

# FEDERAL UPDATE

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U.S. Department of Education  
NCASFAA Spring 2021 Conference



April 2021



Federal Student **Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

# AGENDA

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- 01 Distance Education and Innovation Regulations
- 02 Consolidated Appropriations Act
- 03 COVID-19 Waivers and Flexibilities
- 04 Operational Updates and Reminders

# DISTANCE EDUCATION AND INNOVATION REGULATIONS



# DISTANCE EDUCATION REGULATIONS

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## Distance Education and Innovation

- April 2, 2020 – NPRM
- September 2, 2020 – Final Rule
- July 1, 2021 – Effective date (with early implementation option)

## Goal of Distance Education and Innovation regulations:

Create new regulations and update existing regulations to remove barriers and allow for innovation while providing guardrails to protect students

# DISTANCE EDUCATION REGULATIONS

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## Modified definitions:

- Clock-hour
- Correspondence course
- Credit-hour
- Distance education
- Incarcerated student
- Nonprofit institution

## Added new definitions:

- Academic engagement
- Juvenile justice facility

Provides additional guidance related to direct assessment program requirements and Department approval process

# DISTANCE EDUCATION REGULATIONS

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## Changes to Return of Title IV Funds (R2T4):

- Students no longer considered withdrawn if any of the following apply:
  1. The student completes all requirements for graduation before completing the days scheduled to complete in the period
  2. The student successfully completes one or more modules that comprise 49% 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 at a later point in the period
- Denominator of R2T4 will be based on hours included in determination of Title IV awards

# DISTANCE EDUCATION REGULATIONS

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## Changes to Satisfactory Academic Progress (SAP):

- 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 still have qualitative and maximum timeframe evaluations.

# CONSOLIDATED APPROPRIATIONS ACT OF 2021

Includes FAFSA Simplification Act and Coronavirus Relief Provisions





# STOP STUDENT DEBT RELIEF SCAMS ACT OF 2019

PUBLIC LAW 116-251

Signed into law: December 22, 2020

Effective Date: 180 days after the date of enactment of this Act.  
(June 20, 2021)

What it does:

- Criminal sanctions
- Exit Counseling
- Preventing improper access
- Detection and reporting of suspicious activity



# FY 2021: STUDENT FINANCIAL ASSISTANCE



Program	FY 2020	FY 2021
Pell*	\$22.475B	\$24.545
FSEOG <sup>1</sup>	\$865M	\$880M
FWS <sup>2</sup>	\$1.18B	\$1.19B

*\*The Federal Pell Grant Program is funded through a mix of discretionary and mandatory funding streams. The amounts reflected here are only those made available through FY 2020 and FY 2021 appropriations law—the discretionary funding stream.*

<sup>1</sup> Federal Supplemental Educational Opportunity Grant (FSEOG)

<sup>2</sup> Federal Work Study (FWS)

# PELL GRANTS

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- Pell Grant
  - Maximum Federal Pell Grant increased for 2020-21 award year by \$150 to \$6,345. Maximum Pell EFC 5711
  - Maximum Federal Pell Grant increased for 2021-22 award year by \$150 to \$6,495. Maximum Pell EFC 5846
- Dear Colleague Letter GEN 21-01 for Pell Payment and Disbursement Schedules
- <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2020-01-31/2020-2021-federal-pell-grant-payment-and-disbursement-schedules>

# SULA REPEAL

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- Under the FAFSA® Simplification Act, part of the Consolidated Appropriations Act of 2021, the Department is directed to repeal 150% Direct Subsidized Loan Limit
- Future FSA modifications:
  - COD will cease applying the 150% limit to the awarding of new Direct Subsidized Loans; and
  - NSLDS® will cease to determine Loss of Subsidy on existing Subsidized Loans
- Monitor the Knowledge Center on FSA Partner Connect for updates; sign up to receive notifications of Electronic Announcements

# FAFSA® PROVISIONS

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- Expected Family Contribution (EFC) will change to Student Aid Index (SAI) to calculate eligibility for need-based aid except Pell Grant eligibility
  - SAI will be used to determine the Pell award for amounts less than the maximum Pell
  - EFC was established in the HEA in 1972; we called it “Student Eligibility Index” until 1984-1985
  - Pell Grant eligibility will follow a completely different formula to determine eligibility

