

FEDERAL UPDATE AND COMING ATTRACTIONS

Eric Santiago
U.S. Department of Education
2020 FSA Training Conference for Financial Aid Professionals

AGENDA

1. COVID-19 Waivers and Flexibilities
2. Other Noteworthy Items
3. Operational Updates and Reminders

COVID-19 WAIVERS AND FLEXIBILITIES



COVID-19 WAIVERS AND FLEXIBILITIES

Updated deadlines for flexibilities related to Coronavirus (COVID-19)

- ED extended the deadline for all flexibilities related to the COVID-19 emergency through the end of the payment period that includes December 31, 2020 or the end of the payment period that includes the end date for the Federally-declared emergency related to COVID-19, whichever occurs later
- Electronic Announcement released August 21, 2020 lists several exceptions to the general deadline

COVID-19 WAIVERS AND FLEXIBILITIES

2020 - Key Guidance:

- March 5 (pre-CARES Act*)
- March 17 (Accrediting agencies)
- March 20
- April 3
- May 15
- June 16 (FAQ)
- July 9 (PJ, Verification)
- July 10
- August 21
- October 5 (Q and A)
- *More to come...*

**The Coronavirus Aid, Relief, and Economic Security Act or, CARES Act, was passed by Congress and signed by President Donald J. Trump on March 27, 2020.*

COVID-19 AND THE CARES ACT

- Section 3508 of the CARES Act provides that, for students who withdraw as a result of COVID-19, institutions are not required to make returns that would otherwise result from the R2T4 requirements. Schools are required to report to the Department the amounts not returned as a result of this CARES Act relief.
- For additional policy guidance related to CARES Act R2T4 relief, please attend or review Session #5, Federal Update: COVID-19 Higher Education Policy.
- For additional operational guidance related to the CARES Act R2T4 relief, please attend or review Session #6: COD Update.

OTHER NOTEWORTHY ITEMS

2021–22 VERIFICATION

Session #19 – Verification (2020-21 and 2021-22)

- Same data items
- No changes to the verification tracking groups
- Acceptable documentation in the *Federal Register* Notice on September 3, 2020
- 2021-22 FAFSA® Verification Suggested Text published September 25, 2020

2021-22 VERIFICATION

Verification of Nonfiling (VNF)

- If an individual is unable to obtain VNF and the institution has no reason to question the student's or family's good-faith effort to obtain the required documentation, the institution may accept a signed statement certifying that the individual attempted to obtain the verification of nonfiling from the IRS or other relevant tax authority and was unable to obtain the required documentation.

REPORTING RESULTS FOR GROUPS V4 & V5

- An institution must report the verification results of identity and high school (HS) completion status through FAA Access to CPS Online for any student they received an Institutional Student Information Record (ISIR) with tracking flag V4 or V5 and request verification documentation
- Please note that there is a discrepancy between the language in the FSA Handbook and FAA Access to CPS Online. Both items listed below mean the same thing – that verification was completed using a notary:
 - The 2020-21 Application and Verification Guide states: 2 – Verification completed using notary, no issues found
 - FAA Access to CPS Online states: 2 – Verification of both identity and high school completion status were satisfactorily completed remotely by use of a notary, and no issues were found

SAP CHECKLIST



SAP POLICY CHECKLIST – REQUIRED ELEMENTS

- ☐ Qualitative measurement (e.g., GPA, grade report)
- ☐ Quantitative measurement (pace of completion)
 - Nonterm credit and clock hour program exceptions under new regulations
- ☐ Maximum timeframe (no more than 150% for undergraduate programs)
- ☐ As strict or stricter than other school policies
- ☐ Measurements are cumulative
- ☐ Incompletes, withdrawals, repetitions, and transfer credit are addressed
- ☐ Formal SAP evaluations correspond to the end of a payment period
- ☐ Programs greater than an academic year, SAP checked at least annually

SAP POLICY CHECKLIST – REQUIRED ELEMENTS

- ❑ Programs equal to or less than an academic year, SAP checked at the end of every payment period
- ❑ Notify student of results of any SAP review that impacts student's *Title IV* eligibility
- ❑ Regardless of appeal process, school must always describe how a student who has lost *Title IV* aid due to failing SAP can reestablish eligibility for *Title IV* aid
- ❑ Remedial coursework must be factored into a qualitative measurement but is not required to be included in the quantitative measurement
- ❑ For programs greater than two academic years, the school must check the qualitative measure at the end of the second academic year
 - Student must have a “C” or its equivalent, or have an academic standing consistent with the institution's requirements for graduation.

