



Industry Bulletin



SPOTLIGHT ON TRAINING

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

Date	Training Event Topic
October 2, 2012	Entrance Counseling
October 4, 2012	Developing a Financial Literacy and Default Prevention Plan
October 9, 2012	Exit Counseling
October 11, 2012	Cohort Default Rate (CDR) Management
October 17, 2012	Verification
October 18, 2012	5* Skill Building: Communication Skills - Barriers & Filters
October 23, 2012	IBR/Repayment Plans
October 25, 2012	5* Skill Building: Effective Written Communication
October 30, 2012	Public Service Loan Forgiveness

DRAFT 2013-2014 FEDERAL STUDENT AID APPLICATION MATERIALS RELEASED

On **August 15, 2012**, the U.S. Department of Education (ED) published a request for comments on the draft versions of the **2013-2014 Free Application for Federal Student Aid (FAFSA) and Student Aid Report (SAR)**.

Interested parties must submit their comments electronically to FAFSA.Comments@ed.gov on or before October 15, 2012.

2 [The U.S. Department of Education Issues Guidance on Accepting Copies of Tax Returns in Limited Circumstances](#)

3 [Revised! Teacher Loan Forgiveness Application and Teacher Loan Forgiveness Forbearance Request](#)

[Reminder! FISAP Due by October 1, 2012](#)

[Federal Student Aid to Offer Fall Training Series](#)

5 [Compliance Corner](#)

[Gainful Employment Corner](#)

6 [Two-Factor Authentication Token Distribution to Schools in Group 8](#)

[Implementation of MyData Button on NSLDS](#)

[Teacher Cancellation Low-Income Directory](#)

7 [Industry Calendar](#)

THE U.S. DEPARTMENT OF EDUCATION ISSUES GUIDANCE ON ACCEPTING COPIES OF TAX RETURNS IN LIMITED CIRCUMSTANCES

On [July 20, 2012](#), the U.S. Department of Education (ED) published an Electronic Announcement to remind schools that July 15, 2012, was the last day to accept a paper copy of an applicant's 2011 IRS tax return in order to complete verification for the 2012-2013 award year. In that announcement, ED also mentioned that there are limited circumstances when a school may be permitted to accept a copy of an income tax return or other documentation.

On [August 21, 2012](#), ED issued follow-up guidance, providing schools with guidance on when it is acceptable to use an applicant's signed income tax return or other documentation to complete verification.

IDENTITY THEFT

Tax filers determined by the Internal Revenue Service (IRS) to be victims or potential victims of identity theft may not obtain tax information using the IRS Data Retrieval Tool or receive an IRS Tax Return Transcript until the issue is resolved with the IRS. In such cases, a school may accept a signed copy of the tax filer's income tax return along with a signed copy of the Identity Theft Affidavit (IRS Form 14039) the tax filer provided to the IRS. A Tax filer who was (a) not required to complete this form, or (b) do not have a copy of the form he submitted to the IRS may, in lieu of form, submit a signed statement to the school stating that he was a victim of identity theft and that the IRS is investigating his claim or a copy of a police report.

AMENDED RETURNS

A tax filer who has filed or will file an amended return must provide the school with a signed copy of both the original income tax return and the IRS Form 1040X filed with the IRS. Please be aware that this guidance supersedes any prior guidance provided by ED on amended returns.

OTHER TAX RETURNS

Tax filers who submitted a tax return in the following locations should submit the appropriate documentation discussed below.

Location:	Documentation Required:
Puerto Rico, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, or Guam	<ul style="list-style-type: none">• A signed copy of the filed tax return.
Freely Associated States (Republic of the Marshall Islands, Republic of Palau and Federated States of Micronesia)	<ul style="list-style-type: none">• A copy of the tax filer's Wage and Tax Statement from each employer; and• A signed statement identifying the tax filer's income and taxes for the tax year.
Foreign countries	<ul style="list-style-type: none">• A signed copy of the tax return or other documentation.• If the individual is not required by the foreign country to file an income tax return, a signed statement certifying all income and taxes paid for the year is acceptable.

ADDITIONAL CIRCUMSTANCES

ED recognizes that the guidance provided may not address all unique filing instances. ED will continue to evaluate this process and issue further guidance as appropriate.

REVISED! TEACHER LOAN FORGIVENESS APPLICATION AND TEACHER LOAN FORGIVENESS FORBEARANCE REQUEST

The U.S. Department of Education (ED) published Dear Colleague Letter: GEN-12-16 on [August 15, 2012](#) to announce the approval of revised versions of the Teacher Loan Forgiveness Application and Teacher Loan Forgiveness Forbearance Request forms to be used by William D. Ford Direct Loan (Direct Loan) Program and Federal Family Education Loan (FFEL) Program borrowers.

