

SPOTLIGHT ON TRAINING

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

Date	Training Event Topic
March 19, 2013	Creating a Financial Literacy and Default Prevention Plan
March 21, 2013	The Financial Aid Integrity Minute
March 26, 2013	Repayment Plans
March 27, 2013	Loan Counseling for Graduate and Professional Students
March 28, 2013	Public Service Loan Forgiveness
April 2, 2013	Creating a Financial Literacy & Default Prevention Plan
April 4, 2013	You Can Deal With It (YCDWI)
April 9, 2013	Managing Your Cohort Default Rate (CDR)
April 11, 2013	Entrance & Exit Counseling
April 16, 2013	Public Service Loan Forgiveness
April 18, 2013	Repayment Plans
April 23, 2013	School Reflections: Preventing Student Loan Default
April 25, 2013	Verification 13-14 requirements

CHANGES TO TOTAL AND PERMANENT DISABILITY DISCHARGE, EFFECTIVE JULY 1, 2013



The Final Rules published on [November 1, 2012](#), outlined several key changes to the total and permanent disability (TPD) process. These changes represent the U.S. Department of Education's efforts to "streamline and add clarity to the total and permanent disability discharge process for borrowers in the title IV HEA loan programs." The Final Rules, effective July 1, 2013, provide the following clarifications and changes to the TPD process.

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5 [Suggested Text for 2013-14 Verification Worksheets](#)

6 [Availability of Data Retrieval Tool](#)

[Federal Student Aid Partners with the Internal Revenue Service to Promote Services](#)

7 [Now Available!](#)

[Financial Aid Shopping Sheet](#)

8 [Tentative 2013-14 Funding Levels for Campus-Based Programs](#)

[Payment and Disbursement Schedule for 2013-14 Federal Pell Grants](#)

[FAFSA Completion Numbers for Class of 2013 Published](#)

9 [Deadline: Direct Loan Closeout Information for 2011-12 Program Year](#)

[2013-14 Work Colleges Program](#)

10 [Comments Requested for Federal Perkins Loan Program Regulations](#)

[Changes to Exit Counseling](#)

CHANGES TO TOTAL AND PERMANENT DISABILITY DISCHARGE, EFFECTIVE JULY 1, 2013

DEFINITIONS

The U.S. Department of Education (ED) clarified the definition of “borrower’s representative” and veteran’s representative” for Perkins, FFEL, and Direct Loan programs by adding regulations 674.61(b)(1)(ii), 682.402(c)(1)(iv)(A), and 685.213(a)(4) to provide that a borrower’s representative or a veteran’s representative is any individual, including a member of the borrower’s family or an attorney, authorized to act on behalf of the borrower or the veteran with respect to the borrower’s or veteran’s application for total and permanent disability discharge. Therefore, references to “borrower” or “veteran” in the TPD discharge regulations also include a borrower’s representative or veteran’s representative. ED also clarified that, for purposes of this definition, an “individual” may be a law firm or legal aid society that has authorization to act on behalf of the borrower or veteran without naming a specific individual within the law firm or legal aid society.

In addition, ED added new FFEL regulation 682.402(c)(1)(iv)(B) to clarify that a “lender” includes the guaranty agency holding the borrower’s FFEL Program loan(s) at the time the borrower applies for the TPD discharge. And lastly, ED added FFEL regulation 682.402(c)(1)(iv)(C) to clarify references to “the applicable guaranty agency” in the TPD discharge regulations as the guaranty agency that guaranteed the borrower’s loans.

AUTHORITY OF THE BORROWER’S REPRESENTATIVE OR VETERAN’S REPRESENTATIVE

Under the modified rules, the borrower’s or veteran’s representative may act on his behalf, not only during the discharge application process, but to provide notifications and information to the Secretary about the discharge, and to receive notifications from the Secretary. In the preamble to the Final Rules, ED mentioned that since October 1, 2010, it has taken steps to identify TPD discharge requests where the borrower or veteran identified a representative. Since that date, ED has provided notices about the TPD discharge application to the borrower or veteran and his representative. Borrowers who submitted a TPD discharge application prior to this date can request that a representative be added to his account at any time.

