



2 [Due December 14, 2012: FISAP Edit Corrections and Perkins Cash on Hand Update](#)

[Errata and Update: 2012-13 Federal Student Aid Handbook](#)

[Reminder! 2012-13 SAR and ISIR Corrections Must be Submitted by January 8, 2013](#)

3 [Update: Acceptable Documentation for 2012-13 Award Year Verification](#)

[Federally-Owned Loan Initiatives](#)

4 [Around the Corner: 2013-14 Award Year](#)

5 [New Reporting Requirements: Foreign Graduate Medical Schools](#)

[Revised! Master Promissory Note for Direct Subsidized and Unsubsidized Loans](#)

6 [Packaging and Repackaging - Title IV Student Aid](#)

SPOTLIGHT ON TRAINING

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

| Date | Training Event Topic |
|-------------------|--|
| December 12, 2012 | IBR / Repayment Plans |
| December 18, 2012 | Public Service Loan Forgiveness |
| 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 24, 2013 | Return of Title IV Funds (R2T4) Credit Hour Programs |
| January 29, 2013 | Repayment Plans |
| January 31, 2013 | Return of Title IV Funds (R2T4) Clock Hour & Module Programs |

COMPLIANCE CORNER

QUESTION:

Please explain the Identity and Statement of Educational Purpose info that some borrowers may be required to provide to verify 2013-14 FAFSA data?

ANSWER:

The Identity/Statement of Educational Purpose is one of the new verification requirements for the 2013-14 FAFSA filing year. Keep in mind that the Department will also begin using Verification Selection Groups (V1-V5) for the 2013-14 FAFSA filing year. This means that not all applicants will be required to verify the same items. According to information provided by the U.S. Department of Education (ED), an applicant selected for Verification Selection Group V4 or V5 must provide the Identity/Statement of Educational Purpose, which includes (1) a valid government-issued photo id and (2) a statement of educational purpose.

According to the Federal Register published on July 12, 2012, a valid government-issued photo id includes, but is not limited to: a driver's license, non-driver's license, military identification, or passport. The statement of educational purpose is "a signed statement certifying that the Federal student financial assistance received will only be used for educational purposes to pay the cost of attending that institution for the 2013-14 award year."

Your school must collect the signed statement and keep an annotated copy of the identification, including (1) the date the document was provided, and (2) the name of the authorized person at the school who obtained the documentation.

If the applicant is unable to provide the documentation in person, he must provide the school with a copy of a valid government-issued photo ID and an original, notarized statement of educational purpose as described above.

DUE BY DECEMBER 14, 2012: FISAP EDIT CORRECTIONS AND PERKINS CASH ON HAND UPDATE



The U.S. Department of Education (ED) wishes to remind schools that changes and corrections to the Fiscal Operations Report for 2011-2012 and the Application to Participate for 2013-14 (FISAP) must be submitted to ED by December 14, 2012. In addition, any school that participates in the Federal Perkins Loan Program must also provide an update of its cash on hand by this deadline.

CHANGES AND CORRECTIONS TO THE FISAP

Changes to the information originally filed on the FISAP can be updated by logging into the eCampus-Based (eCB) Web site. Information should be updated in the applicable field.

In addition, schools are reminded to check the eCB Web site to determine if ED has identified any FISAP edit errors. To do so, log into the eCB Web site and select "Validation," then "Validate All" on the left side of the screen. To correct the error, simply click on the "Fix Error" button located to the right of each error identified on the display screen. The subsequent screen will provide the user with the page where the error last occurred and all other pages where the error occurred. Select the "Validate All" button to determine if the error has been cleared. Once all errors are corrected, be sure to select the "Submit" button to transmit the corrected information to ED.

To ensure that the changes were successfully submitted, schools are encouraged to log in to the eCB Web site and select "Self Service" at the top of the screen and scroll to the "Acknowledgement" section. Select "Submission Log" to verify that the update was successfully submitted.

CHANGES AFTER DECEMBER 14, 2012

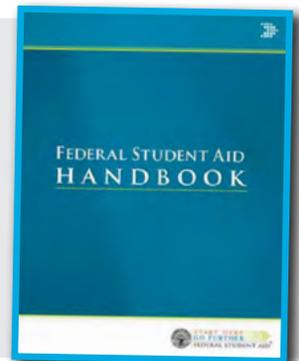
Schools that identify corrections after the December 14, 2012, deadline should still make the update(s) in the eCB Web site. The change(s) will be saved in the Working Copy of the FISAP and submitted to ED as a Change Request. Schools must also provide a description and justification for the change. Changes submitted after the deadline will be reviewed by the FISAP Change Request Monitoring Team. The group will determine whether the changes are approved or denied. Schools with approved changes will be able to submit the correction on the eCB Web site.

