

FEDERAL UPDATE



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October 2020

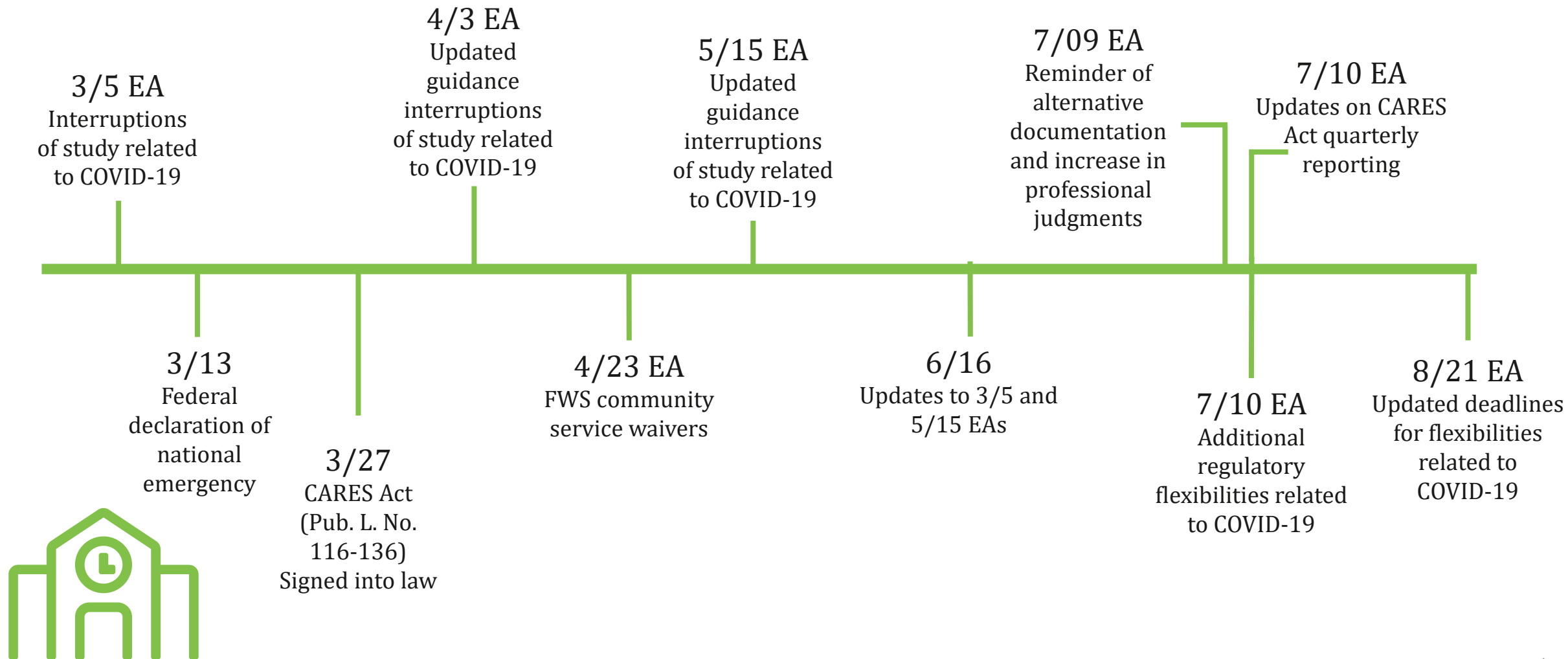
AGENDA

- 01 COVID-19 Policy Updates
- 02 Statutory Updates
- 03 Regulatory Updates
- 04 Operational Updates and Reminders

COVID-19 POLICY UPDATES



COVID-19 GUIDANCE OVERVIEW



CORONAVIRUS (COVID-19) GUIDANCE

INSTITUTIONAL ELIGIBILITY

April 3, 2020 Electronic Announcement

- The temporary cessation of educational instruction due to the urgent circumstances created by the COVID-19 pandemic will not result in a loss of institutional eligibility or participation.
- Institutions that cease instruction due to the pandemic should work closely with their School Participation Divisions regarding plans for reopening.