SAP POLICY CHECKLIST – OPTIONAL ELEMENTS

- ☐ Warning period (can only be used if check SAP each payment period)
- ☐ Appeal process/probationary periods
- ☐ Academic plans (only occur with successful appeals)
- ☐ Different SAP policies for different categories of students (e.g., undergraduate vs. graduate, different programs)
- ☐ Impact of changing major or program

Reminder! A school can always be more restrictive and include additional elements or create more restrictive measurements.

OPERATIONAL UPDATES AND REMINDERS



PELL, FSEOG, FWS

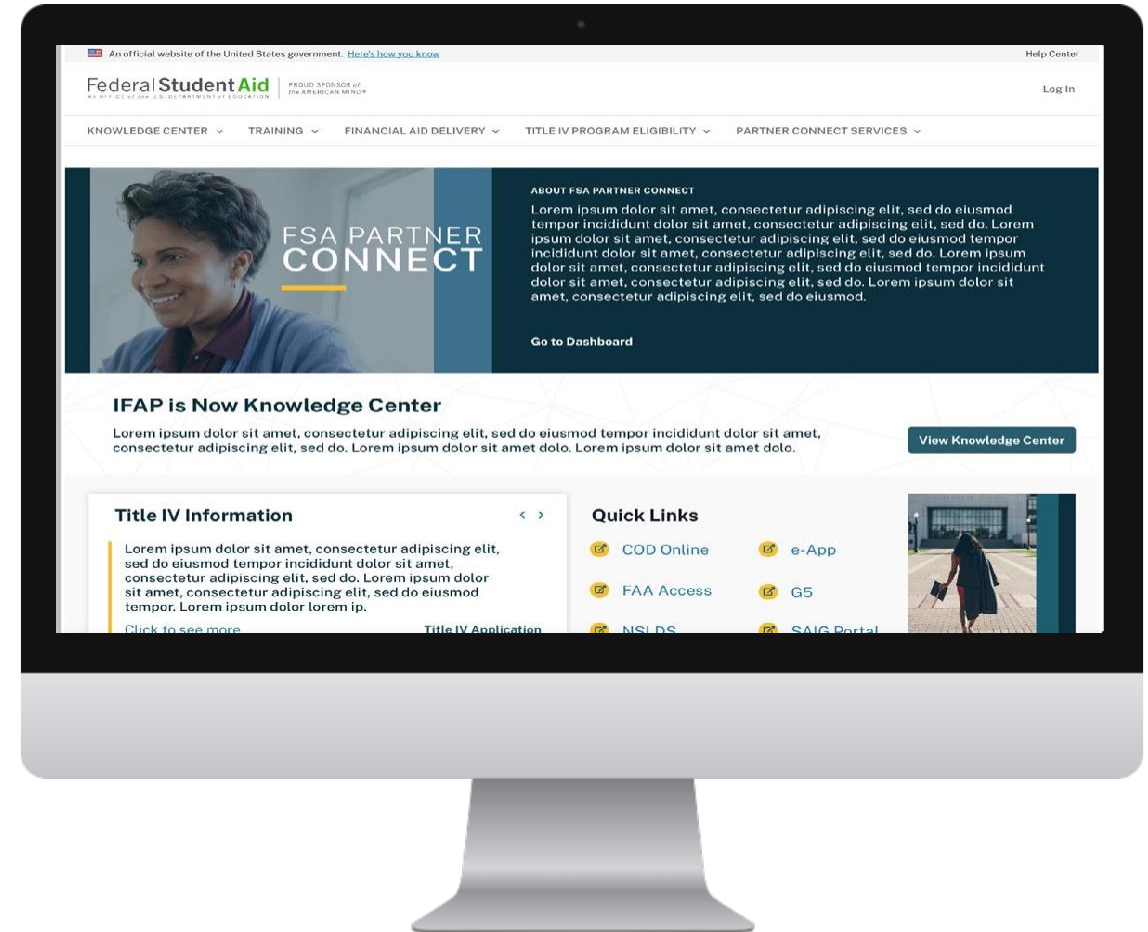
- Pell Grant
 - Maximum Federal Pell Grant increased for 2020-21 award year by \$150 to \$6,345
 - Maximum Federal Pell Grant increased for 2021-22 award year by \$150 to \$6,495 DCL ID: GEN-21-01, (Jan 22, 2021)
- Federal Supplemental Opportunity Grant (FSEOG) Program and Federal Work Study (FWS) Program
 - Tentative 2021-2022 Funding Levels for the Campus-Based Programs (EA ID: CB-21-02) Jan 28, 2021