REPORTING PERKINS CASH ON HAND

Schools that have a Federal Perkins Loan Revolving fund must update Part III, Section A, Line 1.2 of the FISAP to reflect the amount on hand as of October 31, 2012. Additional information on performing this update can be found on page III-3 of the FISAP Instructions.

ERRATA AND UPDATE: 2012-13 FEDERAL STUDENT AID HANDBOOK

On [November 1, 2012](#), Federal Student Aid published a revision to Volume 4 (Processing Aid and Managing Federal Student Aid Funds) of the 2012-13 Federal Student Aid Handbook. Please visit the [Errata and Updates](#) page on the Information for Financial Aid Professional Web site to review these changes.



REMINDER! 2012-2013 SAR AND ISIR CORRECTIONS MUST BE SUBMITTED BY JANUARY 8, 2013

In preparation for the [2013-14 Renewal Reminder](#) distribution, schools are reminded to check their students' Student Aid Report (SAR) and Institutional Student Information Record (ISIR) transactions to ensure the student's current email address is provided. Please keep in mind that beginning with the 2013-14 processing year Federal Student Aid will no longer distribute paper Renewal Reminders.

The Renewal Reminder alerts renewal-eligible students that it's time to use the FAFSA on the Web (FOTW) to reapply for aid. Students who completed the 2012-2013 FAFSA in Spanish will receive a 2013-14 Renewal Reminder in Spanish.

UPDATE: ACCEPTABLE DOCUMENTATION FOR 2012-13 AWARD YEAR VERIFICATION



On [November 2, 2012](#), the U.S. Department of Education (ED) issued revised guidance on alternative documentation that schools may accept for the remainder of the 2012-13 award year for a tax filer (applicant, spouse or parent) who requested but was unsuccessful in receiving an IRS Income Tax Return Transcript.

Such tax filers may provide the school with a signed copy of his 2011 income tax return along with one of the following.

- Tax filers who previously used either the **IRS paper Form 4506-EZ or Form 4506-T** to request an IRS Income Tax Return Transcript must provide a copy of the IRS response received by the applicant stating the IRS could not locate the requested transcript. The copy must be signed by the tax filer.
- Tax filers who previously used the **IRS on-line transcript process** to request an IRS Income Tax Return Transcript must provide a signed copy of the screen print from the IRS Website that displays the message advising that the request for the transcript was unsuccessful.

ADDITIONAL ACTION THE TAX FILER MUST TAKE

Tax filers who provide the above documentation must also provide the school with a completed and signed copy of the IRS paper Form 4506-EZ or Form 4506-T and include the name, address and telephone number of the school (as a third party to whom the IRS may provide the transcript) on line 5 of the form.

IRS INCOME TAX RETURN TRANSCRIPT REQUESTS MADE BY TELEPHONE

The IRS does not provide written confirmation of a failure to meet a transcript request that was made by telephone. There is no alternative documentation that can be provided to demonstrate that request process. Therefore, a tax filer who requested but was unsuccessful in receiving an IRS Income Tax Return Transcript by telephone must make a subsequent Tax Return Transcript request using the IRS paper Form 4506-EZ or Form 4506-T, or the IRS on-line transcript process.

ACTION THE SCHOOL MUST TAKE

Unless the school has reason to believe information on the income tax return is inaccurate, it may file the completed 4506-EZ or 4506-T form rather than submit it to the IRS.

However, if the school believes the information on the income tax return may be inaccurate, it must mail the completed 4506-EZ or 4506-T form to the IRS and await receipt of the IRS Tax Return Transcript or confirmation from the IRS that the transcript cannot be located prior to completing verification.

FEDERALLY-OWNED LOAN INITIATIVES

On November 9, 2012, the U.S. Department of Education (ED) [announced](#) two initiatives planned for November and December 2012.

NEWLY-MADE TRADITIONAL DIRECT CONSOLIDATION LOANS

All traditional Direct Consolidation Loans made on or after November 5, 2012, will be transferred to either FedLoan Servicing (PHEAA) or Sallie Mae. The new servicer will contact the borrower directly upon assignment of the loan. Please be aware that this initiative does not apply to consolidation loans made earlier this year through the Special Direct Consolidation Loan initiative.

FEDERALLY-OWNED LOANS SERVICED BY DIRECT LOAN SERVICING CENTER (ACS) IN AN IN-SCHOOL OR IN-SCHOOL DEFERMENT STATUS

The second initiative impacts borrowers whose Direct Loans are assigned to Direct Loan Servicing Center (ACS) and are in an in-school or in-school deferment status. The impacted borrowers' loans will be transferred to a new servicer: FedLoan Servicing (PHEAA), Great Lakes Educational Loan Services, Inc., Nelnet, or Sallie Mae. The transfer of loans began on November 13, 2012 and will continue through December 2012.