# FAFSA® PROVISIONS

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- SAI will be simplified compared to EFC
- SAI will only include income information that is available from IRS
- SAI will change what counts as assets and how assets are treated
- SAI could be a negative number, but that number will be treated as zero for awarding purposes
- “Auto-Zero” SAI only available to those who are not required to file a Federal tax return

# FAFSA® PROVISIONS

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- Will reduce the number of questions on the FAFSA
- Will add new questions to the FAFSA
- Will change some FAA authority regarding adjustments to FAFSA data elements used to determine the SAI
- Will change some FAA authority regarding other adjustments such as dependency status (including homeless youth determinations)

# PELL GRANT PROVISIONS

- Allows Pell Grants for otherwise eligible students who are incarcerated but enrolled in an eligible prison education program.
- Pell Grant eligibility will not be based on Student Aid Index (SAI). However, the amount may be impacted by SAI.
- Instead, whether a student qualifies for Pell will be based on Adjusted Gross Income (AGI), household size, and poverty guidelines.



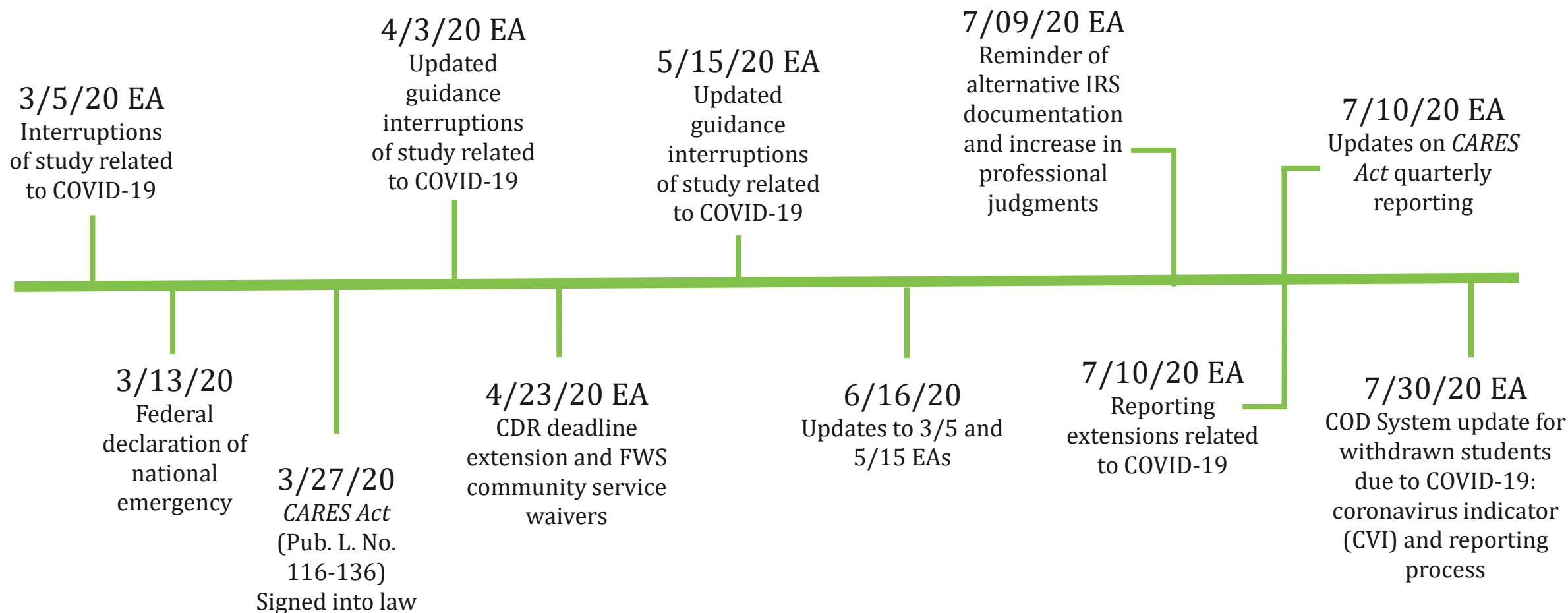
# OTHER CHANGES TO ELIGIBILITY

- Removal of Selective Service requirements for Title IV eligibility
- Removal of drug conviction requirements for Title IV eligibility

