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SPOTLIGHT ON TRAINING

We are pleased to provide the following training opportunities in the months of January and February. Please visit the [Event Center](#) on the FedLoan Servicing Website to learn more about the events or to register.

Date	Training Event Topic
January 10, 2013	The Borrower & School Experience
January 15, 2013	Public Service Loan Forgiveness
January 17, 2013	Creating a Financial Literacy and Default Prevention Plan
January 23, 2013	Return of Title IV Funds (R2T4) Clock Hour & Module Programs
January 24, 2013	Return of Title IV Funds (R2T4) Credit Hour Programs
January 29, 2013	Repayment Plans
February 5, 2013	Understanding Your Cohort Default Rate (CDR)
February 7, 2013	The Borrower & School Experience
February 12, 2013	Public Service Loan Forgiveness
February 14, 2013	You Can Deal With It (YCDWI)
February 20, 2013	Satisfactory Academic Progress for Graduate and Professional Schools
February 21, 2013	Repayment Plans
February 26, 2013	Understanding Your Cohort Default Rate (CDR)
February 27, 2013	Post-Election Breakdown: Updates from DC with Scott Miller

COMPLIANCE CORNER

QUESTION:

Do you know when the 2013-14 verification worksheets and ISIR guide will be available?

ANSWER:

VERIFICATION WORKSHEETS

On **November 1, 2012**, the Department published an Electronic Announcement to inform the financial aid community that it will not be providing sample verification worksheets for the 2013-2014 award

year. Instead, the Department will provide suggested text that schools can use to collect the required information for verification. ED plans to provide further information on the suggested text in the coming weeks.

STAY TUNED ON THIS TOPIC!

ISIR GUIDE

The **2013-14 ISIR Guide** is now available on the Information for Financial Aid Professionals Website. In addition, schools can also expect it to be made available on the Federal Student Aid Download Website.

U.S. DEPARTMENT OF EDUCATION PUBLISHES GUIDANCE ON BOOKSTORE CHARGES

On [November 28, 2012](#), the U.S. Department of Education (ED) published guidance to assist schools in determining whether it may use Title IV funds to credit a student's account for charges incurred at a bookstore that is not owned or legally part of the school.

In its guidance, ED provided a contract-based approach that permits a school to credit the student's account using Title IV funds for charges incurred at a bookstore that is not owned by the school so long as the bookstore has a written contract or other legal agreement with the school allowing the student to charge educationally related goods and services, and the school has the student's authorization to credit his account for the expenses. A Pell Grant eligible student must be given the opportunity to opt-out of having these charges applied to his account.

There are instances when a student's bookstore charges must be included as institutional charges when performing the Return of Title IV Funds (R2T4) calculation. Required

course materials (books and supplies) are considered institutional charges if the student did not have a "real and reasonable opportunity" to purchase the materials from any place other than at that bookstore. A student has a real and reasonable opportunity to obtain the materials if:

- The materials are available for purchase at a convenient location that is not affiliated with the school, and
- The school does not restrict the use of financial aid funds, giving the student the opportunity to purchase the required materials from another source in a timely manner.

Schools must also comply with 34 CFR 668.46 and include the bookstore as one of its locations to fulfill the requirements for campus crime and safety reporting even if the bookstore is located on-campus and operated through a contract with a third party or if the bookstore is run by the school but located in an off-campus building.

ACCESS REMOVED FOR UNCONFIRMED TG NUMBERS

Federal Student Aid (FSA) began distributing information in October 2012 to notify organizations that December 14, 2012, was the deadline to review and validate assigned TG numbers. On December 14, 2012, FSA inactivated the TG numbers for accounts that were still unconfirmed. If your access has been removed, your organization's Primary Destination Point Administrator (Primary DPA) must perform the account validation in order for your access to be restored. Primary DPAs should review the Electronic Announcement published on [December 17, 2012](#), for instructions on how to restore access.

AROUND THE CORNER: 2013-14 AWARD YEAR

2013-14 ELECTRONIC DATA EXCHANGE (EDE) TECHNICAL REFERENCE

The updated [2013-14 Electronic Data Exchange \(EDE\) Technical Reference is now available](#). The most recent update includes a correction to address several field position issues in the Field Name and Position Cross-References table within the Processing codes section.

