (line F)

x  K   
 line D                      line F

L. Compare the amount of Title IV aid unearned (line H) to line K and enter the lesser amount.

L

**STEP 7: Return of Funds by the SCHOOL**

The school must return the unearned aid for which the school is responsible (line L) by repaying funds to the following sources, in order, up to the total received from each source until the amount in line L is reached.

	Amount for School to return	Amount Remaining for the Program		Amount for School to return	Amount Remaining for the Program
Unsubsidized Federal Stafford Loans	_____	_____	Federal PLUS	_____	_____
Subsidized Federal Stafford Loans	_____	_____	Direct PLUS	_____	_____
Unsubsidized Direct Stafford Loans	_____	_____	Pell Grants	_____	_____
Subsidized Direct Stafford Loans	_____	_____	FSEOG	_____	_____
Perkins Loan	_____	_____	Other Title IV programs	_____	_____

**STEP 8: Amount of Unearned Title IV Due from the STUDENT**

M. The amount of Title IV aid unearned to be returned (line J) – the amount of Title IV aid due from the school (line L)

-  M   
 line J                      line L

**STEP 9: Return of Funds by the STUDENT**

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (line M) in the following order:

	Amount for Student to return	Amount Remaining for the Program	Initial amount to return	Amount for Student to return	Amount Remaining for the Program
Unsubsidized Federal Stafford Loans*	_____	_____	Pell Grants	_____ x 50%=	_____
Subsidized Federal Stafford Loans*	_____	_____	FSEOG	_____ x 50%=	_____
Unsubsidized Direct Stafford Loans*	_____	_____	Other Title IV programs	_____	_____
Subsidized Direct Stafford Loans*	_____	_____	(x 50% for grant funds)	_____	_____
Perkins Loan*	_____	_____			
Federal PLUS*	_____	_____			
Direct PLUS*	_____	_____			

\*Loan amounts are returned in accordance with the terms of the loan.



## Treatment of Title IV Funds When a Student Withdraws

Student's Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

### STEP 1: Basic Information

	Disbursed	Could Have Been Disbursed		Disbursed	Could Have Been Disbursed
Unsubsidized Federal Stafford Loans	_____	_____	Federal PLUS	_____	_____
Subsidized Federal Stafford Loans	_____	_____	Direct PLUS	_____	_____
Unsubsidized Direct Stafford Loans	_____	_____	Pell Grants	_____	_____
Subsidized Direct Stafford Loans	_____	_____	FSEOG	_____	_____
Perkins Loan	_____	_____	Other Title IV programs	_____	_____
			Do not include FWS.		

A. Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment A

B. Total Title IV aid disbursed, or that could have been disbursed, for the payment period or period of enrollment B

C. Percentage of payment period or period of enrollment completed

If school is not required to take attendance and student withdrew without notification, enter 50% in line C (or the school may choose to use a documented attendance date that is past the 50% point).

Withdrawal date \_\_\_\_\_ Payment period or period of enrollment start date and end date \_\_\_\_\_

Calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment OR  ÷

Clock hours completed in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment  ÷  C

D. Institutional charges for the payment period or period of enrollment D

E. Percentage of Title IV aid earned (equal to line C up to 60%, otherwise 100%) E

F. Percentage of Title IV aid unearned (100% - line E) F

### STEP 2: Amount of Title IV Aid Earned by the Student

G. Percentage of Title IV aid earned (line E) x Title IV aid disbursed or could have been disbursed for the payment period or period of enrollment (line B)  x  G   
line E line B

### STEP 3: Amount of Title IV Aid Unearned by the Student

H. Percentage of Title IV aid unearned (line F) x Title IV aid disbursed or could have been disbursed for the payment period or period of enrollment (line B)  x  H   
line F line B

### STEP 4: Total Title IV Aid to be Disbursed

I. If the amount of Title IV aid earned (line G) is greater than the amount of Title IV aid disbursed for the payment period or period of enrollment (line A), subtract Title IV aid disbursed for the payment period or period of enrollment (line A) from the amount of Title IV aid earned (line G). This is the amount of the disbursement due.  -  I   
line G line A

If a disbursement is due, do not complete steps 5-9.

**STEP 5: Total Unearned Title IV Aid to be Returned**

J. If the amount of Title IV aid earned (line G) is less than the amount of Title IV aid disbursed for the payment period or period of enrollment (line A), subtract the amount of Title IV aid earned (line G) from Title IV aid disbursed for the payment period or period of enrollment (line A). This is the amount of Title IV aid that must be returned.

—       J   
line A                      line G

**STEP 6: Amount of Unearned Title IV Aid Due from the SCHOOL**

K. Multiply institutional charges for the payment period or period of enrollment (line D) times the percentage of Title IV aid unearned (line F)

x       K   
line D                      line F

L. Compare the amount of Title IV aid unearned (line H) to line K and enter the lesser amount.      L

**STEP 7: Return of Funds by the SCHOOL**

The school must return the unearned aid for which the school is responsible (line L) by repaying funds to the following sources, in order, up to the total received from each source until the amount in line L is reached.