FSA PARTNER CONNECT

Learn more about the new FSA Partner Connect

- **General Session #8: FSA Next Gen Introduces FSA Partner Connect**
- **Breakout Session #25: FSA Partner Connect Preview**
- **Breakout Session #26: Accessing FSA Partner Connect for Destination Point Administrators**

FSAPartners.ed.gov



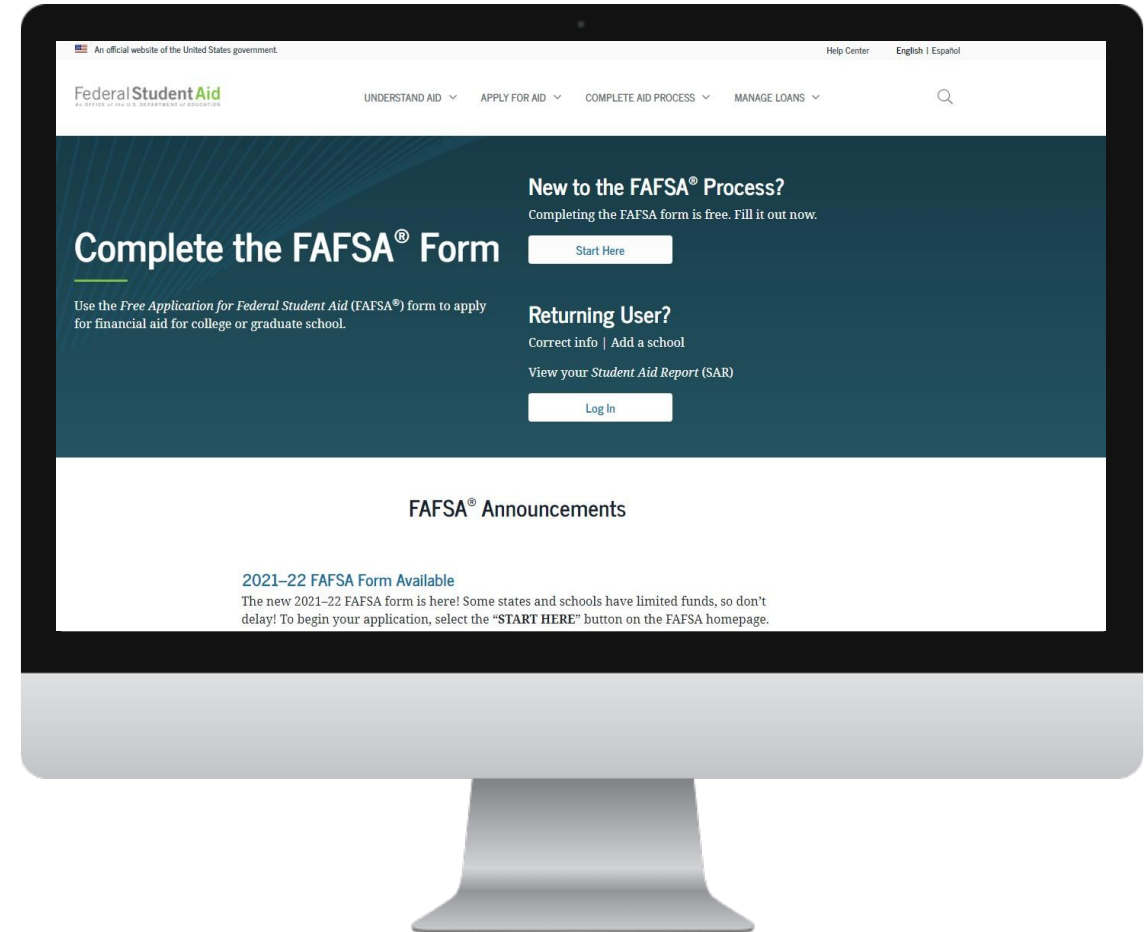


WE'VE BEEN BUSY!
INTRODUCING...
FSA PARTNER CONNECT
COMING MARCH 2021

Federal Student Aid
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2021-22 FAFSA® UPDATES