In the preamble to the proposed rules, dated [July 17, 2012](#), ED said that it will create and make available a form for borrowers to designate a representative. This form has recently been distributed to the community for review and comment.

APPLICATION PROCESS

Based on revised regulations, the TPD discharge application process for Perkins, FFEL, and Direct Loan program borrowers will take place as follows:

1. If the borrower notifies ED of his intent to submit a request for TPD discharge:
 - ED will provide the borrower with the information needed to apply for the discharge.
 - In addition, ED will notify the borrower’s lender(s) of his intent to apply for discharge and direct those lenders to suspend collection activities for up to 120 days; beginning on the date the borrower notified the Department of his intent to apply for discharge. (If the requested information is not received within the 120 day timeframe, collection activities must resume. The 120 day collection suspension will be treated as an administrative forbearance period. Lenders may capitalize, in accordance with 682.202(b), any interest that accrues during this period; however, under regulations 682.402(c)(2)(iii), a guaranty agency may not capitalize any accrued interest.)
 - ED informs the borrower that collection activities will resume on his Title IV loan(s) if the discharge application is not received within 120 days.
2. To apply for discharge of all of the borrower’s Direct, FFEL, and/or Perkins loan program loans and TEACH Grant service obligation, the borrower submits a single TPD discharge application to ED and one of the following pieces of documentation, depending on the type of discharge:
 - Certification from a physician (who is a doctor of medicine or osteopathy legally authorized in a State) in Section 4 of the application. (If applying for discharge based on physician certification, the application must be submitted to ED within 90 days of the physician’s signature.)
 - A Social Security Administration (SSA) notice of award for Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI). This documentation must specify that the borrower has been placed in the five- to seven-year review period. (Note- Amendatory changes are being made throughout the Perkins, FFEL and Direct Loan program regulations to incorporate the use of SSDI or SSI as acceptable documentation for purposes of

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CHANGES TO TOTAL AND PERMANENT DISABILITY DISCHARGE, EFFECTIVE JULY 1, 2013

TPD discharge. ED does not consider SSA disability review periods of less than the five- to seven-year review period to demonstrate the likelihood that the borrower will be totally and permanently disabled.)

- Documentation from the Veteran's Administration (VA) demonstrating that the veteran is unemployable due to a service-connected disability.
3. ED notifies the borrower's lender(s) that the TPD discharge application has been received. The lender will either suspend collection activity or maintain the suspension of collection while ED reviews the application. The lender will maintain the suspension until it is notified whether the application is approved or denied.
 - For incomplete applications, ED will request the missing information directly from the borrower or the certifying physician.
 4. Upon receipt of the application, ED provides a notice to the borrower advising of the following:
 - That the application will be reviewed by the Secretary;
 - That collection activities will be suspended while the application is being reviewed; and
 - An explanation of the review process.

APPROVAL OR DENIAL OF TPD DISCHARGE

1. If the borrower qualifies for TPD discharge, ED will notify the borrower's Perkins Loan and FFEL program lenders of the approval and the date the physician certified the TPD discharge application or the date ED received the SSA notice of award for SSDI or SSI benefit, or the effective date of the VA determination.
2. The lender must perform the following upon notification of approval:
 - Perkins Loan program lenders will be directed to reassign the loans to ED within 45 days of the notification.
 - FFEL program lenders will be directed to submit the disability claim to the guaranty agency within 60 days from receipt of the notification of TPD discharge approval.
3. Borrowers who do not qualify for TPD discharge will receive a notification from ED, including the following:
 - The reason(s) for the denial;
 - Statement that the loan(s) is due and payable to the lender under the terms of the promissory note and that the loan will return to the status it was in prior to the receipt of the total and permanent disability discharge application;