	Amount for School to return	Amount Remaining for the Program		Amount for School to return	Amount Remaining for the Program
Unsubsidized Federal Stafford Loans	_____	_____	Federal PLUS	_____	_____
Subsidized Federal Stafford Loans	_____	_____	Direct PLUS	_____	_____
Unsubsidized Direct Stafford Loans	_____	_____	Pell Grants	_____	_____
Subsidized Direct Stafford Loans	_____	_____	FSEOG	_____	_____
Perkins Loan	_____	_____	Other Title IV programs	_____	_____

**STEP 8: Amount of Unearned Title IV Due from the STUDENT**

M. The amount of Title IV aid unearned to be returned (line J) – the amount of Title IV aid due from the school (line L)

—       M   
line J                      line L

**STEP 9: Return of Funds by the STUDENT**

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (line M) in the following order:

	Amount for Student to return	Amount Remaining for the Program	Initial amount to return	Amount for Student to return	Amount Remaining for the Program
Unsubsidized Federal Stafford Loans*	_____	_____	Pell Grants	_____ x 50%=	_____
Subsidized Federal Stafford Loans*	_____	_____	FSEOG	_____ x 50%=	_____
Unsubsidized Direct Stafford Loans*	_____	_____	Other Title IV programs	_____	_____
Subsidized Direct Stafford Loans*	_____	_____	(x 50% for grant funds)		
Perkins Loan*	_____	_____			
Federal PLUS*	_____	_____			
Direct PLUS*	_____	_____			

\*Loan amounts are returned in accordance with the terms of the loan.

**Effective Dates for Reauthorization Provisions in Session 3**

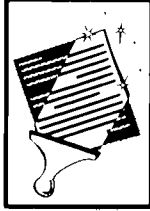
Provision	Effective Date			
	10/1/98	10/7/98	2000-2001 Award Year	Other Date
Definition of Institution of Higher Education	✓			
85/15 Rule Changed to 90/10 Rule				First fiscal year that includes 10/01/1998
Telecommunication certificate programs	✓			
Contracts With Financial Aid Service Provider/ Loan Servicer	✓			
Site Visits	✓			
Notification of Expiration	✓			
Change of Ownership	✓			
Voter Registration	✓			
Recertification Schedule	✓			
Changes Affecting Program Reviews	✓			
Changes Affecting FFEL and Perkins Default Rate	✓			
Changes Affecting reporting Requirements	✓			
Information Provided by ED				End of 1999-2000
Quality Assurance	✓			
Experimental Sites		✓		
Distance Education Demonstration Programs	✓			
Changes Affecting Accreditation	✓			
Return of Title IV Funds				October 7, 2000, or earlier

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Session 4



# ***Changes in Federal Pell Grant and Campus-Based Programs***

JAN 1994

## ***Objectives***

In this session we will discuss changes to the Federal Pell Grant and campus-based programs.

In this session, you will learn:

- 1.** About changes made to the Federal Pell Grant Program, including changes to the need analysis formula.
- 2.** That a number of changes in the Higher Education Act affect all campus-based programs, particularly a new way to allocate program funds.
- 3.** What changes have been made to the Federal Perkins Loan Program.
- 4.** About revisions of the guidelines related to community service requirements under the Federal Work Study program, and other modifications to the program.
- 5.** That a change has been made to the FSEOG Program.



### Session 4: Changes in Federal Pell Grant and Campus-Based Programs

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### Session 4 Objectives

Learn about changes to:

- ◆ Federal Pell Grant
- ◆ Campus-based common elements
- ◆ Federal Perkins Loan
- ◆ Federal Work Study
- ◆ Federal Supplemental Opportunity Grant

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### Federal Pell Grant: Tuition Sensitivity

BEFORE:

- ◆ \$750 set allowance for dependent care/ disability expenses
- ◆ COA \$2400 or higher

AFTER:

- ◆ No set allowance
- ◆ COA \$2700 or higher

WHEN:

- ◆ Effective 1999-2000 award year

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### **Federal Pell Grant: Exclusion for High Default Rate**

BEFORE:

- ◆ High default rate did not automatically exclude

AFTER:

- ◆ Schools excluded from Pell for high default rate in loan programs

WHEN:

- ◆ Effective upon publication of FY96 rate

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### **Campus-based Programs: Allocation Formula**

BEFORE:

- ◆ Base guarantee+pro-rata share + fair share (1985-86 award +25% new +75% new)

AFTER:

- ◆ Base guarantee + fair share (1999-2000 award +100% new)

WHEN:

- ◆ Effective 2000-2001 award year

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### **Campus-based Programs: Awards to Independent & Less Than Full-time Students**

BEFORE:

- ◆ %5

AFTER:

- ◆ Reasonable share

WHEN:

- ◆ Effective 2000-2001 award year

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### Federal Perkins Loan: Award Limits

BEFORE:

	Annual	Aggregate
Graduate	\$5,000	\$30,000
Undergraduate	\$3,000	\$15,000

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### Federal Perkins Loan: Award Limits

AFTER:

	Annual	Aggregate
Graduate	\$6,000	\$40,000
Undergraduate		
-All	\$4,000	
After 2 years		\$20,000
1st 2 years		\$ 8,000

WHEN:

- ◆ Effective October 1, 1998

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### Perkins Deferments/ Cancellations

BEFORE:

- ◆ Eligibility based on when loan was made

AFTER:

- ◆ Simplified: Available to all borrowers for all Perkins loans

WHEN:

- ◆ Effective: October 7, 1998

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### Federal Perkins Loan Default Rate

BEFORE:

- ◆ Default rate 25-30%: FCC reduced by 30%
- ◆ Default rate  $\geq 30\%$ : No FCC

AFTER:

- ◆ Default rate  $\geq 25\%$ : No FCC

WHEN:

- ◆ Effective: 2000-2001 Award year

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### Federal Perkins Loan Default Rate

BEFORE:

- ◆ Default rate alone would not trigger loss of eligibility

AFTER:

- ◆ Default rate alone could trigger loss of eligibility

WHEN:

- ◆ Effective: 2000-2001 Award year

4-11

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### Federal Perkins Loan Default Rate

- ◆ Schools ineligible to participate must return loan program funds for reallocation to eligible schools

- ◆ ED can waive loss of eligibility to participate in certain cases

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**Federal Perkins Loan:  
Default Rate Calculation**

- ◆ Revised to exclude:
  - Loans on which the borrower has made consecutive payments or payments to bring the loan current
  - Loans paid in full
  - Rehabilitated or cancelled loans

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**Federal Perkins Loan:  
Default Rate Calculation**

- ◆ Revised to exclude:
  - Loans on which the borrower has received a forbearance or deferment
  - Other loans, as determined by the Secretary
- ◆ Improperly serviced loans no longer excluded

4-14

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**Federal Perkins Loan**

- ◆ Schools with fewer than 100 borrowers and default rate less than 20% not required to file default reduction plan
- ◆ Schools can offer repayment incentive programs
- ◆ Active military service (up to 3 years) is excluded from grace period

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### ***FWS Community Service***

BEFORE:

- ◆ 5% of Allocation

AFTER:

- ◆ 7% of Allocation

WHEN:

- ◆ Effective: 2000-2001 award year

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### ***FWS: Community Service***

BEFORE:

- ◆ Positions could not benefit school

AFTER:

- ◆ Clarification: Child care & services to students with disabilities may qualify

WHEN:

- ◆ Effective October 1, 1998

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### ***FWS: Community Service***

BEFORE:

- ◆ Students paid only for hours performing service

AFTER:

- ◆ Students can also be paid for training and travel

WHEN:

- ◆ Effective 1999-2000 award year

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**FWS: Promoting Literacy**

BEFORE:  
 ◆ No requirement

AFTER:  
 ◆ At least one reading tutoring/ family literacy project required

WHEN:  
 ◆ Effective 2000-2001 award year

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**FWS: Crediting the Student's Account**

BEFORE:  
 ◆ Payroll check only

AFTER:  
 ◆ Direct deposit to student's bank account  
 ◆ Crediting the student's school account

WHEN:  
 ◆ Effective: October 1, 1998

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**FWS: Federal Share**

BEFORE:  
 ◆ Generally, 75% federal share limit

AFTER:  
 ◆ up to 90% federal share for up to 10% of students at certain jobs

WHEN:  
 ◆ Effective: October 1, 1998

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### ***FWS Other Provisions***

- ◆ Employment may include practica, internships, and research assistantships
  - ◆ Eliminated: requirement to make equivalent non-FWS jobs available
- Effective October 1, 1998

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### ***FSEOG***

BEFORE:

- ◆ No authority to carry forward/ carry back

AFTER:

- ◆ Authority to carry forward/ carry back

WHEN:

- ◆ Effective; October 1, 1998

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### ***Session 4 Review***

Learn about changes to:

- ◆ Federal Pell Grant
- ◆ Campus-based common elements
- ◆ Federal Perkins Loan
- ◆ Federal Work Study
- ◆ Federal Supplemental Opportunity Grant

4-24

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## Session 4 Exercise

*For each of the positions listed below, let's determine whether or not it would meet the new and old standards for inclusion as a community service position under the Federal Work Study Program:*

### **File clerk in the institution's Office of Financial Aid.**

**Before:** No.

*The position primarily benefits the institution.*

**After:** No.

*The position still primarily benefits the institution and its current or prospective students. If the position involved community outreach, such as helping anyone by providing information or assistance in applying for financial aid at any school, it might better fit community service guidelines.*

### **Reading tutor at local public elementary school**

**Before:** Yes

**After:** Yes.

*This position would also satisfy the mandate that the school place students in at least one literacy project.*

*This position might possibly be eligible for reduced non-federal share, if all conditions were met. These conditions are: (1) the employer is a non-profit or government agency that is not owned or controlled by the institution; (2) the employer is unable to pay 25% of the student's compensation; and (3) fewer than 10% of FWS students are placed in jobs where the federal share is more than 75%.*



### ***Aide in an on-campus pre-school program***

The institution is private, non-profit. Employees of the institution qualify for tuition remission for their dependents enrolled in the program. Although open to the public, because of the availability of this benefit, most of the students are children of staff of faculty.