- 2021-22 FAFSA cycle began October 1, 2020.
 - The application is available until June 30, 2022
- See [October 1, 2020 Electronic Announcement](#) for summary of changes, updated resources, and sign up to receive partner email update



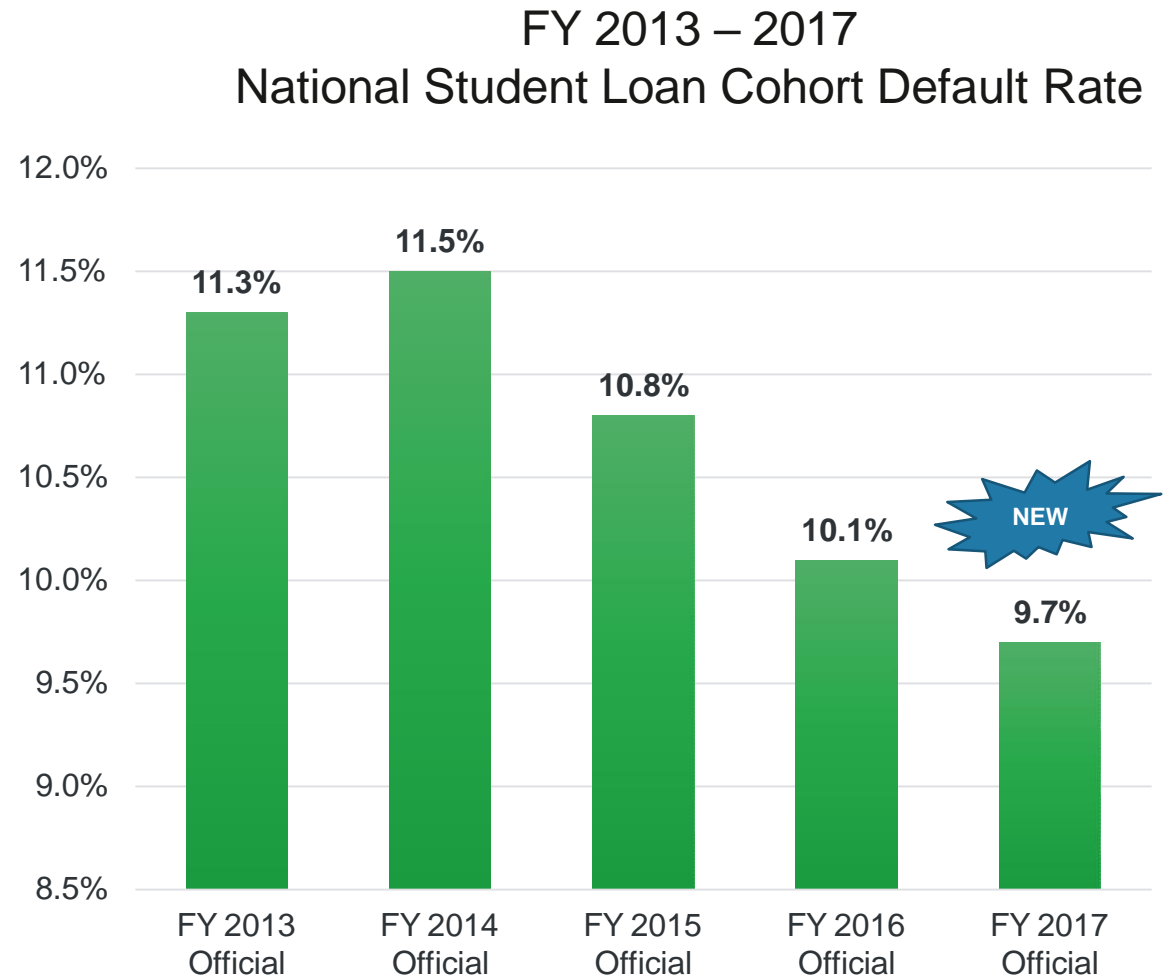
NATIONAL STUDENT LOAN COHORT DEFAULT RATES (CDR)

The Fiscal Year (FY) 2017 official national rate: 9.7%

- Represents a decrease from FY2016 official rate of 10.1%

For more information and data about CDRs:

- [September 28, 2020: Distribution of CDR notification packages to schools EA](#)
- [September 30, 2020: Default Rate Briefing for FY 2017 Official CDREA](#)