Teacher Loan Forgiveness Application- Used by borrowers to apply for loan forgiveness after completion of the required five consecutive, complete years of qualifying teaching at a low-income elementary or secondary school, or for qualifying employment at a low-income educational service agency.

Teacher Loan Forgiveness Forbearance Request- Used by borrowers to apply for forbearance while completing the required teaching in order to receive loan forgiveness through the Teacher Loan Forgiveness program.

The revised forms have an expiration date of May 31, 2014 and replace the previously approved forms, which have an expiration date of March 31, 2011. Program participants may begin distributing the new forms now; however, beginning December 31, 2012, only the revised forms with the expiration date of May 31, 2014 may be distributed. The previously approved forms with an expiration date of March 31, 2011, may continue to be accepted and processed after that date.

The revised forms are attached to the DCL and can also be found on the [National Council of Higher Education Resources \(NCHER\) Website](#).

REMINDER! FISAP DUE BY OCTOBER 1, 2012



Schools that are interested in requesting funding under campus-based programs for the 2013-2014 award year must submit the Fiscal Operations Report and Application to Participate (FISAP) and required Signature Pages through the [eCampus-Based \(eCB\) Website](#) by 11:59 PM on Monday, October 1, 2012.

The [FISAP form, instructions, and Desk Reference](#) are posted to the Information for Financial Aid Professionals (IFAP) Website.

AVAILABLE TRAINING

On August 27, 2012, the U.S. Department of Education (ED) announced the availability of a recorded training session, designed to assist schools with completing the FISAP. No registration is required to [view the training session](#).

CONTACT INFORMATION

Please contact the Campus-Based Call Center at 877.801.7168 for more information about the FISAP form and instruction booklet. Representatives are available Monday through Friday, 8:00 A.M. until 8:00 P.M. Or, you may send an e-mail to CBFOB@ed.gov.

FEDERAL STUDENT AID TO OFFER FALL TRAINING SERIES

On [September 7, 2012](#), Federal Student Aid (FSA) announced that it is offering a four-day, instructor-led webinar series to provide schools with information on the below topics. The information will be presented in four 90-minute webinars. The series will be offered twice to provide schools with ample opportunity to attend.

Session Topic	Dates Offered
Campus-Based Issues	October 1, 2012, at 1:30 P.M. (EST) October 15, 2012, at 1:30 P.M. (EST)
R2T4 for Clock Hours	October 2, 2012, at 1:30 P.M. (EST) October 16, 2012, at 1:30 P.M. (EST)
R2T4 for Modules	October 3, 2012, at 1:30 P.M. (EST) October 17, 2012, at 1:30 P.M. (EST)
Clock-Hour Issues	October 4, 2012, at 1:30 P.M. (EST) October 18, 2012, at 1:30 P.M. (EST)

Participants may [register for one or more of the webinars](#), but must register in advance as attendance is offered on a first-come, first-served basis.

QUESTION:

Can a student decline a Pell Grant award?

ANSWER:

The Consolidated Appropriations Act, 2012 (Public Law 112-74) made changes to the Pell Grant program, specifically to the maximum time frame in which a student is eligible to receive Pell Grant funds. The previous maximum time frame of 18 semesters (or equivalent) was reduced to 12 semesters (or equivalent) beginning with the 2012-2013 award year. For this reason, some students who plan to transfer to another, more expensive school in the future may want to preserve Pell Grant eligibility in anticipation of qualifying for a larger Pell Grant award at the more expensive school.

The U.S. Department of Education (ED) recently published Dear Colleague Letter (DCL) [GEN-12-18](#) which addresses your specific question.

Yes, a student may decline or return all or part of a Pell Grant funds so long as the action is taken within the same award year in which the funds were awarded or disbursed. However, the student may not return Pell Grant funds for a prior award year.

DECLINING FUNDS

To decline Pell Grant funds, the student must submit to the school a signed, written statement requesting to decline all or a portion of the Pell Grant funds for which the student is otherwise eligible. The written statement must also include the student's acknowledgement that those funds may not be available once the award year is over.

If necessary, the school must submit an adjustment to the Common Origination Disbursement (COD) system for the student.

RETURNING FUNDS

To return Pell Grant funds, the student must submit to the school a signed, written statement specifying that the student is returning all or a portion of the Pell Grant funds for which the student is otherwise eligible. The written statement must also include the student's acknowledgement that those funds may not be available once the award year is over.

The student must return the funds directly to the school. The school will return the funds to the Pell Grant account and submit the necessary record adjustments for the student on the COD system.