**Before:** No.

*Seen as benefiting the institution.*

**After:** Yes.

*The statute has been amended to include providing child care services on campus that are open to the public and are not-for-profit.*

### ***Reader for visually impaired students of the institution***

**Before:** No.

*Seen as primarily benefiting the institution.*

**After:** Yes.

*The statute has been amended to include providing services to students with disabilities. This supercedes any benefit to the institution.*

**Effective Dates for Reauthorization Provisions in Session 4**

Provision	Effective Date			
	10/1/98	10/7/98	2000-2001 Award Year	Other Date
Federal Pell Grant: Tuition Sensitivity				1999-2000 award year
Federal Pell Grant: Exclusion for High Default Rate				With publication of FY96 default rate
Campus-based Allocation Formula			✓	
Campus-based Awards to Independent & Less Than Full-time Students			✓	
Federal Perkins Loan: Award Limits	✓			
Perkins Deferments/ Cancellations		✓		
Perkins Loan Default Rate & FCC			✓	
Perkins Loan Default Rate & Participation			✓	
Perkins Loan Default Rate Calculation	✓			
Perkins Loan Other Provisions	✓			
Perkins Loan School Closure Discharge	✓			For loans made on or after 1/1/1986
FWS Community Service Ratio			✓	
FWS Community Service Defined	✓			
FWS Training/Travel Provision				1999-2000 award year
FSEOG Provisions				1999-2000 award year
FWS Community Service/ Literacy			✓	
FWS Payment Methods	✓			
FWS Federal Share	✓			
FWS Other Provisions	✓			







## ***Objectives***

In this session, you will learn:

- 1.** How the Department of Education plans to implement a Master Promissory Note in the Stafford loan programs.
- 2.** What changes have been made to the Stafford loan programs to streamline delivery of funds.
- 3.** About new repayment options available to student loan borrowers.
- 4.** About other new benefits being offered to students and their parents under the loan programs.



### Session 5: Changes in the Loan Programs

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### Session 5 Objectives

- ◆ Learn about the Department's plans for implementation of a Master Promissory Note
- ◆ Know what changes have been made to the Stafford Loan Programs to streamline delivery of funds

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### Session 5 Objectives

- ◆ Learn about new repayment options available to borrowers
- ◆ Understand other new benefits being offered to student loan borrowers

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### Master Promissory Note

**BEFORE:**

- ◆ Borrowers required to complete new promissory note for each loan



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### Master Promissory Note

**AFTER:**

- ◆ Higher Education Amendments authorized MPN development and use
- ◆ Guidance already available for both loan programs
  - FFEL: GEN-98-25 and GEN-99-9
  - Direct Loans: GEN-99-8



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### Master Promissory Note

**HOW:**

- ◆ New Master Promissory Note form
  - Available for first time in 1999-2000
  - Must be used in 1999-2000 at Direct Loan Schools
  - Current FFEL Application/Promissory Note can be used in 1999-2000
  - MPN only promissory note for both programs in 2000-2001



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**Master Promissory Note**

HOW:

- ◆ Initial use of MPN targeted to students likely to borrow multiple times
- ◆ Multi-year feature available to four-year and graduate/professional schools and other schools, as determined
- ◆ In both programs, MPN basically the same



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**Master Promissory Note**

HOW:

- ◆ MPN expires:
  - Date student requests the MPN not be used for additional loans
  - Twelve months after MPN was signed if no disbursements
  - After 10 years



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**Master Promissory Note**

HOW:

- ◆ Borrower must be informed of loan terms and amounts
  - Completion of MPN
  - Notification or confirmation processes



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**Master Promissory Note**

HOW:

- ◆ Notification: School, lender or guarantor notifies borrower of proposed loan package and borrower is required to take action to change package
- ◆ Confirmation: Action must be taken by borrower to confirm proposed amount or request an amount



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**Master Promissory Note**

HOW:

- ◆ Borrower must be informed
- ◆ A "Plain English Disclosure" provided for subsequent loans
  - FFEL: provided by lender
  - Direct Loans: provided by school or LOC



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**Master Promissory Note**

WHEN:

- ◆ MPN will be implemented in 1999-2000
- ◆ All borrowers will use MPN in 2000-2001



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**Information Provided by Students**

BEFORE:

- ◆ Lenders received COA, EFA, EFC, need, disbursement dates

AFTER:

- ◆ Lenders receive loan amount needed, disbursement schedule

WHEN:

- ◆ Effective October 1, 1998

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**Montgomery GI and Americorps Benefits**

BEFORE:

- ◆ GI Benefits included in need calculations; Americorps guidelines unclear

AFTER:

- ◆ New guidance for both benefits:
  - Not included in EFA for Subsidized Loans, but included in EFA for Unsubsidized Loans

WHEN:

- ◆ Provision effective October 1, 1998

3-14

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**Guaranty Agency Provisions Affecting Schools & Students**

