

FASFAA Region V Federal Update

AGENDA

- PELL GRANT
- 2018-2019 FAFSA AND CPS PROCESSING
- VERIFICATION
- PERKINS
- PROTECTING STUDENT INFORMATION
- RECENT GUIDANCE



2017-2018 FEDERAL PELL GRANT PROGRAM



YEAR-ROUND PELL: DCL GEN-17-06

- Per the Consolidated Appropriations Act of 2017, a student may now receive Pell Grant funds up to 150% of the Scheduled Award in an award year
 - 1st 100% is initial scheduled Pell award
 - Final 50% is considered the additional Pell award (YRP)
- Effective with the 2017-2018 award year
 - Does not apply to summer 2017 if it is treated as a trailer to the 2016-2017 award year
- Technical information – Electronic Announcement: June 20, 2017
Stay tuned to IFAP for more information!

YEAR-ROUND PELL: STUDENT ELIGIBILITY

- Student must be enrolled at least half-time in the payment period(s) for which s/he receives the additional Pell Grant funds (additional 50%)
 - Dropping below half-time enrollment after Pell is disbursed will not render the student ineligible
- ▶ Pell calculations and formulas remain unchanged
- ▶ The additional Pell Grant funds will be reflected in the student's 600% maximum Pell Lifetime Eligibility Used (LEU)



YEAR-ROUND PELL: AWARDING

- A disbursement in a payment period may include awards from both the initial Pell Grant Scheduled Award and from the additional Pell Grant award
- When the calculated award for a payment period is greater than the remaining balance of an initial Scheduled Award, the award for the payment period is the remaining balance plus an amount from the additional Pell Grant award

YEAR-ROUND PELL: AWARDING

2017-2018 Scheduled Award: \$2000 (100%)
Additional Pell: \$1000 (50%)

FALL
Full-time

SPRING
Half-time

SUMMER
Full-time

Disbursement = \$1000
(50%)

Disbursement = \$500
(25%)

Disbursement = \$1000
1st Scheduled Award = \$500
(25%)
Additional Pell = \$500 (25%)

Total Pell Used =
125%



CROSSOVER PAYMENT PERIODS

- Includes both June 30 and July 1, overlapping two award years
- Institutions have the flexibility to assign crossover payment periods to either of the relevant award years “as it determines is most beneficial to students”

CROSSOVER PAYMENT PERIODS

- Must consider the crossover payment period to occur entirely within one award year
- Must have a valid SAR or valid ISIR for the selected award year
- The selected year for the crossover may be different than the year used for other Title IV aid

CROSSOVER PAYMENT PERIODS

- The choice of crossover payment period award year can be made based on an institutional policy that –
 - Provides for an individual decision for each student
 - Applies to all students (or students within a group) without exception
 - Applies to all students (or students within a group) with flexibility for individual student exception

CROSSOVER PAYMENT PERIODS

2017-2018 Scheduled Award: \$2000
2018-2019 Scheduled Award: \$3000

SUMMER
Full-time

FALL
Half-time

SPRING
Half-time

SUMMER
Full-time

Disbursement =
\$1000

Disbursement =
\$500

Disbursement = \$500

Disbursement = \$1000 (2017-
OR
(2018-2019)



YEAR-ROUND PELL: EA JUNE 20, 2017

- COD Implementation October 13-15, 2017
 - The <AdditionalEligibilityIndicator> tag identifies Pell Grant recipients eligible for additional grant funds
 - The Pell Grant Potential Overaward Project (POP) process updated to account for additional Pell Grant eligibility
 - Reject/warning edits specific to updated Pell calculations are sent in response files
 - ▶ COD Web Site screens and reports updated to incorporate Year-round Pell

After October 15, schools may update Pell Grant information in COD to reflect additional eligibility



PELL RESTORATION

- Students who received Pell Grant funds to attend a school that later closed may have had eligibility restored
 - Student must not have completed a program at the closed school
 - Student must have a valid enrollment status date at the closed school in NSLDS within 2 years prior to closure
- Electronic Announcements
 - December 21, 2016 and April 3, 2017

PELL RESTORATION

- Email notifications are sent to students with restored eligibility who...
 - Do not have graduate-level aid
 - Had an LEU greater than 500% or have altered eligibility for the current award year due to the restoration
 - Filed a FAFSA in the last 5 years
 - ISIRs pushed for students if they meet pre/post-screening rules
 - Schools are provided lists of students with restored Pell associated with their school
 - COD Warning Edit 221

PELL RESTORATION

- Schools may become aware that a student has had Pell restored such that 2016-2017 eligibility could be increased, though the year has ended
- Guidance is forthcoming on how to address this situation for current and future years

2018-19 FAFSA AND CPS PROCESSING

CANCELLED ENHANCEMENTS

- The IRS will not be able provide as part of the DRT process confirmation that a person did not file a tax return
- Student Federal School Code selections will remain in the order chosen by the student on data sent to state agencies