CORONAVIRUS (COVID-19) GUIDANCE

CLERY ACT REQUIREMENTS

April 3, 2020 Electronic Announcement

- The Clery Act requires institutions to notify the campus community upon the confirmation of a significant emergency or dangerous situation involving an immediate threat to the health or safety of students or staff occurring on campus.
- The Department does not interpret the statutory language to apply to positive COVID-19 cases among individuals who are not attending classes, working, or residing on campus.
- The Clery Act does not require institutions to give regular, ongoing updates on COVID-19 or to proactively identify COVID-19 cases

CORONAVIRUS (COVID-19) GUIDANCE

CLERY ACT REQUIREMENTS

April 3, 2020 Electronic Announcement

- An institution may satisfy the emergency notification requirements of the Clery Act and § 668.46 by:
 - Providing students and employees a single notification through the regular means of communicating emergency notifications informing them about COVID-19 and necessary health and safety precautions, as well as encouraging them to obtain information from health care providers, state health authorities, and the CDC's COVID-19 website; or
 - Creating a banner at the top of the institution's homepage containing that same information, including a statement about the global pandemic and a link to the CDC's website.

CORONAVIRUS (COVID-19) GUIDANCE

TIMEFRAME FOR APPLICABILITY FOR INSTITUTIONAL WAIVERS

August 21, 2020 Electronic Announcement

Unless otherwise stated, the Department has 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.

CORONAVIRUS (COVID-19) GUIDANCE

ACADEMIC CALENDAR FLEXIBILITY

March 5, 2020 and April 3, 2020 Electronic Announcements

- All standard terms permitted to overlap adjacent terms without program being treated as non-term
- Standard program or trimester may consist of as few as 13 weeks
- Reduction of defined academic year to < 30 weeks requires approval; contact School Participation Division (SPD) via email:
CaseTeams@ed.gov
- Applicable through the end of the academic year that includes the last date that the national emergency is in effect.

CORONAVIRUS (COVID-19) GUIDANCE

DISTANCE EDUCATION FLEXIBILITY

March 5, 2020 Electronic Announcement

- Broad approval for institutions to use distance education
- Waives regular approval process
- Permits accreditors to waive their distance education review requirements

CORONAVIRUS (COVID-19) GUIDANCE

CAMPUS-BASED WAIVERS AND FLEXIBILITIES

CARES Act (Pub. L. 116-136)

- Non-federal match waived for FSEOG and FWS programs
 - **Applies to the 2019-2020 and 2020-2021 award years**
 - Exception: FWS wages at for-profit employers
 - Institutions may reimburse themselves from the FWS allocation for the nonfederal portion of wages paid to students on or after March 13, 2020
- Unexpended FWS allocation 100% transferable to FSEOG

CORONAVIRUS (COVID-19) GUIDANCE

CAMPUS-BASED WAIVERS AND FLEXIBILITIES

CARES Act (Pub. L. 116-136)

- FSEOG can be used as “emergency grants”
 - Can be no larger than maximum Federal Pell Grant for the applicable award year;
 - FSEOG awarding rules waived;
 - Emergency grants are not considered EFA.

CORONAVIRUS (COVID-19) GUIDANCE

CAMPUS-BASED WAIVERS AND FLEXIBILITIES

CARES Act (Pub. L. 116-136)

Federal Work Study payments may be made to “affected work-study students” unable to work due to COVID-19. To qualify, students must have:

- Received a FWS award for the award year when the COVID-19 disruption occurred;
- Earned FWS wages for that award year; and
- Been prevented from completing FWS scheduled hours due to COVID-19.

CORONAVIRUS (COVID-19) GUIDANCE

CAMPUS-BASED WAIVERS AND FLEXIBILITIES

April 23, 2020 Electronic Announcement

- FWS community service requirements are waived for all FWS-participating schools of the 2019-20 and 2020-21 award year
 - No action needs to be initiated by school
 - Waivers automatic for both award years

August 3, 2020 Electronic Announcement

- Underuse penalties will not be applied on any 2021-2022 FWS or FSEOG awards due to COVID-19.
 - Schools that return more than 10% of their 2019-2020 allocations do not need to request underuse waivers.