- ◆ Guaranty agencies permitted to provide similar assistance
- ◆ GAs cannot charge for school notification of requested preclaims assistance
- ◆ Lenders required to contact schools when trying to locate borrowers
- ◆ Guarantor and lender loan marketing restrictions
- ◆ Blanket certificates of guaranty

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**Guaranty Agency Provisions**

WHEN:

- ◆ Provisions effective October 1, 1998
- ◆ Blanket certificates of guaranty concept to be tested 1999-2000; 2001, any guaranty agency may offer blanket certificates



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**FAFSA**

BEFORE:

- ◆ FFEL borrowers had to complete FAFSA and separate FFEL loan application

AFTER:

- ◆ ED can use FAFSA for all Title IV programs, except LEAP

WHEN:

- ◆ Provision effective October 1, 1998

5-17

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**Loan Limits**

BEFORE:

- ◆ No loan limits for prerequisite or required certification coursework

AFTER:

- ◆ Loan limits established

WHEN:

- ◆ Provision is effective October 1, 1998

5-18

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**Loan Limits**

BEFORE:

- ◆ Guidance on capitalized interest unclear

AFTER:

- ◆ Capitalized interest on Unsubsidized Stafford Loans not included

WHEN:

- ◆ Provision is effective October 1, 1998

5-19

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**Loan Proration**

BEFORE:

- ◆ Specific loan limits for short-term programs

AFTER:

- ◆ Prorated loan limits eliminated
- ◆ Limits determined by dividing program length by an academic year and multiplying ratio by appropriate subsidized and unsubsidized loan limits

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**Loan Proration**

WHEN:

- ◆ Provision is effective October 1, 1998

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**Loan Disbursement**

BEFORE:

- ◆ All schools required to follow delayed disbursement and multiple disbursement guidance



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**Loan Disbursement**

AFTER:

- ◆ Schools with default rates less than 10 percent for the last three years exempt from multiple disbursement and 30-day delayed disbursement requirements

WHEN:

- ◆ Provisions effective October 1, 1998

5-23

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**Electronic Exit Counseling**

BEFORE:

- ◆ Questions about use of electronic exit counseling

AFTER:

- ◆ Schools permitted to offer electronic exit counseling

WHEN:

- ◆ Provision effective October 1, 1998

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**Deferments**

BEFORE:

- ◆ Some borrowers took out new loans to qualify for in-school deferment if enrolled less than half-time

AFTER:

- ◆ Provision eliminated

WHEN:

- ◆ Provision eliminated as of October 1, 1998

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**Deferments**

BEFORE:

- ◆ Unemployed borrowers required to provide additional documentation for unemployment deferment

AFTER:

- ◆ Eligibility for unemployment benefits sufficient

WHEN:

- ◆ Provision effective October 1, 1998

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**Deferments**

BEFORE:

- ◆ Sometimes difficult to provide borrowers deferments



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### ***Deferments***

**AFTER:**

- ◆ Lenders will determine eligibility for in-school deferment based on:
  - Borrower's request with documentation
  - Newly completed loan application
  - Student status information showing borrower enrolled at least half-time

**WHEN:**

- ◆ Provisions effective October 1, 1998

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### ***Grace Period Exemption***

**BEFORE:**

- ◆ Guidance from Department required for forbearances or deferments for Armed Forces reserves members called to duty

**AFTER:**

- ◆ Active duty for more than 30 days exempts borrowers from grace period for up to 3 years

**WHEN:**

- ◆ Provision is effective October 1, 1998

5-29

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### ***Forbearances***

**BEFORE:**

- ◆ Borrowers required to submit written requests

**AFTER:**

- ◆ Written requests not required; lenders may allow 60-day forbearances while determining eligibility

**WHEN:**

- ◆ Provisions effective October 1, 1998

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### Repayment Options

AFTER:

- ◆ Standard, graduated, and income-sensitive repayment plans to be paid over ten years
- ◆ For FFEL borrowers with more than \$30,000 in loans, new extended repayment option



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### Repayment Options

AFTER:

- ◆ Other changes:
  - If borrower does not choose plan, lenders use standard repayment
  - Borrowers able to change repayment plans annually
  - Graduated and income-sensitive plans exempt from minimum annual payment provisions, (payments must at least equal interest due)



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### Repayment Options

WHEN:

- ◆ New repayment option for borrowers with more than \$30,000 available to new FFEL borrowers after October 7, 1998
- ◆ Other provisions effective October 1, 1998



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**New Loan Forgiveness Programs**

BEFORE:

- ◆ No funded teacher loan forgiveness program for Stafford loans

AFTER:

- ◆ New teacher loan forgiveness program in FFEL and Direct Loan Programs

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**New Loan Forgiveness Programs**

AFTER:

- ◆ Up to \$5,000 of Stafford loans can be forgiven for certain borrowers

WHEN:

- ◆ Program available to new borrowers after October 7, 1998

5-35

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**Loan Discharge**

BEFORE:

- ◆ Students who did not receive appropriate refunds responsible for full loan

AFTER:

- ◆ Borrowers can have amount of refund discharged

WHEN:

- ◆ Provision effective October 1, 1998

5-36

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**PLUS Loans**

BEFORE:

- ◆ Eligibility dependent on credit history

AFTER:

- ◆ Secretary can consult with community to expand criteria

WHEN:

- ◆ Timetable for establishment unclear

5-37

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**Session 5 Review**

- ◆ Learn about the Department's plans for implementation of a Master Promissory Note
- ◆ Know what changes have been made to the Stafford Loan Programs to streamline delivery of funds

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**Session 5 Review**

- ◆ Learn about new repayment options available to borrowers
- ◆ Understand other new benefits being offered to student loan borrowers

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**Effective Dates for Reauthorization Provisions in Session 5**

Provision	Effective Date			
	10/1/98	10/7/98	2000-2001 Award Year	Other Date
Master Promissory Note				Begin using in 1999-2000; must use in 2000-2001
Information Provided by Students	✓			
Montgomery and Americorps Benefits in Need Calculations	✓			
Guarantors Permitted to Provide Similar Assistance	✓			
No Fees for Notification of Preclaims Assistance	✓			
Proof of Contacting School About Delinquent Borrowers	✓			
Marketing Prohibitions	✓			
Blanket Certificates of Guaranty				Pilot in 1999-2000; any GA can use in FY 2001
FAFSA as Title IV Application	✓			
Loan Limits for Required or Certification Coursework	✓			
Capitalized Interest Not Used for Unsub Loan Limits	✓			
New Loan Proration	✓			
New Loan Disbursement Guidelines	✓			
Electronic Exit Counseling	✓		92	

**Effective Dates for Reauthorization Provisions in Session 5  
(Cont.)**

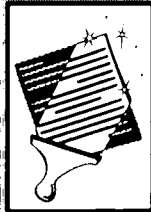
Provision	Effective Date			
	10/1/98	10/7/98	2000-2001 Award Year	Other Date
New Deferment Guidelines	✓			
Grace Period Exemption for Armed Forces Reserves	✓			
Forbearance Requests	✓			
Repayment Options				Repayment options available to new borrowers after October 1, 1998; new option for borrowers with more than \$30,000 available for new FFEL borrowers after October 7, 1998
Loan Forgiveness for Teachers				Available to new borrowers with no balance on October 7, 1998
New PLUS Loan Criteria				To be established by ED

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## Session 6



## Other Provisions

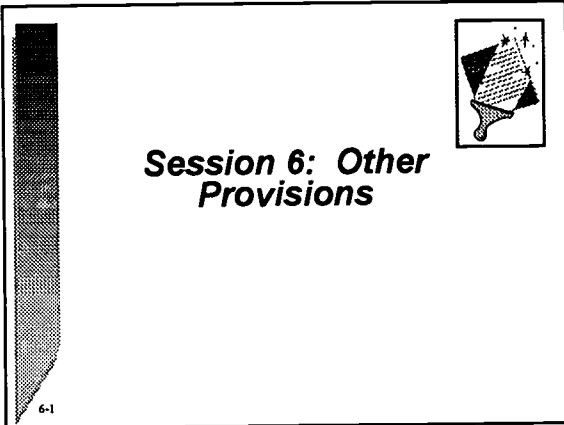
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## ***Objectives***

In this session, you will learn:

- 1.** About efforts the Department of Education has undertaken to prepare for potential Year 2000 computer problems.
- 2.** How certain student aid programs have changed to increase access to postsecondary study.
- 3.** Be aware of new requirements related to borrower access to the National Student Loan Data System.
- 4.** Become familiar with the “Access America for Students” initiative.



**Session 6: Other Provisions**



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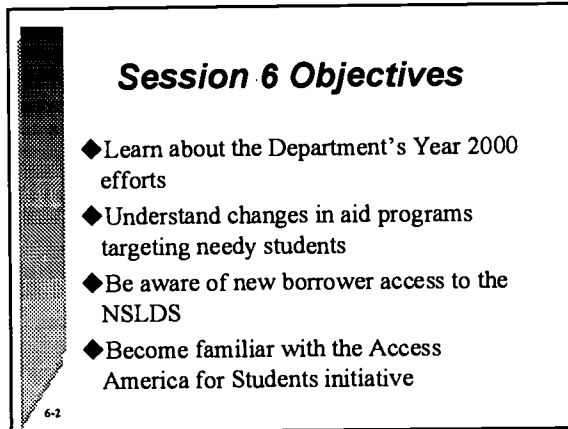
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**Session 6 Objectives**

- ◆ Learn about the Department's Year 2000 efforts
- ◆ Understand changes in aid programs targeting needy students
- ◆ Be aware of new borrower access to the NSLDS
- ◆ Become familiar with the Access America for Students initiative