IRS DATA RETRIEVAL TOOL (DRT) CHANGES

- The IRS DRT function will be reinstated for use in the 2018-2019 FAFSA on the Web
- To enhance the security and privacy of the sensitive personal data, all DRT data will be encrypted/masked and hidden from view on:
 - IRS DRT website
 - FAFSA web pages
 - Student Aid Report (SAR)
- Applicants and parents will see the words “Transferred from the IRS” in the data entry fields on the FAFSA web pages and SAR

Elec. Ann. 8/7/17



IRS DATA RETRIEVAL TOOL (DRT) CHANGES

- Institutional and state agency ISIRs will have IRS data
 - Because transferred data is not displayed, applicants and parents will be unable to make corrections to IRS DRT transferred items on FAFSA form before or after submission
 - However, institutions will continue to be able to make any necessary DRT data field corrections
 - Anticipate few corrections since data coming from IRS
 - Possible corrections: rollover correction; not allowed to use DRT; amended tax return
 - If secure access, schools will be able to share IRS-DRT information with student/spouse/parent
 - “9/5/17 Electronic Announcement

IRS DATA RETRIEVAL TOOL (DRT) CHANGES

- Special provisions for Rollovers:
 - If greater than \$0 transferred from IRS into Untaxed Portions of IRA Distributions field/Untaxed Portions of Pensions field, applicant/parent required to answer a new question about a rollover
 - ▶ If they answer “yes,” he/she will be required to provide the amount of the rollover in a new entry field
 - ▶ System will subtract user-reported rollover amount from the IRA/Pension distribution that was transferred from the IRS, and the result will be used in the calculation of the EFC

IRS DATA RETRIEVAL TOOL (DRT) CHANGES

- ▶ Special provisions for Income Earned From Work:
 - ▶ Because IRS-transferred information will not be displayed, applicants and parents who filed a *joint tax return* will no longer be able to transfer their combined income earned from work into the FAFSA form from the IRS DRT website
 - ▶ These joint filers will now be required to enter their income earned from work manually
 - ▶ Single applicants and single parents will continue to have their income earned from work transferred from the IRS into their FAFSA form

IRS DATA RETRIEVAL TOOL (DRT) CHANGES

▶ IRS Data Field Flags

- ▶ NEW set of flags to help financial aid administrators know what, if any, specific information was changed once retrieved from the IRS and transferred into the FAFSA form
- ▶ Flags provided separately for student and parent
- ▶ Flags listed for EACH IRS-related data fields that can be transferred from the IRS

▶ DIFFERENT flags than the IRS Request Flags

- ▶ 02 Request flag still means no data changed for verification purposes



IRS DATA RETRIEVAL TOOL (DRT) CHANGES

- ▶ List of *IRS Data Field Flag* values:
 - ▶ Blank = IRS data not transferred from IRS (FAFSA submitted via paper or by a financial aid administrator)
 - ▶ 0 = IRS data not transferred from IRS (FAFSA not submitted via paper or by a financial aid administrator)
 - ▶ 1 = IRS data transferred from IRS – Not changed by user
 - ▶ 2 = IRS data transferred from IRS – Field changed by user prior to submission of application (only occur if IRA/Pension fields changed by user entering rollover amount)
 - ▶ 3 = IRS data transferred from the IRS – Field corrected by the user on this transaction
 - ▶ 4 = IRS data transferred from the IRS – Field corrected by the user on a previous transaction

IRS DATA RETRIEVAL TOOL (DRT) CHANGES

- ▶ Any web edits that include information transferred from IRS will no longer be presented to the applicant or parent
- ▶ Instead, new SAR comments will display on the ISIR (and SAR) to alert financial aid administrators that at least one edit was triggered but could not be displayed and therefore, could not be resolved online
- ▶ Comment Codes:
 - ▶ 400 = Your Financial Aid Administrator may contact you to resolve any issues related to parental data reported on your FAFSA.
 - ▶ 401 = Your Financial Aid Administrator may contact you to resolve any issues related to data reported on your FAFSA.

PARENT MARITAL STATUS

Issue - Parents have difficulty answering the parent marital status question correctly.

Resolution - Question 59 has been modified so that the term “legal” only applies to “unmarried and both parents living together.”

HOMELESS YOUTH

Issue

Applicants aged 22 or 23 who indicate on the FAFSA that they are homeless must rely on the FAA to set a Homeless Youth Override flag in order for the applicant to complete the FAFSA as an independent student.