U.S. DEPARTMENT OF EDUCATION PUBLISHES COHORT DEFAULT RATE DRAFT CALCULATIONS

On December 3, 2012, the U.S. Department of Education published the [Technical Update, GA-2012-05: Fiscal Year 2011 2-Year and Fiscal Year 2010 3-Year Cohort Default Rate Draft Calculations](#). The document is available in both Microsoft Word and PDF.



UPDATES ON GAINFUL EMPLOYMENT

ELECTRONIC ANNOUNCEMENT # 41- REQUIREMENTS FOR ADDING NEW EDUCATIONAL PROGRAMS

On [November 21, 2012](#), the U.S. Department of Education (ED) issued Electronic Announcement # 41 to address the portion of the ruling from the U.S. District Court for the District of Columbia that vacated Gainful Employment regulations effective July 1, 2011, related to adding new programs.

As a result of the court's decision, regulations under 34 CFR 600.10(c) and 600.20(d) are no longer in effect. Schools should refer to the regulations that were in effect prior to July 1, 2011, and any applicable provisions or terms regarding the addition of new programs.

PROGRAMS THAT REQUIRE THE SECRETARY'S APPROVAL

Schools with a Provisional Program Participation Agreement (Provisional PPA) must apply for and receive the Secretary's approval prior to offering a new program. Please refer to 34 CFR 668.13(c)(4) for specific guidance for schools operating under a Provisional PPA.

In addition, schools that are already Title IV program participants must apply for the Secretary's approval before offering a new program and before disbursing Title IV funds to or on behalf of a student enrolled in a program that:

- Does not lead to an associate, baccalaureate, professional, or graduate degree.
- Does not prepare students for gainful employment in the same or related recognized occupation as another program previously recognized as eligible by the Secretary.
- Is a short-term program (at least 10 weeks of instructional time and between 300 and 599 clock hours in length) and is required to meet additional eligibility requirements for completion and placement rates.

- Is offered by a school that is required by ED to apply for approval prior to offering a new program or location.
- Leads to a higher, previously unapproved level. For example, a Bachelor's degree program at a school that only awarded certificates and Associates degrees in the past.
- Is a Direct Assessment program.
- Is a Comprehensive Transition and Postsecondary Program.

PROGRAMS THAT DO NOT REQUIRE THE SECRETARY'S APPROVAL

A school may make a self-determination to add a new program under the following circumstances, after the school has obtained the applicable state and accrediting approvals.

- The school adds a new associate, baccalaureate, professional or graduate degree program and is already approved by the Secretary to offer programs at that level, and the school is not required to obtain approval from the Secretary before adding a new program.
- The school is fully certified and wishes to add a non-degree program that has at least 10-weeks of instructional time; 8 semester hours, 12 quarter hours, or 600 clock hours; and prepares students for gainful employment in the same or related recognized occupation as another program previously recognized as eligible by the Secretary.

Please be aware that schools whose self-determination is later found to be incorrect are liable for all Title IV funds disbursed to or on behalf of students enrolled in the program.

In addition, while not required, schools are encouraged to use the E-App to add all new Title IV eligible programs to its Eligibility and Certification Approval Report (ECAR). However, new programs must be reflected on the school's next recertification application.

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WEBINAR RECORDINGS NOW AVAILABLE

The U.S. Department of Education has announced the availability of recordings from their [2012 Fall Webinar Training Series](#). The series consisted of four online, instructor-led sessions that covered: campus-based programs, Return of Title IV Funds (R2T4) calculations in clock-hour withdrawal situations, R2T4 calculations for modules, and clock-hour program requirements.



UPDATES ON GAINFUL EMPLOYMENT

ELECTRONIC ANNOUNCEMENT # 42-2011-12 DISCLOSURES FOR GAINFUL EMPLOYMENT PROGRAMS

On [November 23, 2012](#), the U.S. Department of Education (ED) issued additional information, as a follow up to Electronic Announcement # 39, on Gainful Employment (GE) disclosures.

Although the U.S. District Court for the District of Columbia vacated several GE provisions when it issued its decision in Association of Private Sector Colleges and Universities (APSCU) v. Duncan, it did not vacate the GE disclosure regulations found at 34 CFR 668.6(b).

ED does not plan to issue a GE disclosure template until the court responds to its request to reinstate the GE reporting requirements, but will keep the community updated on developments regarding the template and disclosure obligations.