CORONAVIRUS (COVID-19) GUIDANCE

STUDENTS WHO FAIL TO BEGIN ATTENDANCE

March 5, 2020 Electronic Announcement

- When students receive Title IV aid, but an institution cannot document their attendance, institutions normally must notify the Direct Loan servicer where Direct Loan funds for living expenses are paid directly to a student who does not begin attendance
- For students who fail to begin attendance due to COVID-19, this requirement is waived; students will be permitted to repay any Direct Loan funds received under the terms of the promissory note

CORONAVIRUS (COVID-19) GUIDANCE

RELIEF FOR STUDENTS WHO WITHDRAW DUE TO COVID-19

CARES Act (Pub. L. 116-136)

For students who begin attendance during a qualifying payment period or period of enrollment and subsequently withdraw due to COVID-19, the CARES Act:

- Waives requirements to return Title IV funds through Return of Title IV funds (R2T4) requirements;
- Excludes that period from the student's Subsidized Loan usage;
- Excludes Pell Grant funds received from lifetime eligibility; and
- Cancels Direct Loan funds received for the period.

CORONAVIRUS (COVID-19) GUIDANCE

RELIEF FOR STUDENTS WHO WITHDRAW DUE TO COVID-19

CARES Act (Pub. L. 116-136); August 21, 2020 Electronic Announcement

- Applicable for any student who begins attendance in a payment period or period of enrollment that includes March 13, 2020, or begins between March 13 and the later of December 31 or the last date that the national emergency is in effect, and subsequently withdraws from the period as a result of COVID-19-related circumstances.

CORONAVIRUS (COVID-19) GUIDANCE

RELIEF FOR STUDENTS WHO WITHDRAW DUE TO COVID-19

CARES Act (Pub. L. 116-136); May 15, 2020 Electronic Announcement

- If a disruption did not occur during the payment period, the institution must accept a written attestation explaining why the student's withdrawal was due to COVID-19.
- Acceptable circumstances include:
 - Illness of the student or a family member;
 - Need to become a caregiver or first responder;
 - Loss of childcare;
 - Economic Hardship;
 - Inability to access wi-fi; or
 - An increase in work hours

CORONAVIRUS (COVID-19) GUIDANCE

RELIEF FOR STUDENTS WHO WITHDRAW DUE TO COVID-19

CARES Act (Pub. L. 116-136); May 15, 2020 Electronic Announcement

- Withdrawn students qualify for all Title IV aid that they could have received at the time of the withdrawal, including amounts that would normally have been post-withdrawal disbursements
- Students qualify for relief if:
 - The institution receives a written attestation from the student explaining why the withdrawal was the result of COVID-19; or
 - The student withdrew during a period when a COVID-19 disruption occurred, including moving classes online or closing campus facilities

CORONAVIRUS (COVID-19) GUIDANCE

RELIEF FOR STUDENTS WHO WITHDRAW DUE TO COVID-19

[CARES Act \(Pub. L. 116-136\); May 15, 2020 Electronic Announcement](#)

Institutions must report two types of information to the Department:

- Disbursements that qualify for CARES Act relief
 - Use the “Coronavirus Indicator” in COD
- Amounts that were not returned through R2T4 as a result of CARES Act relief
 - Use the COD R2T4 Tool; or
 - Institution-level reporting method (to be released in early 2021).

CORONAVIRUS (COVID-19) GUIDANCE

RELIEF FOR STUDENTS WHO WITHDRAW DUE TO COVID-19

CARES Act (Pub. L. 116-136); May 15, 2020 Electronic Announcement

Satisfactory academic progress provisions:

- Institutions may exclude credits attempted, but not completed as a result of COVID-19 from the quantitative component of satisfactory academic progress calculations
- If an institution temporarily ceases operations during a period of enrollment, attempted credits for ALL affected students (specific to that enrollment period) may be excluded.

CORONAVIRUS (COVID-19) GUIDANCE

APPROVED LEAVES OF ABSENCE

CARES Act (Pub. L. 116-136)

- Institutions may place a student on a leave of absence in a term-based program even if the student will not return to the same coursework being taken at the time of the withdrawal

April 3, 2020 and August 21, 2020 Electronic Announcements

- Institutions that closed due to COVID-19 may place students who were enrolled at the time of the closure on an approved leave of absence until the institution can resume coursework.
- Leaves of absence begun on or after March 5, 2020 may extend beyond 180 days through December 31, 2020

CORONAVIRUS (COVID-19) GUIDANCE

CONTINUING EDUCATION AT FOREIGN INSTITUTIONS

CARES Act (Pub. L. 116-136)