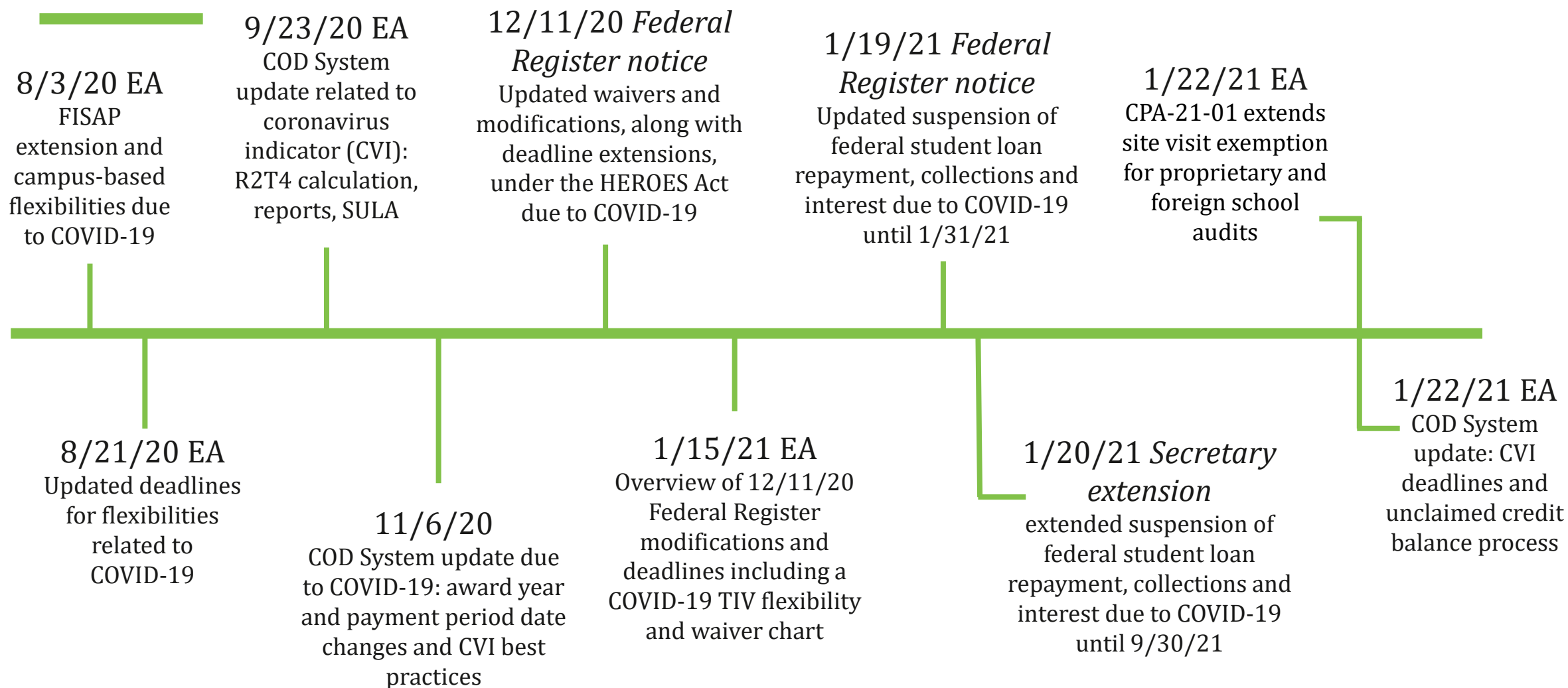
# COVID-19 WAIVERS AND FLEXIBILITIES



# OVERVIEW OF COVID-19 POLICY GUIDANCE



# OVERVIEW OF COVID-19 POLICY GUIDANCE



# RELIEF FOR LOAN BORROWERS

CARES Act (Pub. L. 116-136; section 3513); December 11, 2020 Federal Register notice;  
January 20, 2021 Secretary Extension