- Statement that the lender will provide notification to the borrower of the date the borrower must resume making payments;
 - Explanation that the borrower is not required to submit a new TPD application if he requests that ED re-evaluate his application within 12 months of the date of the notification. (The borrower must provide additional information to demonstrate his eligibility for the discharge); and
 - Explanation that the borrower must submit a new TPD application if he wants his TPD request to be re-evaluated, but does not make this request within the 12-month period following the initial TPD denial notification.
4. The lender must perform the following upon notification that the disability discharge has been denied:
 - The lender must resume collection of the loan and is deemed to have exercised forbearance of payment of both principal and interest from the date collection activity suspended.
 - The lender must notify the borrower of the date he must resume making payments on the loan.

CLAIM DOCUMENTATION AND CLAIM PAYMENT

Changes to the TPD discharge process mean the lender will no longer receive the TPD application. Therefore, the lender will not be required to provide a copy of the application in the disability claim it submits to the guaranty agency. However, the lender must provide the guaranty agency with a copy of the notification it received from ED notifying the lender that the borrower is totally and permanently disabled. New regulation 682.402(g)(1)(iv) has been added to clarify this change to the claims process.

New regulation 682.402(h)(3)(iii)(A) specifies "during the period required by the guaranty agency to approve the claim and to authorize payment or to return the claim to the lender for additional documentation not to exceed 45 days for death, disability, or bankruptcy claims." Under new regulation 682.402(c)(8)(i)(D), ED will reimburse the guaranty agency for the disability claim after the guaranty agency pays the lender for the claim. Lastly, new regulation 682.402(c)(8)(i)(E) directs the guaranty agency to assign the loan(s) to ED within 45 days from the date the guaranty agency paid the disability claim and receives the reimbursement payment from ED.

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CHANGES TO TOTAL AND PERMANENT DISABILITY DISCHARGE, EFFECTIVE JULY 1, 2013

RETURNING PAYMENTS MADE BY OR ON BEHALF OF THE BORROWER

The Final Rules require that all payments made by or on behalf of the borrower and received by the lender after (on or after, for determinations based on VA documentation) the date of disability be returned to the sender by the lender after receiving claim payment. Therefore, the lender will now be responsible for refunding payments made by or on behalf of the borrower and will need to increase the value of the claim submitted to the guarantor so that the lender can refund the payments.

TREATMENT OF DISBURSEMENTS AFTER PHYSICIAN'S CERTIFICATION OR RECEIPT OF SSA NOTICE OF AWARD

The Final Rules provide the following guidance regarding the treatment of disbursements:

Scenario	Action
<p>The borrower receives a Title IV loan or TEACH Grant <u>prior</u> to the date the physician certified the borrower as totally and permanently disabled or before the date ED received the SSA notice of award for SSDI or SSI benefits</p> <p>and</p> <p>a disbursement of that loan or grant is made during the period from the physician's certification date or ED's receipt of SSA notice or award for SSDI or SSI benefits until the date ED grants the discharge...</p>	<p>...The TPD discharge process for the borrower must be suspended until the borrower ensures that the full amount of the disbursement has been returned to the loan holder or ED.</p>
<p>The borrower receives a new Title IV loan or TEACH grant <u>after</u> the date of the physician's certification or after the date ED received the SSA notice of award for SSDI or SSI benefits</p> <p>and</p> <p>the borrower receives a disbursement of that loan or grant after the date the physician certified the borrower's discharge application or the date ED received the SSA notice of award for SSDI or SSI benefits and before ED grants a discharge</p>	<p>... ED will deny the borrower's discharge request and collection of the borrower's loans will resume.</p>

POST-DISCHARGE MONITORING PERIOD

Borrowers must still provide documentation, upon request, of income during the three-year post-discharge monitoring period. However, under the new regulations 674.61(b)(7)(iii), 682.402(c)(7)(iii) and 685.213(b)(8)(iii), borrowers would be required to provide this information on an ED created form. The completed form must be accompanied by earnings information, such as: a copy of an income tax return or Social Security disability benefits, or other documentation to support the information provided by the borrower. The three-year post-discharge monitoring period does not apply to veterans whose loans were discharged based on documentation from the VA.