- Ability to offer distance education as a result of an “emergency” declared by foreign authority
- Permission to enter written arrangements with public or nonprofit institution in U.S.
- In effect from March 1, 2020 through payment period following cessation of emergency in the foreign country

May 15, 2020 Electronic Announcement

- MCAT exam waiver for foreign graduate medical school admissions

CORONAVIRUS (COVID-19) GUIDANCE

SERVICE OBLIGATIONS FOR TEACHERS

CARES Act (Pub. L. 116-136); May 15, 2020 Electronic Announcement

- For TEACH Grant purposes, if previously qualifying teaching service becomes part-time or is temporarily interrupted as a result of a qualifying emergency, that teaching service is considered full-time and fulfills the service obligation requirement.
- For purposes of teacher loan forgiveness, waives requirement that years of teaching service be “consecutive” due to interruption related to the COVID-19 emergency.

CORONAVIRUS (COVID-19) GUIDANCE

NEED ANALYSIS

April 3, 2020 Electronic Announcement

- Any aid (in the form of grants or low-interest loans) received by victims of an emergency from a federal or state entity for the purpose of providing financial relief is not counted as income for calculating a family's Expected Family Contribution (EFC) under the Federal Methodology or as estimated financial assistance for packaging purposes
- Includes funds received by students under the Higher Education Emergency Relief Fund (HEERF) program

CORONAVIRUS (COVID-19) GUIDANCE

VERIFICATION

[April 3, 2020](#), [May 15, 2020](#), and [July 9, 2020](#) Electronic Announcements

- Waives signature requirements where no responsible parent can be found
- Flexibilities in verification of non-filing and obtaining duplicate W-2 forms from IRS
- Institution may use documentation of HS completion it has already obtained for V4 and V5, and may accept a signed, dated statement from the applicant attesting to completion of high school

CORONAVIRUS (COVID-19) GUIDANCE

PROFESSIONAL JUDGMENT

July 9, 2020 Electronic Announcement

- The Department encourages institutions to use professional judgment to reflect more accurately the financial need of students and families affected by the COVID-19 pandemic.
- For the 2019-20 and 2020-21 award years, the Department will make appropriate adjustments to its risk-based model and will not negatively view increased use of professional judgment or use it as a selection criterion for a program compliance review.

CORONAVIRUS (COVID-19) GUIDANCE

ENROLLMENT REPORTING

April 3, 2020 Electronic Announcement

- If a student's attendance at an institution is interrupted due to the COVID-19 national emergency, the institution should continue to report the student's enrollment status to the National Student Loan Data System (NSLDS) as "in-school." The institution should continue the borrower in the same loan status until the next enrollment period unless the student withdraws.

CORONAVIRUS (COVID-19) GUIDANCE

CASH MANAGEMENT AND DISBURSEMENT REPORTING

April 3, 2020 Electronic Announcement

- Early and late disbursement requirements and disbursement reporting timeframes remain in effect. Contact your School Participation Division if your institution will be unable to comply with normal requirements.
- Final reporting deadlines remain in effect. If you need to submit a disbursement late, make a request via the Common Origination and Disbursement (COD) website or contact the COD School Relations Center at 1-800-474-7268.

CORONAVIRUS (COVID-19) GUIDANCE

DISCLOSURE AND REPORTING DEADLINES

July 10, 2020 Electronic Announcement

- Campus and Fire Safety
 - Disclosure required no later than December 31, 2020
 - Annual survey open from November 18, 2020 thru January 14, 2021
- Equity in Athletics Disclosures
 - Disclosure required no later than December 31, 2020
 - Annual survey open from December 2, 2020 thru January 28, 2021
- Fiscal Operations Report and Application to Participate (FISAP)
 - Deadline extended until November 2, 2020 for 2020-21 FISAP
 - **Edit corrections deadline** remains unchanged – December 15, 2020

CORONAVIRUS (COVID-19) GUIDANCE

TEMPORARY RELIEF FOR FEDERAL STUDENT LOAN BORROWERS

CARES Act (Pub. L. 116-136); August 8, 2020 Executive Memorandum

- Through December 31, 2020, the following are suspended on Department-held loans:
 - Loan payments;
 - Interest accrual;
 - Involuntary collection, including wage garnishment and treasury offset
- Payments that would have occurred during suspension will count toward loan forgiveness and loan rehabilitation