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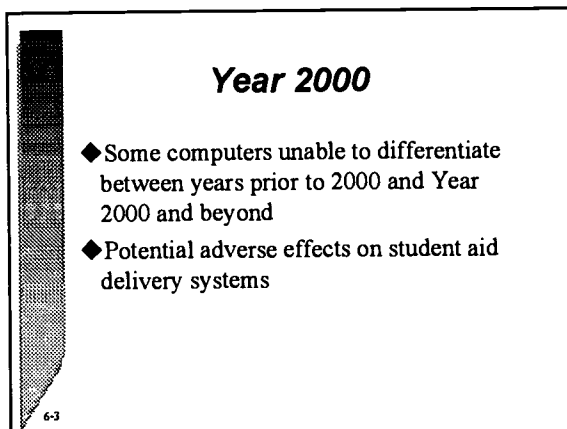
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**Year 2000**

- ◆ Some computers unable to differentiate between years prior to 2000 and Year 2000 and beyond
- ◆ Potential adverse effects on student aid delivery systems

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### Year 2000

- ◆ ED has:
  - Issued guidance
  - Sponsored focus groups
  - Provided Y2K Tool Kit
  - Kept community informed (www.ed.gov/y2k)
- ◆ Internal activities (Six steps)

6-4

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### Year 2000

- ◆ ED completed mission critical systems
- ◆ Currently engaged in "end-to-end" testing
- ◆ Contingency planning crucial

6-5

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### Leveraging Educational Assistance Partnership Program

BEFORE:

- ◆ State Student Incentive Grant Program
- ◆ Federal funds provided to state agencies
- ◆ States provide matching funds
- ◆ Funds available to students with substantial need

6-6



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**LEAP Program**

AFTER:

- ◆ Leveraging Educational Assistance Partnership Program
- ◆ First \$30 million in federal appropriations same as SSIG Program
- ◆ If federal funds exceed \$30 million, funds used for new Special Leveraging Educational Assistance Program



6-7

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**SLEAP**

- ◆ Increase the dollar amount of grants
- ◆ Carry out transition programs
- ◆ Carry out an aid program for needy students pursuing information technology or other fields

6-8

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**SLEAP**

- ◆ Make funds available for community service work-study activities
- ◆ Create scholarship program for needy students pursuing teaching
- ◆ Create scholarship program for needy students pursuing mathematics, computer science, or engineering

6-9

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**SLEAP**

- ◆ Carry out early intervention, mentoring, and career education programs
- ◆ Award merit or academic scholarships to needy students

6-10

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**LEAP**

HOW:

- ◆ Changes dependent upon federal appropriations
- ◆ Program administered by state agencies

WHEN:

- ◆ Changes effective October 1, 1998

6-11

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**GEAR UP**

BEFORE:

- ◆ National Early Intervention Partnership and Scholarship Program
  - Grants to states for early intervention and scholarship assistance



6-12

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**GEAR UP**

AFTER:

- ◆ Program replaced with Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)
  - early intervention services to middle schools serving low-income students
  - partnerships with higher education institutions and at least two community organizations



6-13

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**GEAR UP**

HOW:

- ◆ Program dependent on federal appropriations
  - Department distributes and evaluates applications
  - [www.ed.gov/gearup](http://www.ed.gov/gearup)

WHEN:

- ◆ Program effective October 1, 1998

6-14

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**Academic Achievement Incentive Scholarship Program**

BEFORE:

- ◆ Federal Pell Grant based on need

AFTER:

- ◆ Academic Incentive Scholarship Program created
  - Scholarships to Pell Grant recipients in the top 10 percent of their high school class
  - First two years of undergraduate study

6-13

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### **Academic Achievement Incentive Scholarship Program**

HOW:

- ◆ Award can be up to full amount of Pell Grant
  - Actual award depends on appropriations
  - Appropriations separate from Pell Grants



6-16

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### **Academic Achievement Incentive Scholarship Program**

WHEN:

- ◆ Program effective October 1, 1998
- ◆ No federal funds available in 1999-2000 award year



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### **National Student Loan Data System**

BEFORE:

- ◆ NSLDS information available to schools and other participants in student aid programs

AFTER:

- ◆ Borrowers have access to NSLDS

6-18

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### National Student Loan Data System

WHEN:

- ◆ Borrowers with EACS have access to NSLDS



6-19

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### Access America for Students

- ◆ Students have one account to integrate student aid delivery across programs
- ◆ Can use account to receive other government services
- ◆ Privacy and security key objectives of program (electronic signature key)

6-20

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### Access America for Students

ROLE OF SCHOOL UNCHANGED

- ◆ Remain primary point of contact
- ◆ Determine eligibility and aid package
- ◆ Continue to select own banking partners
- ◆ Still receive all student aid funds up front

6-21

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### **Access America for Students**

#### PILOT

- ◆ Ten participating institutions (1999)
- ◆ Students will provide feedback
- ◆ Pilot will test for ED
  - Use of commercial business processes
  - Website/single point of contact
  - Digital signatures
- ◆ Updates on Access America ([www.easi.ed.gov/inside\\_projecteasi](http://www.easi.ed.gov/inside_projecteasi))

6-22

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### **Session 6 Review**

- ◆ Learn about the Department's Year 2000 efforts
- ◆ Understand changes in aid programs targeting needy students
- ◆ Be aware of new information available to borrowers via the NSLDS
- ◆ Become familiar with the Access America for Students initiative