- *Through September 30, 2021, 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
- Borrowers are not required to recertify income for one calendar year from the date on which the borrower would have been required to recertify documentation in 2020
- *Federally held loan flexibilities are allowed but not required for Perkins loans held by institutions*

# ADDITIONAL COVID-19 *TITLE IV* RESOURCES



# COVID-19 *TITLE IV* RESOURCES

General Guidance:

<https://www.ed.gov/coronavirus/program-information#highered>

FAQs for *Title IV* Programs:

- <https://www2.ed.gov/about/offices/list/ope/covid19faq.html>
- January 15, 2021 EA:
  - Overview of 12/11/20 Federal Register notice waivers under the HEROES Act
  - Includes comprehensive chart of COVID-19 flexibilities and waivers, timeframes and various citations

For questions, contact [COVID-19@ed.gov](mailto:COVID-19@ed.gov)

# COVID-19 WAIVERS AND FLEXIBILITIES

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## Guidance and FAQs for Higher Education Emergency Resources Fund

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

## Guidance and FAQs for Title IV Programs

<https://www.ed.gov/coronavirus/program-information#highered>

<https://www2.ed.gov/about/offices/list/oep/covid19faq.html>



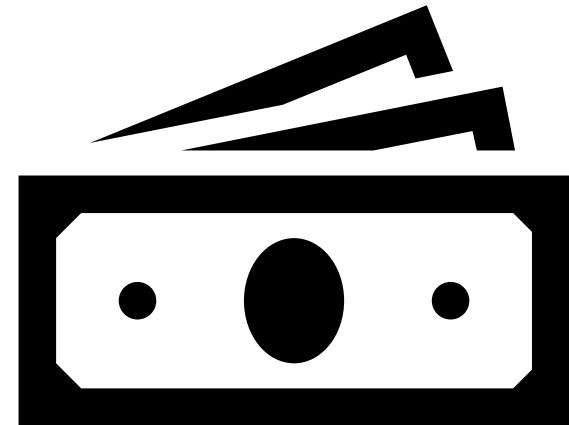
# COVID-19 WAIVERS AND FLEXIBILITIES

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## Latest communications

- [Electronic Announcement published January 15, 2021](#)
  - Explains extensions of waivers and deadlines in the [December 11, 2020 Federal Register notice](#)
  - [Attachment](#) to 1/15 EA provides chart of all COVID-19 relief and flexibilities
- Electronic Announcements published January 22, 2021
  - [EA ID: GENERAL-21-03](#) describes Dear CPA Letter CPA-21-01 extending site visit exemption for auditors
  - [EA ID: COD-21-01](#) explains deadline extension for entering Coronavirus Indicator and other COVID-19 COD issues

# HIGHER EDUCATION EMERGENCY RELIEF FUND I AND II (HEERF) RESOURCES



# HIGHER EDUCATION EMERGENCY RELIEF FUND I AND II

## RESOURCES

- HEERF I: <https://www2.ed.gov/about/offices/list/oep/caresact.html>
  - Contains agency letters, program information, Q & As, training materials and contact information
- HEERF II: <https://www2.ed.gov/about/offices/list/oep/crrsaa.html>
  - Contains agency letters, program information Q & As and contact information
- HEERF Reporting <https://www2.ed.gov/about/offices/list/oep/heerfreporting.html>
  - Review January 15, 2021 EAs; Questions - 888-OPEPD-10 (673-7310)

General questions related to HEERF should be sent to: [HEERF@ed.gov](mailto:HEERF@ed.gov)

# OPERATIONAL UPDATES AND REMINDERS



# VERIFICATION

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- Same data items
- No changes to the verification tracking groups
- Acceptable documentation is listed in the Federal Register Notice on September 3, 2020
- 2021-22 FAFSA® Verification Suggested Text published September 25, 2020
- COVID-19 waivers apply to 2021-22 award year verification