CORONAVIRUS (COVID-19) GUIDANCE

FINANCIAL STATEMENTS AND COMPLIANCE AUDITS

March 11, 2020 Electronic Announcement

- Provides limited exemption for non-federal auditors to use alternatives to site visits

May 15, 2020 Electronic Announcement

- Extends deadlines on compliance audits by six months

CORONAVIRUS (COVID-19) GUIDANCE

HIGHER EDUCATION EMERGENCY RELIEF FUND (HEERF)

CARES Act (Pub. L. 116-136)

- Guidance available at:
<https://www2.ed.gov/about/offices/list/ope/caresact.html>
- Letters from the Secretary and certification agreements
- Student and institutional funding
- Formula allocations
- Q & As for both student and institutional funding
- Questions related to HEERF should be sent to: HEERF@ed.gov

CORONAVIRUS (COVID-19) GUIDANCE

HIGHER EDUCATION EMERGENCY RELIEF FUND (HEERF)

CARES Act (Pub. L. 116-136); May 06, 2020 and July 10, 2020 Electronic Announcements

- Institutions must report required on use of HEERF funds, including the following elements:
 - Total amount of emergency grants distributed to students;
 - Estimated total number of students at the institution eligible to participate; thus eligible to receive emergency grant;
 - Total number of students who have received an emergency grant;
 - Methodology used to determine which students receive emergency grants and how much (\$);
 - Consumer information provide to students concerning grants.

CORONAVIRUS (COVID-19) GUIDANCE

PAYCHECK PROTECTION PROGRAM (PPP)

CARES Act (Pub. L. 116-136); May 15, 2020 Electronic Announcement

- Loan principal forgiven under PPP (Sec. 1102 of the CARES Act) will be excluded from total liabilities in the composite score, increasing the institution's equity or net assets
- FWS recipients are excluded from the total number of an institution's employees when determining PPP loan eligibility

CORONAVIRUS (COVID-19) GUIDANCE

RESOURCES

Guidance and FAQs for Higher Education Emergency Resources Fund

- <https://www2.ed.gov/about/offices/list/ope/caresact.html>

Guidance and FAQs for Title IV Programs

- <https://www.ed.gov/coronavirus/program-information#highered>
- <https://www2.ed.gov/about/offices/list/ope/covid19faq.html>
- For questions, contact COVID-19@ed.gov

STATUTORY UPDATES



FISCAL YEAR 2020 APPROPRIATIONS

FOSTERING UNDERGRADUATE TALENT BY UNLOCKING RESOURCES FOR EDUCATION (FUTURE) ACT (PUB. L. NO. 116-91)

- Reauthorization mandatory funding programs for HBCUs and other MSIs
- Allows for disclosure of tax-return data from IRS to ED

FURTHER CONSOLIDATED APPROPRIATIONS ACT, 2020 (PUB. L. NO. 116-94)

- Maximum Pell Grant increased for 2020-21 award year by \$150 to \$6,345

TECHNICAL AMENDMENTS

CARES ACT(PUB. L. NO. 116-136), SECTION 3516

- Amends Sec. 6103 of the Internal Revenue Code of 1986 to assist with the implementation of the FUTURE Act

REGULATORY UPDATES



NEGOTIATED RULEMAKING 2019

January – April of 2019, the Department conducted negotiated rulemaking on the following:

- Accreditation
- Distance Education and Innovation
- State Authorization of Distance Education Programs
- TEACH Grants
- Participation of Faith-Based Entities in Title IV

NEGOTIATED RULEMAKING 2019

The Negotiated Rulemaking Committee reached
consensus on all issues!

- The issues were separated into 3 different packages:
 - Accreditation/ State Authorization
 - TEACH/ Faith-Based Issues
 - Distance Education and Innovation

ACCREDITATION AND STATE AUTHORIZATION DISTANCE EDUCATION REGULATIONS

- Final rules published on November 1, 2019
- Rules became effective July 1, 2020

[Publication of Regulations: Federal Register Notice](#)



ACCREDITATION AND STATE AUTHORIZATION DISTANCE EDUCATION REGULATIONS

The regulations:

- Define the roles and oversight responsibilities of each member of the triad
- Terminate distinctions between accrediting agencies based on geographic scope
- Create opportunities for new accrediting agencies that provides priority to students needs and outcomes