ED has recently [distributed the form for comment](#).

REINSTATEMENT OF DISCHARGED LOANS

The conditions for reinstating a discharged loan will not change; however, regulations 674.61(b)(6)(ii)(B), 682.402(c)(6)(ii)(B) and 685.213(b)(7)(ii)(B), were modified to provide that a Perkins, FFEL, or Direct Loan program loan that is reinstated during the three-year post-discharge monitoring period will return to the status it was in prior to the discharge.

Please note that the above regulatory changes do not apply to veterans whose loans were discharged based on a service-connected disability. ED will not reinstate loans discharged based on documentation from the VA.

For FFELP lenders and servicers, [click here](#) for a comparison chart of the current rules and those effective July 1, 2013.

SUGGESTED TEXT FOR 2013-14 VERIFICATION WORKSHEETS

On [January 18, 2013](#), the U. S. Department of Education (ED) distributed an Electronic Announcement about the 2013-14 Verification Worksheets. This Announcement includes information about how the implementation of the Verification Tracking Groups (V1-V5) impacts the format of the Verification Worksheets.

The comprehensive Verification Worksheets used in the past asked for nearly every verification item. However, because the Verification Tracking Groups target specific verification items, ED highly recommends that schools move away from the comprehensive Verification Worksheets to worksheets that are specific to the tracking groups. This will reduce the burden on students, families and schools by targeting the items specific to the Verification Tracking Groups (identified on the Institutional Student Information Record (ISIR)).

Verification Tracking Groups	Required for Verification
V1- Standard	<p>Tax Filers:</p> <ul style="list-style-type: none"> • Adjusted gross income • U.S. income taxes paid • Untaxed portions of IRA deductions • Untaxed portions of pensions • IRA deductions and payments • Tax exempt interest income • Education credits • Number in household • Number in college • Supplemental Nutrition Assistance Program (SNAP) • Child support paid <p>Non-tax Filers:</p> <ul style="list-style-type: none"> • Income earned from work • Number in household • Number in college • Supplemental Nutrition Assistance Program (SNAP) • Child support paid
V2	<ul style="list-style-type: none"> • Supplemental Nutrition Assistance Program (SNAP)
V3	<ul style="list-style-type: none"> • Child support paid
V4	<ul style="list-style-type: none"> • High school completion status • Identity/statement of educational purpose • Supplemental Nutrition Assistance Program (SNAP) • Child support paid
V5	<ul style="list-style-type: none"> • High school completion status • Identity/statement of educational purpose <p>AND</p> <ul style="list-style-type: none"> • All items for the applicant's tax filing status. (See V1 selection group)

In addition to information specific to the Verification Tracking Groups, schools should collect: the student's name and ID number, and any other identifying information. Schools should also provide a way to identify each page of the Worksheet as belonging to the student. Lastly, the Worksheet should provide instructions on where, when, and how to submit the documents to the school.

CUSTOMIZING YOUR SCHOOL'S VERIFICATION WORKSHEETS

ED provided supplementary information to assist schools with creating customized Verification Worksheets.