Schools must still update their 2011-12 GE Program disclosures for each GE program no later than January 31, 2013. The disclosures should be based on the data for students who completed their program during the 2011-12 award year (July 1, 2011 - June 30, 2012). The disclosures must be displayed on the program's web page and in promotional material for the program. Promotional materials can include: flyers, brochures, program catalogs, direct mailings, other published materials, etc.

The disclosure information must be displayed in a "simple and meaningful manner" that is platform-independent, machine-readable and made available to the public without restriction. Web pages that include general, academic

or admissions information about the program must also include a prominent, direct link to the web page that contains the required disclosure information.

The disclosures must contain the following information:

- Occupation(s) the program prepares students to enter.
- Normal length of time it takes to complete the program.
- Tuition and fees to complete the program.
- Cost for books, supplies, room and board.
- Placement rate for individuals who complete the program.
- Median student loan debt incurred by program completers (disclosed separately for Title IV Loans, Private Education Loans, and institutional loans).



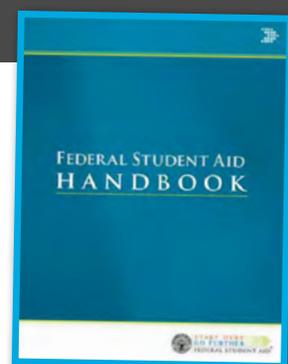
2012-13 FEDERAL STUDENT AID HANDBOOK

COMPLETE 2012-13 FEDERAL STUDENT AID HANDBOOK RELEASED

The indexed version of the 2012-13 Federal Student Aid (FSA) Handbook is now available on the [Information for Financial Aid Professionals \(IFAP\) Website](#). The indexed version allows for easier use because it includes links to referenced pages. A PDF version of the Handbook is also available for use.

ERRATA AND UPDATES VOLUME 1 (STUDENT ELIGIBILITY) AND THE APPLICATION AND VERIFICATION GUIDE

On [December 14, 2012](#), the U.S. Department of Education (ED) announced that it made the following, substantive changes to Volume 1 – Student Eligibility and the Application and Verification Guide.



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Application and Verification Guide

- **Updated Files Posted December 14, 2012** - Chapter 4, P. AVG-79. We deleted the paragraph about what to do when a tax document is not available and provided guidance on the issue in a new section on AVG-80 and AVG-81.
- **Updated Files Posted December 14, 2012** - Chapter 4, P. AVG-79. We revised the margin note on filing an amended tax return so that it reflects our most recent guidance.
- **Updated Files Posted December 14, 2012** - Chapter 4, P. AVG-80 and AVG-81. We added a new section titled "When a tax return transcript is unavailable" that explains what a student or parent can do if he or she is not able to get a tax return transcript. On page 81 we deleted the related margin note that was outdated.
- **Updated Files Posted December 14, 2012** - Chapter 4, P. AVG-82. We added a margin note about victims of identity theft.

Volume 1: Student Eligibility

- **Updated Files Posted December 14, 2012** - Chapter 2, P. 1-30. In the fourth paragraph, the third sentence has been revised to read: "You should write the 15-digit DHS verification number that is printed in the match flag section of the SAR and ISIR in field number 7 of the G-845 form." This replaces earlier language based on a prior version of the G-845 form.

Please visit the [Errata and Updates page](#) for a complete list of items that were amended after the initial files were published to the IFAP Website.

Created in 1963 by the Pennsylvania General Assembly, the Pennsylvania Higher Education Assistance Agency (PHEAA) has evolved into one of the nation's leading student aid organizations. Today, PHEAA is a national provider of student financial aid services, serving millions of students and thousands of schools through its loan guaranty, loan servicing, financial aid processing, outreach and other student aid programs.

PHEAA's earnings are used to support its public service mission and to pay its operating costs, including administration of the Pennsylvania State Grant and other state-funded student aid programs. PHEAA continues to devote its energy, resources and imagination to developing innovative ways to ease the financial burden of higher education for students, families, schools and taxpayers.

PHEAA conducts its student loan servicing activities nationally as American Education Services (AES) and FedLoan Servicing.

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These materials have been developed and paid for by the Pennsylvania Higher Education Assistance Agency (PHEAA) for informational purposes. Although the information contained in this document is believed to be accurate at the time of printing, PHEAA does not guarantee its accuracy. You should independently verify that this information is correct.

LC-INDBN
DECEMBER 2012