AROUND THE CORNER: 2013-14 AWARD YEAR

STUDENT AID REPORT (SAR) COMMENT CODE AND TEXT GUIDE

The [2013-14 SAR Comment Code and Text Guide](#) is now available. The Guide provides a description of each change to a SAR comment as well as complete text for all comments.

INSTITUTIONAL STUDENT INFORMATION RECORD (ISIR) GUIDE

The [2013-14 ISIR Guide](#) is now available on the Information for Financial Aid Professionals Web site. In addition, schools can also expect it to be made available on the [Federal Student Aid Download Web site](#).

VERIFICATION WORKSHEETS

On [November 1, 2012](#), the U.S. Department of Education (ED) published an Electronic Announcement to inform the financial aid community that it **will not** be providing sample verification worksheets for the 2013-14 award year. Instead, ED 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.

FEDERAL SCHOOL CODE LIST OF PARTICIPATING SCHOOLS

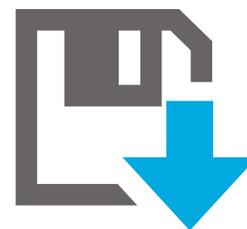
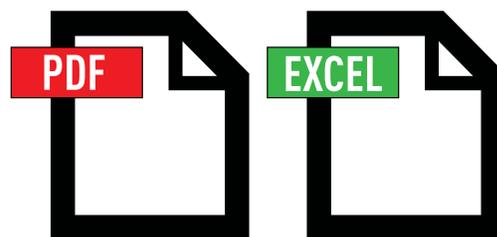
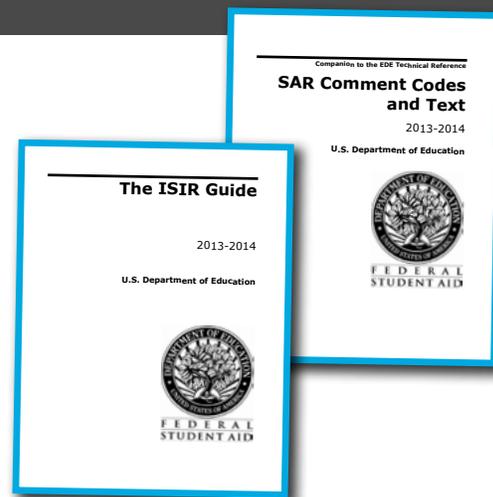
The initial [2013-14 Federal School Code List](#) has been made available electronically in both **PDF** and **Microsoft Excel** versions. The list contains the unique id codes assigned by ED to schools participating in the Title IV federal student aid programs.

Schools can make updates to the list by visiting the [Electronic Application for Approval to Participate in the Federal Student Financial Aid Program \(E-App\) Web site](#). To change the official name or address of your school, submit the "Update" application on the E-App Web site. Please keep in mind that a school may only have one city and state for each federal school code. In addition, schools are responsible for ensuring that the school name and address is updated in any other ED database.

MYSTUDENTDATA DOWNLOAD FUNCTIONALITY ON FAFSA ON THE WEB

The U.S. Department of Education (ED) has [announced](#) that in April 2013 students will have the ability to use the MyStudentData Download function to download the results on their processed Free Application for Federal Student Aid (FAFSA) in a text file from the 2013-14 FAFSA on the Web (FOTW) site. All students with a valid Federal Student Aid PIN will be able to utilize this new tool. In addition to this new functionality, ED is also expecting to coordinate with partners in the private sector to make other tools, such as mobile phone apps and online tools available to students to "further improve a student's decision making process and success."

This functionality is part of ED's Education Data Initiative, to make education-related data more readily accessible to students and empower them to make informed decisions about higher education. ED will distribute a reminder announcement in Spring 2013 about this additional functionality.



NEW REPORTING REQUIREMENTS: FOREIGN GRADUATE MEDICAL SCHOOLS

On November 7, 2012, the U.S. Department of Education (ED) published [Dear Colleague Letter \(DCL\) GEN-12-20](#) to notify foreign schools of new requirements for reporting completion rates and median and mean student debt levels for students completing a Title IV eligible graduate medical school program. Please note that this requirement is in addition to the United States Medical Licensing Examination (USMLE) pass rates ED already requires these schools to report.

Beginning April 30, 2013, foreign graduate medical schools must also report the following information on an educational program by program basis. This information must be reported to ED by April 30 following the end of each calendar year.