Resolution

- ▶ Logic for FAFSA questions 56, 57, and 58 is modified
- ▶ Questions display to all applicants who indicate homeless
- ▶ Allows applicants aged 22 or 23 to indicate if they've received a homeless determination



AMENDED RETURNS & IRS DRT

- Amended tax return filtering question removed from the FAFSA
- Applicant or parent can use the IRS DRT to import information from their original return
- Flag from the IRS will indicate if there is an amended tax return on file
 - IRS Request Flag 07
- Institution must obtain documentation for the updated information and make any necessary corrections regardless if selected for verification

VERIFICATION

2017-2018 VERIFICATION UPDATES

- Verification Tracking Group V6 was eliminated for 2017-18
 - Schools still have authority to select additional students and items of their choosing for verification
- SNAP and Child Support Paid removed as individual verification items under V1, V4 or V5

DCL GEN-16-07



2017-2018 VERIFICATION UPDATES

- Due to DRT concerns, we are providing institutions with flexibilities they may choose to use as part of their verification procedures for **2016-2017 and 2017-2018**:
 - ▶ IRS Tax Return Filers – In lieu of using the IRS DRT, or obtaining an IRS transcript, institutions *may* consider a signed paper copy of the 2015 IRS tax return that was used by the tax filer for submission to the IRS as acceptable documentation to verify FAFSA/ISIR tax return information
 - ▶ Signature requirements (FSA HDBK, AVG section Chapter 4) indicate one of the filers of a joint return and tax preparer signatures are acceptable

DCL GEN-17-04



2017-2018 VERIFICATION UPDATES

- ▶ Verification of Nonfiling – Institutions no longer required to collect documentation obtained from IRS or other tax authorities verifying that applicant, the applicant's spouse or the applicant's parents did not file a 2015 tax return
 - ▶ Nonfilers must still provide - signed statement certifying individual has not filed and not required to file and a listing of sources of 2015 income earned and W-2s, if applicable
 - ▶ Signed verification worksheets with this information provided is acceptable
- ▶ GEN-17-04 serves as guidance for alternative documents when tax filer is unable to obtain a tax transcript (replaces the 10/18/16 electronic announcement)

DCL GEN-17-04



2018-2019 VERIFICATION UPDATES

- ▶ May 5, 2017 Federal Register and GEN-17-05
 - No changes to verification tracking groups
 - Tax extenders must now show IRS proof of extensions beyond automatic 6-month extension
 - ▶ If cannot produce, must provide tax data through DRT or tax transcripts
 - *Dependent students* who do not file taxes, do not have to provide proof of nonfiling
- ▶ EA 8/16/2017: 2018-19 Verification Suggested Text

PERKINS LOAN EXTENSION ACT OF 2015

PERKINS AWARDING

- No new Perkins Loans should have been awarded to graduate students after September 30, 2016
- No new Perkins Loans can be awarded to undergraduate students after September 30, 2017
 - Subsequent disbursements may only be made through June 30, 2018, including for summer 2018, as long as the loan is first disbursed between July 1, 2017 and September 30, 2017

PERKINS LOAN ASSIGNMENT

- Liquidation of a school's Perkins portfolio after the program ends is *not required*. Schools may...
 - Continue to service their own portfolios
 - Contract with a third-party servicer for servicing
 - Choose to assign any or all loans to the Department, whether defaulted or not
- Since new loans will no longer be made, the Federal share of funds will be returned to the Department, similar to the existing ELC process



PERKINS RESOURCES

- Dear Colleague Letter GEN-16-05
- Federal Student Aid Handbook, Vol. 6, Chap. 5
- Perkins Liquidation and Assignment resource pages:
<https://ifap.ed.gov/ifap/cbp.jsp>
- **GEN-17-10 – Wind-Down of Perkins Program**
- Electronic Announcement – 9/6/17
 - ED will delay 17/18 Excess Liquid Capital notification/collection process until after eCampus-Based System transition to COD is completed
 - Institutions that have ELC in Revolving Fund will be notified about process for requesting adjustment/returning Federal share in 2018



PROTECTING STUDENT INFORMATION

PROTECTING STUDENT INFORMATION

- Schools, and their third-party servicers, are obligated under various Federal and state laws to protect data used in all aspects of administering the Title IV Federal student financial aid programs
 - Higher Education Act, Family Educational Rights and Privacy Act (FERPA), the Privacy Act of 1974, the Gramm-Leach-Bliley Act, state data breach/privacy laws
- Dear Colleague Letters GEN-15-18 and GEN-16-12
- Electronic Announcement: March 21, 2017

PROTECTING STUDENT INFORMATION

- The Privacy Technical Assistance Center (PTAC) and the Family Policy Compliance Office(FPCO) websites are now combined:
 - <https://studentprivacy.ed.gov>
- The Offices of the Chief Privacy Officer (OCPO) have been reorganized into the Student Privacy Protection and Assistance Division (SPPAD), to provide best practices and technical assistance with FERPA and other student privacy topics