2020 – 2021 FEDERAL LOAN INTEREST RATES

May 15, 2020 – Electronic Announcement



Federal Direct Loans Disbursed July 1, 2020 thru June 30, 2021

Direct Subsidized Loans and Direct Unsubsidized Loans for
Undergraduate students

2.75%

Direct Unsubsidized Loans for **Graduate** and **Professional** students

4.30%

Direct PLUS Loans for **Parents of Dependent Undergraduate**
students and **Graduate or Professional** students

5.30%

FEDERAL LOAN ORIGINATION FEE CHANGE OCTOBER 1, 2020

June 29, 2020 – Electronic Announcement

Any loan disbursement for a loan where the first disbursement is/will be...	The origination fee percentage (%) for Direct Subsidized Loans and Unsubsidized Loans is...	The origination fee percentage (%) for Direct PLUS Loans is...
On or after October 1, 2019 and before October 1, 2020	1.059%	4.236%
On or after October 1, 2020 and before October 1, 2021	1.057%	4.228%

2020 – 2021 FEDERAL LOAN INTEREST RATES

May 19, 2021 – Electronic Announcement



Federal Direct Loans Disbursed July 1, 2021 thru June 30, 2022

Direct Subsidized Loans and Direct Unsubsidized Loans for
Undergraduate students

3.73%

Direct Unsubsidized Loans for **Graduate** and **Professional** students

5.28%

Direct PLUS Loans for **Parents of Dependent Undergraduate**
students and **Graduate or Professional** students

6.28%

ANNUAL STUDENT LOAN ACKNOWLEDGEMENT



FORMERLY THE INFORMED BORROWER TOOL (IBT)

Beginning with Direct Loans associated with the 2021-22
Award Year:

- Require student and parent borrower to view/acknowledge current amount owed in Federal student loans
- Must be completed prior to school making 1st disbursement of the 1st Direct Loan that a student or parent borrower received for each new award year
- Available at [StudentAid.gov](https://studentaid.gov)