Appendix A of the Announcement provides the suggested text for each of the following verification items:

- Verification of 2012 IRS Income Tax Return Information for:
 - » Student Tax Filers
 - » Individuals with Unusual Circumstances
 - » Individuals Who Filed an Amended IRS Income Tax Return
 - » Individuals Who Filed Non-IRS Income Tax Returns
 - » Parent Nontax Filers
 - » Parent Tax Filers
 - » Individuals Granted a Filing Extension by the IRS
 - » Individuals Who Were Victims of IRS Identity Theft
 - » Student Nontax Filers

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SUGGESTED TEXT FOR 2013-14 VERIFICATION WORKSHEETS

- Number of Household Members and Number in College (Dependent and Independent Student)
- Receipt of SNAP Benefits (Dependent and Independent Student)
- Child Support Paid (Dependent and Independent Student)
- High School Completion Status
- Identity and Statement of Educational Purpose (To Be Signed at the Institution)
- Identity and Statement of Educational Purpose (To Be Signed With Notary)
- Certification and Signature (Dependent and Independent Student)

Appendix B explains where this suggested text can be used within each Verification Tracking Group.

QUESTIONS

Questions about the Announcement or the supplementary information should be directed to the Research and Customer Care Center staff at **800.433.7327**, Monday through Friday 9:00 AM and 5:00 PM, ET.

AVAILABILITY OF DATA RETRIEVAL TOOL



As we discussed in the January issue of the PHEAA Industry Bulletin, recent tax law changes caused a delay in the Internal Revenue Service (IRS) accepting income tax returns. As a result, some students and parents who completed the Free Application for Federal Student Aid (FAFSA) prior to January 30, 2013, may have provided estimated tax information.

Although the U.S. Department of Education (ED) issued guidance on November 2, 2012, allowing schools to accept a signed copy of an income tax return for the 2012-13 award year that guidance has not been extended to the 2013-14 award year. Therefore, students and parents must either use the IRS' Data Retrieval Tool (DRT) to retrieve and download income tax data to the FAFSA or provide the school with an IRS Tax Return Transcript for the 2013-14 award year.

Schools are encouraged to remind students and parents about the convenience of using the DRT to provide income tax data. The DRT provides the easiest, fastest and most secure method to provide income tax data. It also helps to reduce the burden for students, parents, and schools during the verification process. Applicants who use the DRT to add their income tax data to the FAFSA on the WEB (FOTW) will be considered to have met the requirement to verify IRS information (adjusted gross income, taxes paid, and any applicable untaxed income items) so long as the applicant does not alter any of the information.

FEDERAL STUDENT AID PARTNERS WITH THE INTERNAL REVENUE SERVICE TO PROMOTE SERVICES

On [February 4, 2013](#), Federal Student Aid (FSA) announced that it will further collaborate with the Internal Revenue Service (IRS) to promote IRS services to people in low- to moderate-income communities. This new initiative is an extension of their initial partnership in 2009 to develop the Data Retrieval Tool (DRT).

The IRS is seeking to promote its free tax preparation services, such as Volunteer Income Tax Assistance (VITA) Program and Tax Counseling for the Elderly (TCE) Program. FSA sees this initiative as a way to create awareness of federal student aid programs and to “create opportunities for increased access to the federal student aid application.” To kick off this campaign, FSA will communicate via email with two audiences.

Low-income applicants who indicated on a previously filed tax return that they would likely benefit from learning about services offered through the VITA Program will receive information on where they can receive assistance from an IRS-certified volunteer or access a self-assistance service with availability of a volunteer for help. Such applicants should have received an email communication between February 8 and 10.

Low-income applicants who indicate they are not planning to file a tax return and do not meet the threshold to do so will receive information on the additional benefits they may be eligible for if they were to file a tax return. For example, some of the applicants may be eligible for the American Opportunity Tax Credit or the Earned Income Tax Credit. This email campaign is expected to take place in three rounds: February 12-14, March 6-8, and March 25-27.

NOW AVAILABLE!

APPLICATION AND VERIFICATION GUIDE OF THE 2013-14 FEDERAL STUDENT AID HANDBOOK

The [Application and Verification Guide](#) (AVG) of the 2013-14 Federal Student Aid Handbook is now available! Schools can download the FSA Handbook from the [Information for Financial Aid Professionals Website](#).