RECENT GUIDANCE

ELECTRONIC G-845 PROCESS

- Please note that beginning in *May, 2018*, the U.S. Citizenship and Immigration Services (USCIS) will be moving to an electronic process for reviewing and replying to G-845 data
- Once the electronic G-845 process is implemented, immigration will no longer accept paper forms nor return paper responses
- More information will be available from ED and USCIS in the future through a variety of communication formats

FEDERAL REGISTERS

July 18, 2017: Final Disclosure Format for T1 and T2 schools as related to major features and types of assessed fees

- ▶ The Department is allowing additional time – January 1, 2018 – to comply with the applicable disclosure requirement

DEAR COLLEAGUE LETTERS

GEN-17-08 – Major Disasters

- ▶ provides updated information regarding the impact of a “major disaster” on the administration of the Title IV student assistance programs and *supersedes guidance* included in previous Dear Colleague Letters

Additional information specific to *Hurricane IRMA* can be found in the 9/13/17 electronic announcement

- ▶ Information for students, parents, and borrowers is available at StudentAid.gov/naturaldisaster



DEAR COLLEAGUE LETTERS

ANN-17-07– FSA Coach 17/18 Advanced Training Course

- ▶ provides an online training opportunity for financial aid directors and includes a primer for new directors, a module on audits and program reviews, and cash management
- ▶ Now have Basic, Intermediate and Advanced FSA Coach

ANN-17-03 – Fundamental Workshops

- ▶ Provides registration process and location of all ED-led Fundamentals of FSA Administration workshops throughout the country between July 2017-June 2018

ELECTRONIC ANNOUNCEMENTS

9/29/2017 – HEROES Act updated waivers and regulatory and statute modifications (9/29/17 federal register)

- ▶ Expires September 30, 2022
- ▶ Please note that since a national emergency has not been declared in relation to the recent hurricanes, waivers and modifications in HEROES notice do not apply to individuals affected by those hurricanes

9/29/2017 – 17/18 Supplemental Campus-Based funds

- ▶ Reallocated supplemental FSEOG to schools affected by the 2017 hurricanes and working on supplemental FWS
- ▶ We strongly encourage schools to award FSEOG funds to needy students who are directly affected by the 2017 hurricanes

ELECTRONIC ANNOUNCEMENTS

9/27/17 – FY 2014 Official Cohort Default Rates (CDRs)

- ▶ FY 2014 Official CDRs released 9/25/17 to all schools
- ▶ Timeline for CDR appeals starts Tuesday, 10/3/17
- ▶ National CDR for FY2014 – 11.5%



9/20/17 – New FSA Cybersecurity Compliance website

- <https://ifap.ed.gov/eannouncements/Cyber.html>

ELECTRONIC ANNOUNCEMENTS

6/16/17 – Tier 1 and Tier 2 Contract Date Reporting Format

- ▶ Provides reporting formatting for T1/T2 schools on the following data that must be posted on their website no later than September 1, 2017
 - ▶ T1 and/or T2 contract data pertaining to the total consideration paid or received by the contracting parties under the arrangement for the most recently completed award year
 - ▶ The mean and median costs its students incurred
 - ▶ The number of students who had financial accounts under the contract at any time during the most recently completed award year

ELECTRONIC ANNOUNCEMENTS

8/10/17 – Code 399 Updates

- ▶ 399 codes will continue in 17/18 FAFSA processing cycle
- ▶ Must continue to resolve 399s as outlined in GEN-16-14
- ▶ Schools not required to submit corrections for 16/17 after 9/9
- ▶ If no required documentation is submitted by school's 399 deadline, all appropriate aid will have to be returned for 16/17 and 17/18 as applicable

ELECTRONIC ANNOUNCEMENTS

8/29/17 – eCampus-Based Functions to Move to COD System in 2018

- ▶ ***No change in Campus-Based processing until 2018***
- ▶ Schools will continue to access ***current*** eCB System for 2018-2019 FISAP (due 9/29/17) and for edit corrections (due 12/15/17)
- ▶ No change in Campus-Based data reporting process or content
- ▶ Will not require a schema change or student-level origination and disbursement records for Campus-Based awards in COD System
- ▶ No change to methodology of calculating Campus-Based awards



TRAINING

► 2017 FSA Training Conference

- Tuesday, November 28 – Friday, December 1, 2017
- Orlando, Florida
- Conference and lodging registration is open!
 - fsaconferences.ed.gov (right-hand side of IFAP website)



Orlando
November 28-Dec 1
2017



CONTACTS

- ▶ Main Number: 404-974-9303
- ▶ Arva Thomas (IIS) 404-974-9412
- ▶ Cassandra Weems (IIS) 404-974-9305

▶ *Atlanta* Training Officers

▶ David Bartnicki – 404-974-9312

▶ Email – firstname.lastname@ed.gov



▶ QUESTIONS?

Dance?