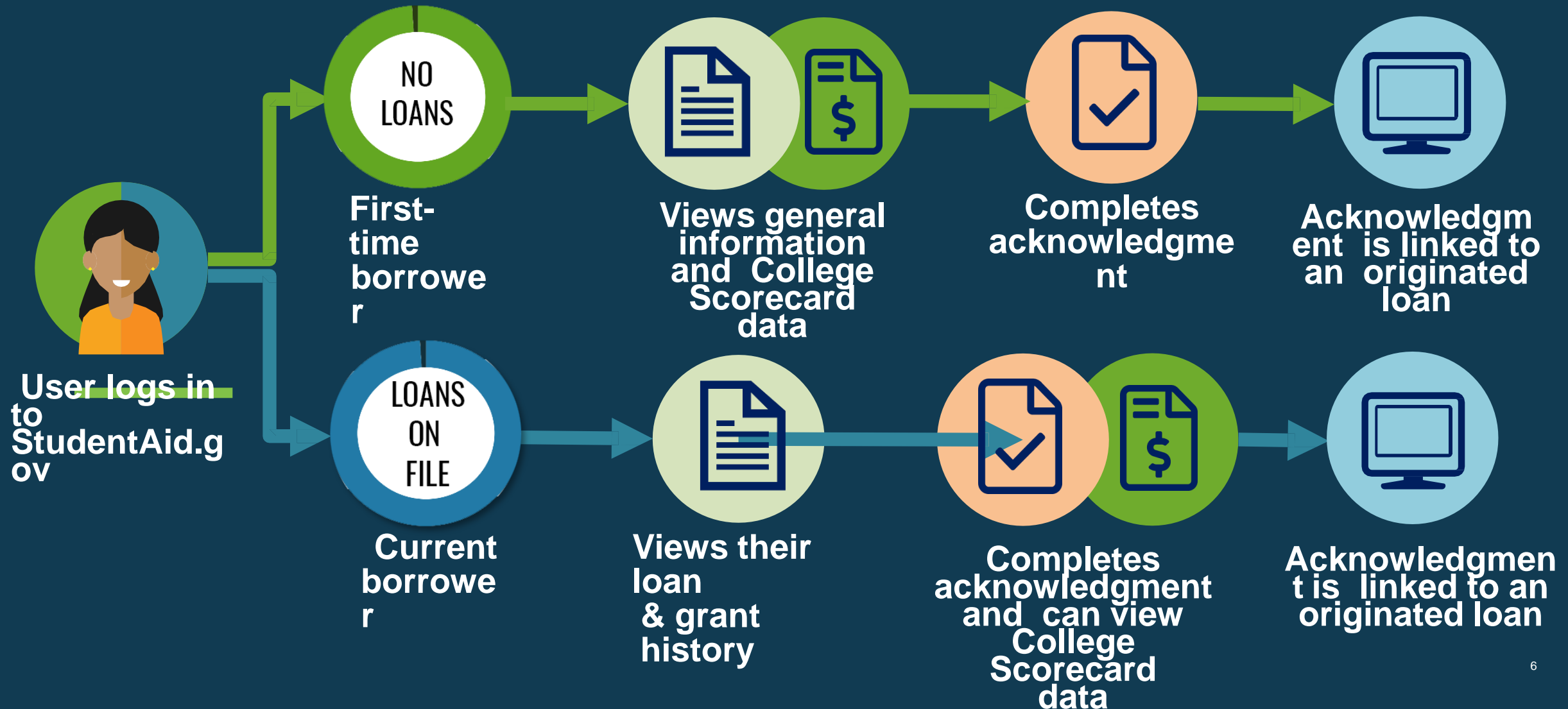


ANNUAL STUDENT LOAN ACKNOWLEDGEMENT

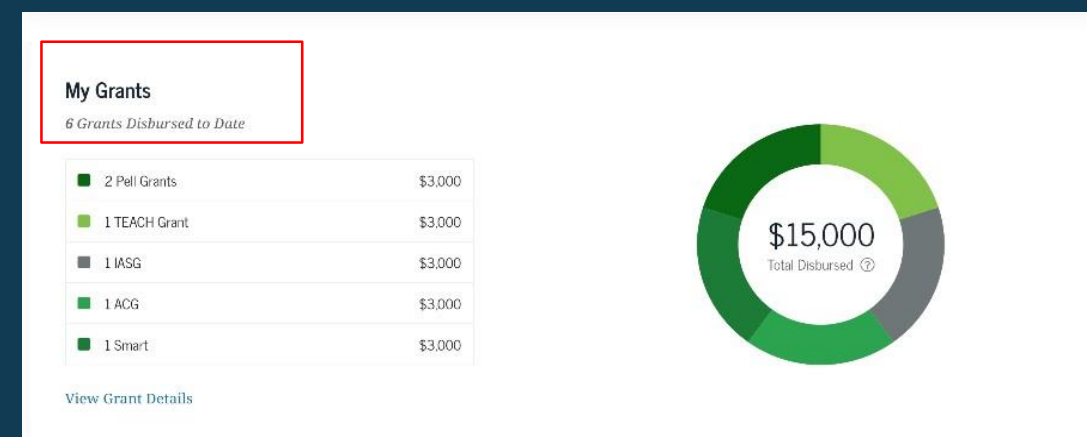