# PERKINS LOAN UPDATES

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- Ensure Part III of the FISAP Perkins information is correctly reported
- Report to NSLDS® monthly
- Distribution of Assets process – after the FISAP correction deadline of December 15, 2020
- Schools are expected to assign loans to the Department that have been in default greater than 2 years

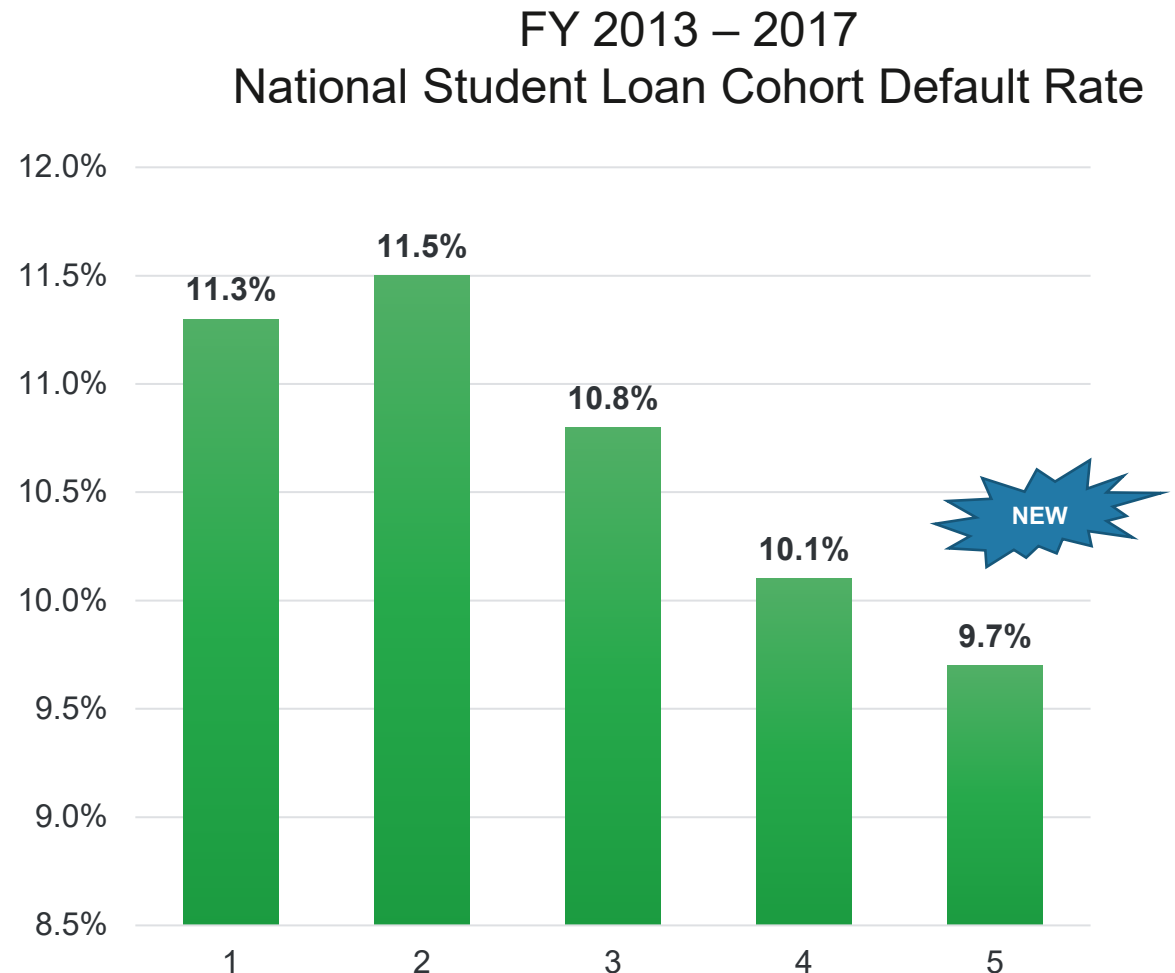
# NATIONAL STUDENT LOAN COHORT DEFAULT RATES (CDR)

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

- Represents a decrease from FY 2016 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 CDR EA](#)