6-23

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**Effective Dates for Reauthorization Provisions in Session 6**

Provision	Effective Date			
	10/1/98	10/7/98	2000-2001 Award Year	Other Date
Leveraging Educational Assistance Partnership Program	✓			
Special Leveraging Educational Assistance Program	✓			
Gaining Early Awareness and Readiness for Undergraduate Programs	✓			
Academic Achievement Incentive Scholarship Program	✓			No funds available for the 1999-2000 award year
Borrower Access to NSLDS				Borrowers with EAC codes have access
Access America for Students				Pilot in 1999; expansion in 2000

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## ***Session 7***




## ***Overview of RFMS***

ERIC  
Full Text Provided by ERIC

## ***Objectives***

In this session, you will:

- 1.** Understand why the U.S. Department of Education is making changes to the Federal Pell Grant process.
- 2.** Learn how the changes will benefit schools.
- 3.** Become familiar with what items are changing.
- 4.** Learn when the changes are being implemented.
- 5.** Learn about available resources.



**Session 7:  
Overview of RFMS**

7-1

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**Session 7 Objectives**

- ◆ Why the Department is making the change
- ◆ How the change will benefit schools
- ◆ What is changing (high level)
- ◆ When the changes are being implemented
- ◆ Available resources

7-2

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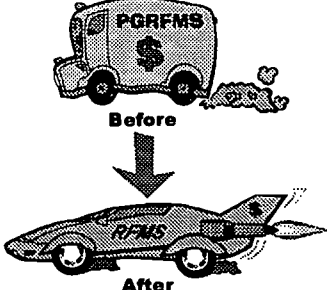
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**The New RFMS**



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### Why Fix It?

- ◆ Provides more efficient data tools
- ◆ Features significant hardware and software upgrades
- ◆ Moves toward common Title IV processes
- ◆ Helps in funding shortfalls
- ◆ Responds to your concerns

7-4

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### Vision

- ◆ System is student centered
- ◆ Aid delivered faster, cheaper, and easier
- ◆ All Title IV systems modernized
- ◆ New process streamlined and simpler

7-5

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### New Records

- ◆ Origination and disbursement records
- ◆ One origination record for each student
- ◆ One disbursement record for each disbursement to a student
- ◆ Records contain basically the same info currently reported

7-6

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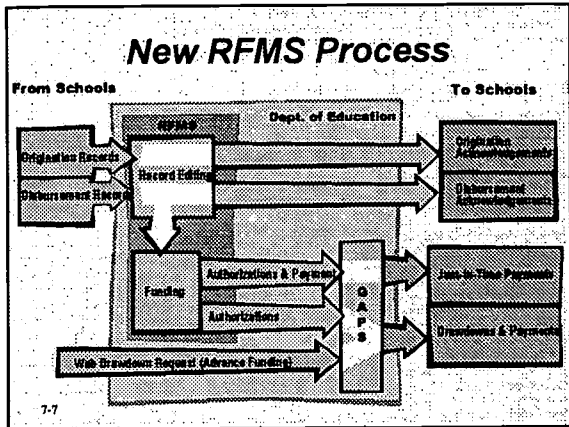
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### Benefits

- ◆ No paper
- ◆ Early identification of conflicts
- ◆ Improved funds forecasting
- ◆ Acknowledgement of all records
- ◆ Improved turnaround time

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### Benefits (cont.)

- ◆ Greater flexibility
- ◆ Software options
- ◆ Fewer overpayment problems
- ◆ Simpler reconciliation—SPS eliminated

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### Implementation Schedule

Draft record layouts released	9/98
Action Letters	9/98
RFMS brochure	10/98
Just-in-Time pilot announced	11/98
Draft record layouts revised	2/99
EDEExpress Pell module available-origination version	5/99
Earliest date for submission of origination records	5/99
Advance Funding Authorization letters to institutions	5/99
EDEExpress Pell module available-disbursement records	6/99
Submission of disbursement records	7/1/99
Pell award year starts	7/1/99

7-10

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### Resources

- ◆ Action Letter P-98-4 (issued in Sept. 1998)
- ◆ October 15 videoconference videotape
- ◆ Blue Book
- ◆ Fiscal Officer training
- ◆ Regional, state, and national conferences

7-11

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### Resources (cont.)

- ◆ Handout from 1998 Electronic Access Conferences: [edeworkshop.walcoff.com](http://edeworkshop.walcoff.com)
- ◆ 1999 Electronic Access Conferences
  - Nov. 2-4, Miami, FL
  - Nov. 15-17, Keystone, CO
  - Dec. 15-17, San Antonio, TX
- ◆ Electronic Access Guide

7-12

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### Questions about RFMS?

1-800-4PGRANT  
(1-800-474-7268)

#pell\_systems@ed.gov

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### Questions about EDEExpress?

1-800-330-5947

cps@ncs.com

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### Session 7 Review

- ◆ Why the Department is making the change
- ◆ How the change will benefit schools
- ◆ What is changing (high level)
- ◆ When the changes are being implemented
- ◆ Available resources

7-15

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Office of Educational Research and Improvement (OERI)  
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