ACCREDITATION AND STATE AUTHORIZATION DISTANCE EDUCATION REGULATIONS

Revised accreditation regulations:

- Allow for expeditious approval of new programs and curricular changes
- Explicitly allows institutions to engage employers in program development
- Inform student choice in preparation for licensure/ certification

ACCREDITATION AND STATE AUTHORIZATION DISTANCE EDUCATION REGULATIONS

Revised state authorization for distance education requirements:

- Recognize state authorization reciprocity agreements
- Eliminates requirement for state-based complaint process if the institution does not have physical location in the state
- For institutions that are part of a reciprocity agreement, prevents states from enforcing additional requirements that are related to authorization of distance education
- Refer to the student's location (rather than residence)
- Provide for early implementation of the state authorization provisions
 - To early implement, institutions must document the decision and provide documentation to the Department upon request

TEACH GRANTS AND FAITH-BASED ENTITIES

- Final rules published on August 14, 2020
- Rules become effective July 1, 2021
- Early implementation permitted for all provisions

Publication of Regulations: Federal Register Notice



TEACH GRANTS AND FAITH-BASED ENTITIES

Minimize the number of TEACH Grants converted to Federal Direct Unsubsidized Loans, the regulations include:

- Loan conversion will only occur if:
 - Recipient asks Secretary for conversion
 - Recipient fails to begin/ maintain qualifying service
- Update, strengthen, simplify, and clarify other areas of the TEACH Grant program regulations

TEACH GRANTS AND FAITH-BASED ENTITIES

Faith-Based Entities proposed regulations include:

- Remove outdated provisions that presume members of religious orders have no financial need
- Modify provisions relating to:
 - Work-Study
 - Public Service Loan Forgiveness
 - Loan deferments for volunteer work

DISTANCE LEARNING AND EDUCATIONAL INNOVATION

- Final rules published on September 2, 2020
- Rules become effective July 1, 2021
- Early implementation permitted for all provisions

Publication of Regulations: Federal Register Notice



DISTANCE LEARNING AND EDUCATIONAL INNOVATION

The regulations include:

- Require prompt action by the Department on any applications
- Students enrolled in eligible foreign institutions may complete up to 25% of an eligible program at an eligible U.S. institution
 - An eligible foreign institution may still permit a Direct Loan borrower to perform research in the U.S. for not more than 1 academic year *if* research is conducted during the dissertation phase of a doctoral program

DISTANCE LEARNING AND EDUCATIONAL INNOVATION

The regulations include:

- Additional flexibility in demonstrating a reasonable relationship between:
 - Length of the program; and
 - Licensure requirements associated with the recognized occupation for which the program prepares students
- Modification to clock-to-credit hour conversion
 - Equates a semester/ trimester hour to 30 clock hours and a quarter hour to 20 clock hours of instruction
 - Removes consideration of homework time

DISTANCE LEARNING AND EDUCATIONAL INNOVATION

The regulations include changes to Return of Title IV Funds (R2T4):

- Student would not be considered withdrawn if:
 1. The student completes all requirements for graduation before completing the days scheduled to complete in the period
 2. The student completes one or more modules that comprise 50% or more of the number of days in the payment period or at least half-time enrollment
 3. The institution obtains written confirmation that the student will resume attendance in a subscription-based or non-term program

DISTANCE LEARNING AND EDUCATIONAL INNOVATION

The regulations include changes to Satisfactory Academic Progress (SAP) regulations:

- For purposes of maximum timeframe and pace evaluation (quantitative) for a credit hour program, an institution may use credits completed over calendar time rather than credits completed divided by credits attempted
- Institutions are no longer required to maintain a pace (quantitative) evaluation for nonterm credit-hour or clock-hour programs. SAP policies for such programs must have a qualitative and maximum timeframe evaluations.