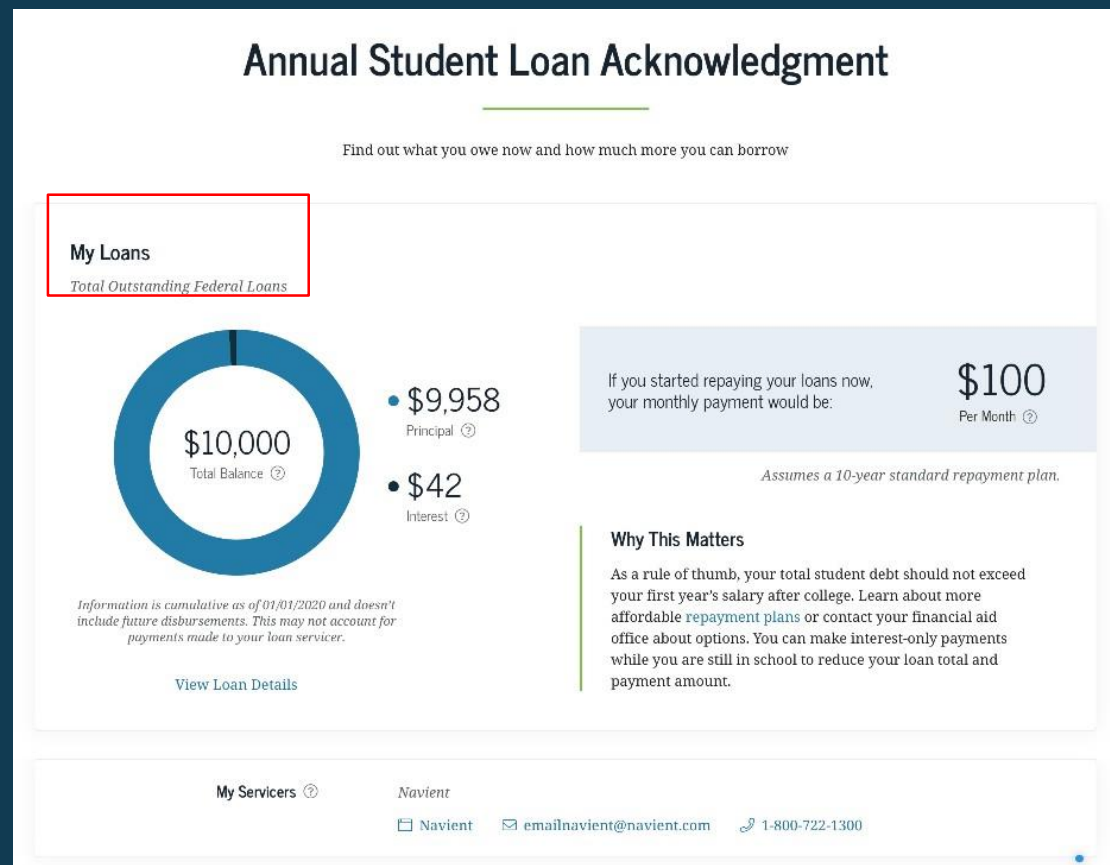
FORMERLY THE INFORMED BORROWER TOOL (IBT)