ON-TIME COMPLETION RATE

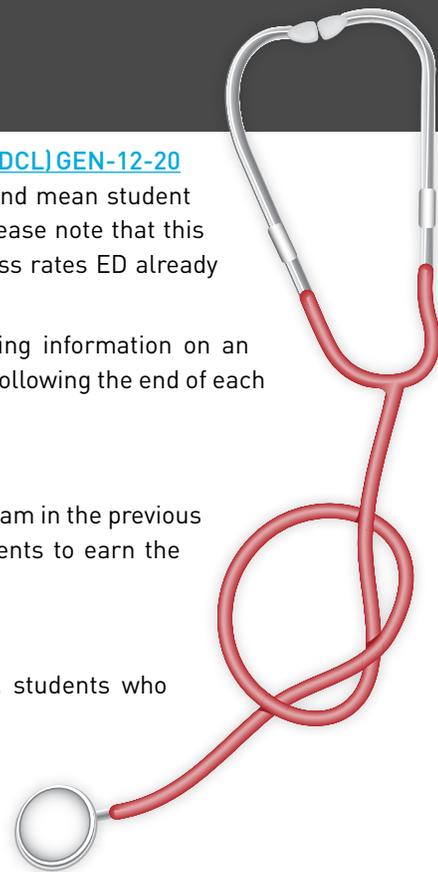
The school must report the on-time completion status for a student who completed the program in the previous year and is considered to have done so on time (i.e. the student completed the requirements to earn the degree in the timeframe specified by the school in its catalog or on its Web site).

MEDIAN AND MEAN LOAN DEBT

The school must report the following median and mean loan debt amounts for all U.S. students who completed the educational program during the previous calendar year:

- Title IV loan debt;
- Private education loan debt;
- Institutional education loan debt; and
- Combined educational loan debt.

These amounts should only include the debt incurred by the student for attendance at the foreign medical school.



REVISED MASTER PROMISSORY NOTE FOR DIRECT SUBSIDIZED AND UNSUBSIDIZED LOANS

The office of Management and Budget (OMB) has approved the [revised Master Promissory Note \(MPN\) for Federal Direct Stafford/Ford Loans and Federal Direct Unsubsidized Stafford/Ford](#) (Direct Subsidized and Unsubsidized Loans) Loans under OMB Control Number 1845-0007 with an expiration date of 07/31/2014. The MPN is also available in Spanish.

The revised versions of the MPN will be implemented into the Common Origination and Disbursement (COD) System and on StudentLoans.gov in November 2012.

CHANGES TO MPN PRINT OPTIONS

On [October 22, 2012](#), Federal Student Aid announced that beginning November 10, 2012, schools will no longer have the option to have COD print or mail the MPN to the borrower. In addition, COD will temporarily suspend the process to send e-mail or hard copy mail reminders to borrowers to complete the MPN.

The Promissory Note Print Option field will no longer be available on the COD System. In addition, COD will ignore this field for any school that presently has it set to 'Y'.

The COD system will also ignore the <PromissoryPrintCode> tag in the Common Record if it is submitted with a Direct Loan award amount. Please be aware that, although COD is ignoring it, this field will still be returned in the Common Record response. In addition, the value of 'R' in the Promissory Note Print Code field in the Direct Loan Rebuild file is being redefined to "R- Onsite/ Other".

REVISED MASTER PROMISSORY NOTE FOR DIRECT SUBSIDIZED AND UNSUBSIDIZED LOANS

AVAILABLE PRINT OPTIONS

Several print options are still available for schools that direct borrowers to complete the MPN electronically on the [StudentLoans.gov Web site](#). Borrowers can print a pre-populated MPN on the StudentLoans.gov Web site or download a blank MPN from the Direct Loans Web site or the COD Web site. Schools can also order blank MPNs from the [FSA Pubs Web site](#).

PLAIN LANGUAGE DISCLOSURE

The Plain Language Disclosure (PLD) has been updated to include all of the changes that were made to the MPN.

ADDENDUM TO DIRECT SUBSIDIZED/UNSUBSIDIZED LOAN MPN

This document explains the temporary loss of interest subsidy during the grace period for Direct Subsidized Loans with a first disbursement on or after July 1, 2012 and before July 1, 2014. Additional information on this temporary change can be found in [Dear Colleague Letter \(DCL\) GEN-12-01](#).

Both the PLD and Addendum will be available in English and Spanish on the COD Web site in November 2012.

PACKAGING AND REPACKAGING – TITLE IV STUDENT AID

On [November 9, 2012](#), the U.S. Department of Education (ED) distributed information to assist schools with addressing questions regarding the awarding of Title IV aid for a prior enrollment period and the repackaging of previously awarded Title IV aid. Please review the supplemental document attached to the Electronic Announcement for detailed information on how to handle aid for these specific situations.



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.

CONTACT

BUSINESS DEVELOPMENT
& OPERATION/LOAN GUARANTY
Mon - Fri, 7:30 am to 9:00 pm ET

STUDENT/PARENT
GRANT & LOAN INQUIRIES
800.692.7392
granthelp@aesSuccess.org
studentloans@aesSuccess.org

SCHOOL/LENDER INQUIRIES
800.443.0646
loanhelp@aesSuccess.org

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
NOVEMBER 2012