# 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 <b>Undergraduate</b> students	2.75%
Direct Unsubsidized Loans for <b>Graduate</b> and <b>Professional</b> students	4.30%
Direct PLUS Loans for <b>Parents of Dependent Undergraduate</b> students and <b>Graduate or Professional</b> students	5.30%



# ANNUAL STUDENT LOAN ACKNOWLEDGEMENT

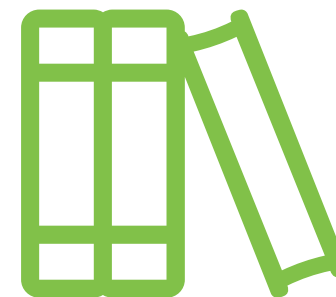
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FORMERLY THE INFORMED BORROWER TOOL (IBT)

- Annual Student Loan Acknowledgement – Borrower Completion Will Not be Required for 2021–22 Award Year (EA ID: DL-21-02)
- 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

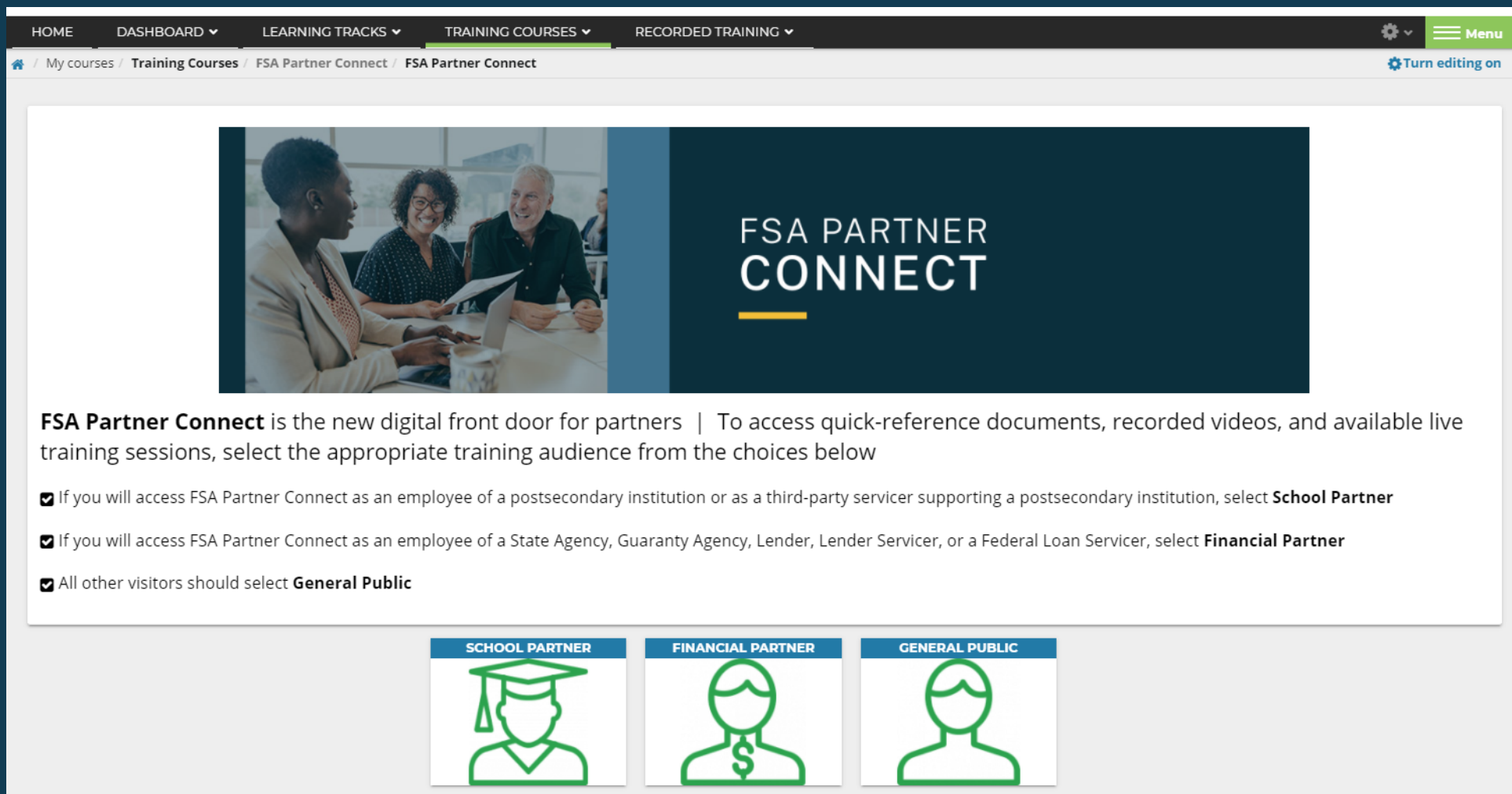
# FSA TRAINING RESOURCES

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# FEDERAL STUDENT AID E-TRAINING

<https://fsatraining.ed.gov>



The screenshot shows the FSA Partner Connect website. The top navigation bar includes links for HOME, DASHBOARD, LEARNING TRACKS, TRAINING COURSES, and RECORDED TRAINING. A breadcrumb trail below the navigation bar reads: / My courses / Training Courses / FSA Partner Connect / FSA Partner Connect. A 'Turn editing on' button is visible in the top right corner. The main content area features a large banner with a photo of three people in a meeting and the text 'FSA PARTNER CONNECT'. Below the banner, a paragraph explains that FSA Partner Connect is the new digital front door for partners and provides instructions on how to select the appropriate training audience. Three selection options are listed, each with a checkbox and a description. At the bottom, there are three buttons with icons: 'SCHOOL PARTNER' (graduation cap icon), 'FINANCIAL PARTNER' (person with dollar sign icon), and 'GENERAL PUBLIC' (person icon).

HOME DASHBOARD ▾ LEARNING TRACKS ▾ TRAINING COURSES ▾ RECORDED TRAINING ▾

/ My courses / Training Courses / FSA Partner Connect / FSA Partner Connect Turn editing on

## FSA PARTNER CONNECT

**FSA Partner Connect** is the new digital front door for partners | To access quick-reference documents, recorded videos, and available live training sessions, select the appropriate training audience from the choices below

- ☒ If you will access FSA Partner Connect as an employee of a postsecondary institution or as a third-party servicer supporting a postsecondary institution, select **School Partner**