QUESTIONS ABOUT THE DECLINE OR RETURN OF PELL GRANT FUNDS

If you have questions about the decline or return of Pell Grant funds, please contact Federal Student Aid's Research and Customer Care Center Staff, Monday through Friday, between 9:00 A.M. and 5:00 P.M. at **800.433.7327** or via e-mail at fsa.customer.support@ed.gov.

GAINFUL EMPLOYMENT CORNER

ELECTRONIC ANNOUNCEMENT #40- MODIFICATIONS TO GAINFUL EMPLOYMENT FUNCTIONALITY ON NSLDS

As a result of school inquiries, the U.S. Department of Education (ED) has added additional functionality on the National Student Loan Data System (NSLDS) for schools wishing to submit corrections and updates for previously reported Gainful Employment (GE) information. Previous reported years include the 2006-2007 through 2010-2011 award years. As a reminder, schools should not submit GE program reports for the recently ended 2011-2012 award year.

Please refer to the [Electronic Announcement](#) for information on the additional functionality available on NSLDS for submitting corrections and updates to previously reported GE program information.



U.S. Department of Education
Information about your federal student loan

TWO-FACTOR AUTHENTICATION: TOKEN DISTRIBUTION TO SCHOOLS IN GROUP 8

On September 7, 2012, the U.S. Department of Education (ED) announced that it would begin distributing tokens and emails to schools in group 8. The Primary Destination Point Administrators (PDPA) and/or Common Origination and Disbursement (COD) Security Administrators at schools located in the following states should have received an e-mail directly from ED regarding the distribution of tokens:

- Alabama
- Hawaii
- Massachusetts
- Maine
- Mississippi
- Tennessee
- All U.S. Territories and Protectorates

The PDPA or COD Security Administrator at each school is responsible for distributing the tokens and additional information about the tokens to individual users at their school(s). Schools that have multiple campuses located in different states should be aware that ED will distribute tokens based on the location of the school's main campus or corporate office.

Questions about the Two-Factor Authentication (TFA) or the information provided in the Electronic Announcement should be directed to TFA_Communications@ed.gov.

IMPLEMENTATION OF MYDATA BUTTON ON NSLDS

As part of the Education Data Initiative, the U.S. Department of Education (ED) announced on **August 16, 2012**, that it will be making changes to the National Student Loan Data System (NSLDS) in late September to add the "MyData Button." The Button will allow students to download information about the below topics into a plain text file:

- Loans
- Grants
- Enrollment
- Overpayments

Students can access the MyData Button after logging in to the NSLDS Student Access Website. The button is available on four different screens: Financial Aid Review, Loan Detail, Grant Detail, and Overpayment Detail.

CONTACT INFORMATION

Students with questions about the MyData Button should contact the Federal Student Aid Information Center at 800.433.3243, or via e-mail at FederalStudentAidCustomerService@ed.gov.

TEACHER CANCELLATION LOW-INCOME DIRECTORY

On **August 23, 2012**, the U.S. Department of Education (ED) issued an Electronic Announcement to provide schools with the information it e-mailed to states and territories about submitting information for inclusion in the [Directory of Designated Low-Income Schools for Teacher Cancellation Benefits](#), also known as the Teacher Cancellation Low-Income Directory (TCLI Directory). It is critical that states and territories provide updated information about low-income schools and educational service agencies as this information is used to establish teacher eligibility for certain programs.

TEACHER LOAN FORGIVENESS

The information in the directory is used to help establish a teacher's eligibility for loan forgiveness under:

- Federal Perkins Loan (Perkins Loan) Program,
- Federal Family Education Loan (FFEL) Program, and
- William D. Ford Federal Direct Loan (Direct Loan) Program.

TEACHER EDUCATION ASSISTANCE FOR COLLEGE AND HIGHER EDUCATION (TEACH) GRANT PROGRAM

In addition, the Directory is used to satisfy certain aspects of the teaching obligation for the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program.

UPDATING THE INFORMATION

ED has provided authorized state officials with access to electronically update the Directory information at any time; however, anyone can view the list by visiting the [TCLI Directory](#).

Industry Calendar

OCTOBER

1	Deadline to submit the electronic or paper expenditure report for the Work Colleges Program for the 2011-2012 Award Year.
1	Deadline to submit the 2013-14 FISAP.
14-17	MASFAA Conference (Milwaukee, WI)
17-19	WFAA Conference (Wenatchee, WA)
29-31	PASFAA Conference (Harrisburg, PA)

NOVEMBER

14-16	SWASFAA Conference (San Antonio, TX)
27-30	Federal Student Aid (FSA) Conference (Orlando, FL)

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
SEPTEMBER 2012