BLUEBOOK

On [January 30, 2013](#), the U.S. Department of Education (ED) announced the availability of the 2013 Bluebook on the [Information for Financial Aid Professionals Website](#).

COD PROCESSING UPDATE

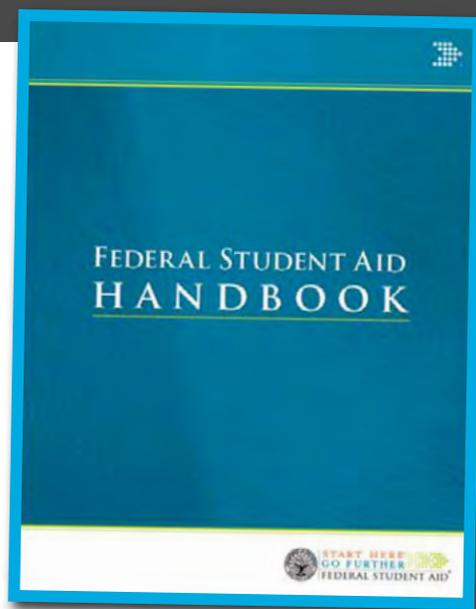
A [new version of the COD Processing update](#) is now available on the COD Website. The update includes process-related information, such as: COD News and Updates, and Current Issues.

2013-14 STUDENT AID WORKSHEET FOR QUESTION 23

The U.S. Department of Education (ED) announced on [January 23, 2013](#), that the 2013-14 Student Aid Worksheet for Question 23 is now available in English and Spanish.

2013-14 FEDERAL SCHOOL CODE LIST OF PARTICIPATING SCHOOLS

The [updated list of participating schools](#) is now available on the Information for Financial Aid Professional Website in PDF and Microsoft Excel (XLS) file format. The list includes the codes assigned to each school by the U.S. Department of Education.



FINANCIAL AID SHOPPING SHEET

On [January 30, 2013](#), the U.S. Department of Education (ED) published Dear Colleague Letter: GEN-13-05 to provide a question and answer document as well as information for schools that plan to use the Financial Aid Shopping Sheet made available on [July 24, 2012](#). The Financial Aid Shopping Sheet was created by ED to bring additional transparency to the financial aid process – by providing a standard, easy-to-understand format for schools to communicate the costs and financial aid associated with a college education to students and parents.

Use of the Financial Aid Shopping Sheet is not required; however, schools that agreed to comply with the Principles of Excellence in Executive Order 13607 must provide the Shopping Sheet to students eligible to receive federal military and veterans educational benefits, including: veterans, spouses of military members and military family members covered by Executive Order 13607. Many of the nearly 600 schools that have already committed to using the Shopping Sheet have also said that they intend to provide the Shopping Sheet to all students, not just those receiving veteran benefits.

PRODUCING THE SHOPPING SHEET

On [September 28, 2012](#), ED published an Electronic Announcement including the HTML code to produce the Shopping Sheet. ED distributed a follow-up Electronic Announcement on January 18, 2013, that contains the data file schema necessary to produce the Shopping Sheet. The Announcement also includes images for schools that do not have a graduation rate or cohort default rate. Schools should use their internal data systems to populate the student information on the Shopping Sheet.

Please direct all questions about the Shopping Sheet to Shoppingsheet@ed.gov.

TENTATIVE 2013-14 FUNDING LEVELS FOR CAMPUS-BASED PROGRAMS

Schools should have received e-mail notification from the U.S. Department of Education about the availability of tentative 2013-14 funding levels for campus-based programs on the [eCampus-Based \(eCB\) Web site](#). To access the information, log in to the eCB Web site, scroll to "Campus-Based Notifications for All Available Award Years," then scroll to "Tentative Funding Levels" and select "2013-2014."

Please be aware that any school that returned more than ten percent of its Perkins Loan, FWS, or FSEOG allocation, respectively, for an award year, will have its allocation for that program reduced (by the dollar amount it returned) in the second succeeding award year.