BORROWER DEFENSE TO REPAYMENT

Notice of Proposed Rulemaking (NPRM) Published
July 31, 2018



Department received nearly 32,000 comments

Final Federal Register Notice – September 23, 2019

- Regulations will apply to all Federal student loans made on or after July 1, 2020
- Early implementation was allowed for financial ratios under § 668.172(d), and appendix A and B under subpart L (financial responsibility)

BORROWER DEFENSE TO REPAYMENT

The regulations:

- Borrowers may assert claims regardless of loan status (repayment, default, or collection proceedings)
- Maintains the 2016 preponderance of the evidence standard for all borrower defense to repayment claims
- Borrowers may file claims for 3 years from either the student's data of graduation or withdrawal from the institution
- Additionally, provide a borrower:
 1. Ability to allege a specific amount of financial harm
 2. Obtain relief in an amount determined by the Department

BORROWER DEFENSE TO REPAYMENT

The regulatory package also includes guidance on closed school discharge that:

- Eliminates automatic closed school discharge
- Extends the closed school discharge timeframe from 120 days to 180 days
- Encourages institutions to develop teach-out plans that allow students a reasonable opportunity to finish their programs before closing
- Allows students to choose between accepting an institution's offer of a teach-out opportunity or submitting a closed school discharge to the Department

BORROWER DEFENSE TO REPAYMENT

- Provides financial triggers for recalculating an institution's financial responsibility composite score and triggering additional surety to protect taxpayers
- Updates composite score calculations to reflect changes to Financial Accounting Standards Board (FASB) accounting standards

BORROWER DEFENSE TO REPAYMENT

NOVEMBER 25, 2019 – ELECTRONIC ANNOUNCEMENT

Implementation of School Notice Requirements

- After FSA receives a borrower defense discharge applications, we will send the school associated with the borrower's allegations a copy of the borrower's applications and invite the school to provide relevant information within 30 days (under 2016 regulations)
- The Department (ED) will provide information on the implementation of any future change to the school notice requirements under the 2019 borrower defense regulations

GAINFUL EMPLOYMENT

- A Negotiated Rulemaking Committee was formed in 2018 to consider the Gainful Employment rules
- Negotiations concluded without consensus being reached
- The Final Rule that repealed the 2014 rule was published on July 1, 2019 and became effective July 1, 2020



GAINFUL EMPLOYMENT

RESCISSION OF GE PROGRAMS
OUTLINED IN 34 CFR SUBPARTS Q
AND R, INCLUDING:

- GE reporting
- GE disclosure
- Debt-to-earnings (D/E) calculations
- GE certification

ANY REQUIREMENTS OUTSIDE OF 34
CFR SUBPARTS Q AND R **REMAIN**,
INCLUDING:

- Adding any new GE programs to the ECAR within 10 days of the programs' start date
- Preparing students for gainful employment in recognized occupation
- Any requirements that apply to all Title IV, HEA Programs

OPERATIONAL UPDATES AND REMINDERS



HIGHER EDUCATION ACT – SECTION 117

Institutions (IHEs) must file a disclosure report if the IHE:

1. Owned or controlled by a foreign source
2. Received a gift from a foreign source (> \$250,00)*
3. Entered into a contract with a foreign source (>\$250,000)*

* Greater than \$250,000 = alone or in combination with all other gifts from or contracts with that foreign source within a calendar year

New Reporting System: <https://partners.ed.gov/ForeignGifts>

WHEN ARE SECTION 117 REPORTS DUE?

An institution **MUST** file every 6 months

- By January 31st for preceding July 1st – December 31st
- By July 31st for preceding January 1st – June 30th

See June 22, 2020 Electronic Announcement for more information: <https://ifap.ed.gov/electronic-announcements/062220ReminderRprtOwnerContrlContractsGiftsForeignSrc>

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%

REVISED MASTER PROMISSORY NOTES (MPNS)

April 24, 2020 – Electronic Announcement

- Revised version of the Direct Loan Master Promissory Note (MPN) on [Studentaid.gov](https://studentaid.gov)
- The new expiration date for both MPNs is July 31, 2022



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
- 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

2020 CIP CODES

- CIP Codes are maintained by the Department's National Center for Educational Statistics (NCES). 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 STANDARD TERM POLICY

NOVEMBER 5, 2019 – ELECTRONIC ANNOUNCEMENT



- Semesters and trimesters may now be between 14 and 21 weeks of instruction
- Quarters may now be between 9 and 13 weeks of instruction
- Standard terms are no longer required to be substantially equal
 - Two-week tolerance change to maximum term length cap limit (exception for 12-week standard quarters)
 - Academic Year definition remains unchanged
- Electronic Announcement contains a series of Q & As and term examples

THANK YOU!



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