- ☒ If you will access FSA Partner Connect as an employee of a State Agency, Guaranty Agency, Lender, Lender Servicer, or a Federal Loan Servicer, select **Financial Partner**
- ☒ All other visitors should select **General Public**


**SCHOOL PARTNER** **FINANCIAL PARTNER** **GENERAL PUBLIC**

# FEDERAL STUDENT AID E-TRAINING

<https://fsatraining.ed.gov>

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## Learning Plans


Take control of your learning by setting up one or more Learning Plans. A Learning Plan allows you to group a set of learning tracks, courses, or webinar recordings into a single plan with a due date. You can add objectives and competencies to your plan as well. Supervisors and managers can work with their staff to link accounts. This allows managers to review the course completion of their team members as well as create or edit Learning Plans for their staff.


Learning Plan Tutorial | Click on an icon below to begin your training


[REVIEW AVAILABLE TRAINING](#)  


[CREATE YOUR LEARNING PLAN](#)  


[VIEW YOUR RECORD OF LEARNING](#)  


[ADD A LEARNING PLAN MANAGER](#)  


[REVIEW TEAM MEMBERS \(FOR MANAGERS\)](#)  


[CREATE PLANS FOR STAFF \(FOR MANAGERS\)](#)  


# ASKAFED

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- The AskAFed email box is staffed by FSA training professionals every business day during normal business hours
- AskAFed can help with policy guidance inquiries related to Title IV administration
- The address is [AskAFed@ed.gov](mailto:AskAFed@ed.gov)



# TRAINING FEEDBACK

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- To ensure quality training, we ask all participants to please fill out an online session evaluation
- At the conclusion of the conference, all attendees will receive an email with a link to an electronic evaluation that we ask you to complete
- This feedback tool informs FSA of areas for improvement in our training presentations and offers an effective process for “listening” to our school partners

# QUESTIONS?

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# THANK YOU!



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