CONTACT INFORMATION

Contact the Campus-Based Call Center at **1.877.801.7168** or via email at CBFOB@ed.gov with questions and concerns regarding the tentative funding levels.

PAYMENT AND DISBURSEMENT SCHEDULE FOR 2013-14 FEDERAL PELL GRANTS

On [January 30, 2013](#), the U. S. Department of Education (ED) published the 2013-14 Federal Pell Grant Payment and Disbursement Schedule in Dear Colleague Letter (DCL): GEN-13-06. As provided in Section 402(b)(7)(B) of the Higher Education Act of 1965, as amended (HEA), the maximum Pell payment for the 2013-14 award year was increased by \$95 from the previous year to \$5645. In addition, the HEA establishes that the minimum Pell Grant award for a student is ten percent of the maximum award amount of \$5645, which is \$564. However, because mid-points are used for the cost of attendance and the EFC column, the actual minimum Pell Grant award for 2013-14 is \$582.

AWARDING FEDERAL PELL GRANTS

Along with the provided schedules, a school must use the following when awarding a Federal Pell Grant, regardless of the student's actual enrollment status or actual period of attendance:

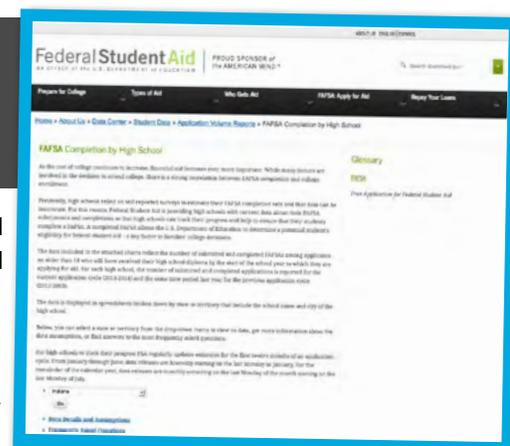
- A full nine-month EFC, and
- Cost of attendance for a full-time student for a full academic year.

Note- Based on statutory restrictions only certain cost components may be used when calculating the cost of attendance in some situations. In the DCL, ED uses the example of a student enrolled less-than-half-time. The COA for such a student includes the costs for tuition and fees, books and supplies, transportation, room and board, and dependent care costs only for a limited period of time.

Keep in mind that some students may have their Federal Pell Grant eligibility limited to 12 semesters based on recent statutory changes.

FAFSA COMPLETION NUMBERS FOR CLASS OF 2013 PUBLISHED

Federal Student Aid (FSA) announced that the FAFSA Completion Tool has been updated to provide the most recent number of high school students who completed and submitted the 2012-2013 Free Application for Federal Student Aid (FAFSA) as well as the numbers for students who've completed the 2013-14 FAFSA so far this year. The data suggests the FAFSA Completion Tool is helping to raise FAFSA awareness in high schools across the country. In January 2013 alone, over 500,000 high school students completed the 2013-14 FAFSA. This is a nine percent increase compared to submissions in January 2012.



DEADLINE: DIRECT LOAN CLOSEOUT INFORMATION FOR 2011-12 PROGRAM YEAR

All Direct Loan school data for the 2011-2012 Program Year must be received and accepted by July 31, 2013, in order to be included in a school's Ending Cash Balance for the year. Schools are considered successfully closed out when they have an Ending Cash Balance of \$0 and a Total Net Unbooked Disbursements of \$0 internally on the School Account Statement (SAS) and have completed the Balance Confirmation form on the Common Origination Disbursement (COD) Website.

RECONCILIATION

Schools that are meeting the regulatory requirements for cash management, disbursement reporting and monthly reconciliation should be able to complete the final closeout stage shortly after the last disbursement date for the respective year. Schools should not wait until the closeout deadline to begin reconciliation for the year.