- Borrowers will see a user-friendly interface to view cumulative loan balance and repayment obligation
 - Different views for first-time borrowers vs. returning federal loan borrowers
- For new borrowers, Annual Student Loan Acknowledgement is **in addition to** MPN and loan counseling processes
- For more information about COD operational impacts and contact information, please see the March 27, 2020 and April 21, 2020 Electronic Announcements and Session #27, Annual Student Loan Acknowledgement

USER EXPERIENCE ON STUDENTAID.GOV



BORROWER WITH LOANS AND GRANTS



INFORMATION FOR NEW BORROWERS

Annual Student Loan Acknowledgment

Before you take out student loans each year, understand your rights and your responsibility to repay.
Be informed, borrow wisely.

Estimate What You Will Owe and Earn

Find out what the average loan debt, monthly loan payment, and salary for students in various academic programs at specific schools.

- ☒ U.S. Schools/U.S. Territory Schools
- ☐ Non U.S. Schools

State

School Name

Degree/Certificate

ⓘ

Field of Study - Optional

ⓘ



View Data

INFORMATION FOR NEW BORROWERS

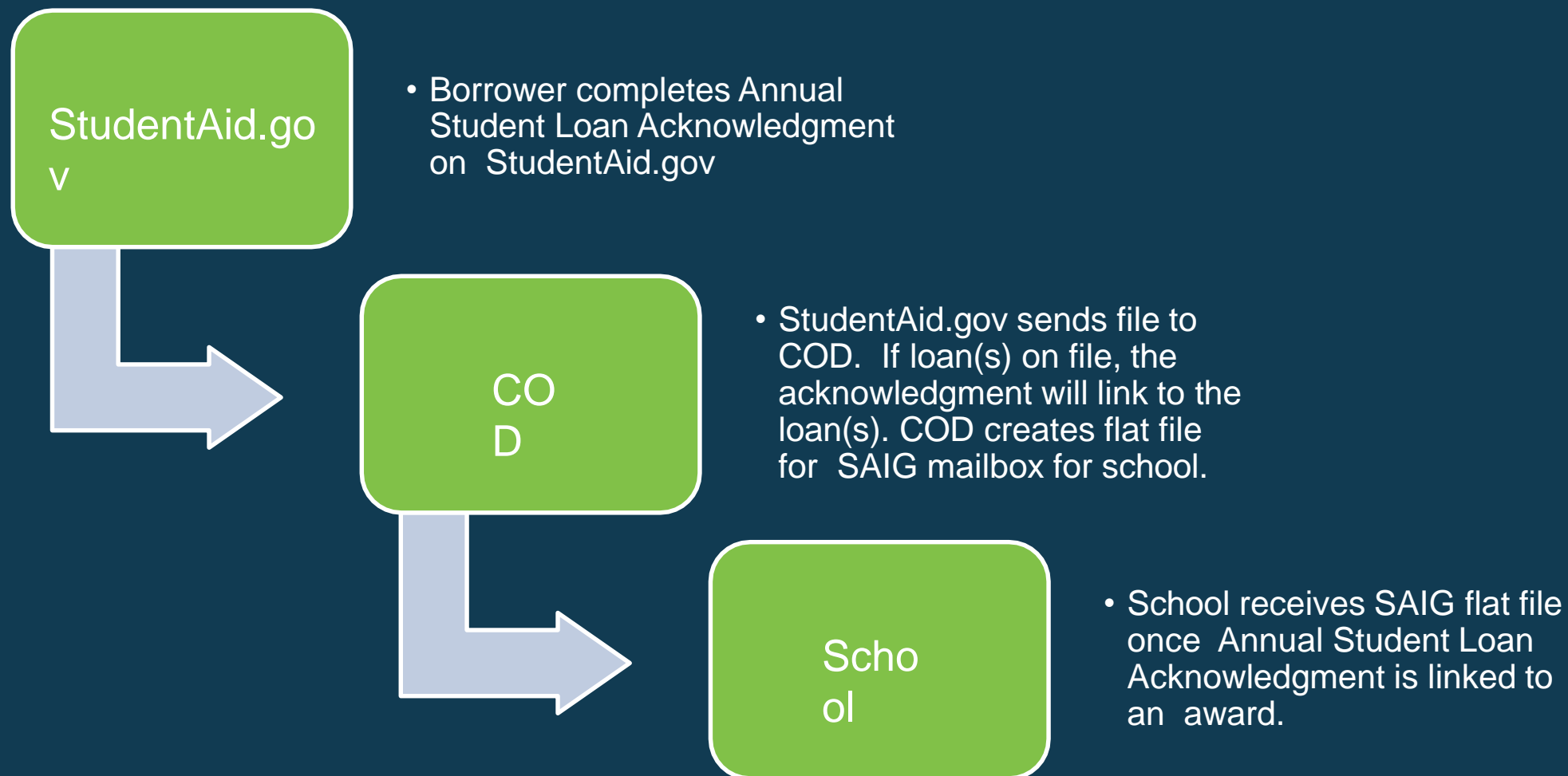
Borrowing Tips

- 01 Borrow only what you need
- 02 Consider making payments before repayment starts
- 03 Contact your student loan servicer for help
- 04 Learn about your repayment obligations
- 05 Research repayment and forgiveness options early

Borrowing Tips

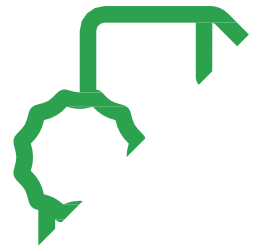
Borrowers will have access to these five borrowing tips to better understand the impact of their financial aid.

FLOW CHART



2020 CIP CODES

- A “crosswalk” from 2010 to 2020 CIP Codes is available at:
<https://nces.ed.gov/ipeds/cipcode/crosswalk.aspx?y=56>
- School Required Implementation:
 - COD – Required for the 2020-21 Award Year and forward beginning April 26, 2020
 - NSLDS – 2010 CIP codes may be reported until school is prepared to report new CIP codes
- For more information about new CIP Codes impact within Federal Student Aid systems, please see the March 18, 2020 – [Electronic Announcement](#).



CYBERSECURITY REQUIREMENTS

FEBRUARY 28, 2020 – ELECTRONIC ANNOUNCEMENT

- Enforcement of Cybersecurity Requirements under the Gramm-Leach-Bliley Act (GLBA)
 - All institutions agree to comply under Program Participation Agreement (PPA)
- Auditors are expected to evaluate three information safeguard requirements of GLBA in audits of postsecondary institutions or third-party servicers
- Findings related to GLBA are referred to the Federal Trade Commission (FTC) and FSA's Postsecondary Institution Cybersecurity Team
 - Questions: fsaschoolcybersafety@ed.gov or 202-245-6550

REVISED CLERY ACT GUIDANCE

OCTOBER 09, 2020 – ELECTRONIC ANNOUNCEMENT



- Rescinds 2016 Handbook for Campus Safety and Security Reporting
- Provides clarity to existing requirements under applicable statutory and regulatory provisions
- Significant Changes from the 2016 Handbook:
 - Clery Geography
 - Clery Crimes
 - Campus Security Authorities
- [Electronic Announcement](#) includes new Clery Act Appendix for FSA Handbook

THANK YOU!



Eric Santiago

U.S. Department of Education

Eric.Santiago@ed.gov

787-934-9254

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