Please refer to the Electronic Announcement distributed on February 7, 2013, for the U.S. Department of Education's guidance on what information to review to ensure proper reconciliation and closeout.

REMINDERS

Federal Student Aid plans to distribute on-going reminders via the Zero Balance or Remaining Balance e-mails. Schools that have not closed out the 2011-2012 Program Year by May 2013 can expect to receive a Notification/Warning Letter as a reminder about the closeout deadline. Schools that use a third party administrator for Direct Loan processing are responsible for ensuring their closeout is completed by the deadline. Any school that has a remaining balance after the deadline will be billed.

If your school's processing period extends beyond July 31, 2013, contact COD at **800.848.0978** or via email at CODSupport@acs-inc.com. Exceptions to the deadline will be made on a case-by-case basis.

2013-14 WORK COLLEGES PROGRAM

Schools interested in participating with the Work Colleges Program for the [2013-14 Award Year](#) should have submitted the electronic version and a printed copy of the Institutional Application and Agreement for Participation in the Work Colleges Program by March 8, 2013.

EXPENDITURE REPORT FOR THE 2012-2013 WORK COLLEGES PROGRAM

Schools that participated in the 2012-2013 Work Colleges Program are reminded that they must submit an Expenditure Report for the 2012-2013 award year by October 1, 2013. Schools must use the "Work Colleges Program Expenditure Report" for the 2012-2013 award year found on the eCB Website. The electronic Expenditure Report must be completed and received by midnight on October 1, 2013.

In addition to the electronic Expenditure Report, schools must mail or hand deliver a copy of the report, signed by an authorized school official by 4:30 P.M. (ET) on October 1, 2013, to the following address:

United States Department of Education
Federal Student Aid
Grants & Campus-Based Division
Work Colleges Program
830 First Street, NE, #63C5
Washington, DC 20202-5453

To print a copy of the Expenditure Report, log in to the eCB Website, select "Print Friendly Version" then "File" and "Print."

COMMENTS REQUESTED FOR FEDERAL PERKINS LOAN PROGRAM REGULATIONS

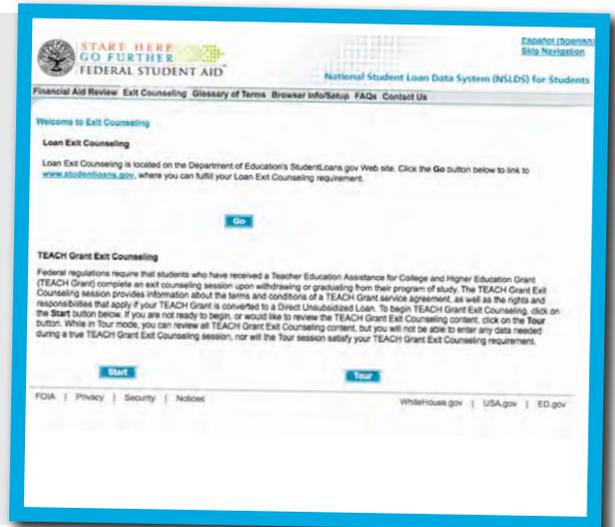
The Federal Register ([Volume 78, Number 32](#)) published on February 15, 2013, includes a request for comments on the proposed Information Collection Request (ICR) for the Federal Perkins Loan Program. Interested parties must submit their comments by April 16, 2013.

CHANGES TO EXIT COUNSELING

The exit counseling tool will be available on StudentLoans.gov beginning March 2013. It will be available outside the login and provides schools with the option to receive a daily log of students who complete the counseling or “on demand” notifications.

The NSLDS exit counseling tool will be discontinued; however, the existing exit counseling reports on NSLDS will still be available with data for students who completed exit counseling on StudentLoans.gov.

In addition, the COD Counseling Report will include the same information for students who complete exit counseling-with ‘ExitCounseling’ populated in the Counseling Type tag field.



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
MARCH 2013

