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# INDUSTRY BULLETIN

## HEAL Program Transferred to U.S. Department of Education

The Department of Education (ED) published an Electronic Announcement (EA) on [July 2, 2014](#) providing information on the transfer of the Health Education Assistance Loan (HEAL) Program from the U. S. Department of Health and Human Services (HHS) to the U. S. Department of Education (ED) as required by the Consolidated Appropriations Act, 2014.

From fiscal year 1978 through fiscal year 1998, the Health Education Assistance Loan (HEAL) Program insured loans made by participating lenders to eligible graduate students in schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, public health, pharmacy, chiropractic, or in programs in health administration and clinical psychology. The making of new HEAL Program loans was discontinued on September 30, 1998.

On July 1, 2014, the HEAL Program was transferred from the HHS to ED as required by the Consolidated Appropriations Act, 2014 (Public Law 113-76). ED has begun HEAL Program servicing, moved HEAL Program Web pages into production, and connected a toll-free HEAL Program phone number. HHS has stopped all HEAL Program processing, removed the HEAL Program pages from its Website, and disconnected its HEAL Program phone number. From this point forward, ED is responsible for managing the servicing of non-defaulted HEAL Program Loans and the collection of defaulted HEAL Program loans.

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## Spotlight on Training

Did you know that we offer free training events on a variety of topics? Visit the [Training Calendar](#) on the FedLoan Servicing Website to learn more about the events or to register.

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**JULY 2014**

# HEAL Program Transferred to U.S. Department of Education

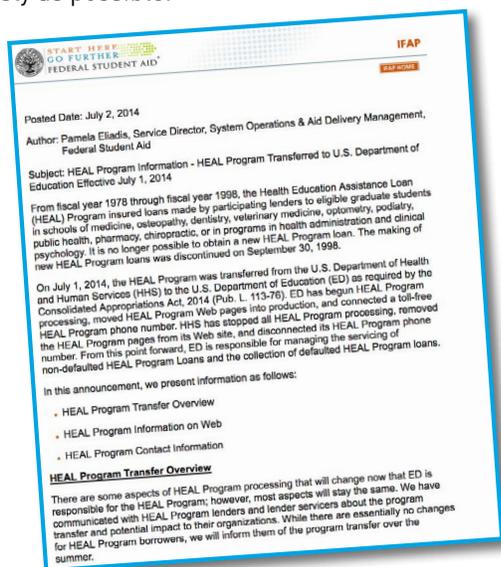
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## HEAL Program Transfer Overview

There are some aspects of HEAL Program processing that will change now that ED is responsible for the HEAL Program; however, most aspects will stay the same. ED has communicated with HEAL Program lenders and lender servicers about the program transfer and potential impact to their organizations. While there are essentially no changes for HEAL Program borrowers, ED will inform them of the program transfer over the summer.

- ED will continue to honor the HEAL Program contracts with lenders and lender servicers that are in effect through September 30, 2014. Later this summer, ED will send HEAL Program lenders and lender servicers new contracts for execution.
- ED will continue to use the HEAL On-Line Processing System (HOPS) to collect data related to borrowers, loans, claims, schools, lenders, lender servicers, and litigation actions. HEAL Program lenders and lender servicers will send files to and receive files from HOPS just as they have done to date.

Given the brief break in processing prior to July 1, 2014, items such as lender file updates, lender reports, forbearance approval requests, and claim submissions are queued in HOPS. ED will now work the backlogged items from oldest to newest. ED is committed to clearing the backlog as expeditiously as possible.



Despite the processing break, ED advised HEAL Program lenders and lender servicers to continue to submit claims when due. ED will follow up regarding the status of each submitted claim as soon as possible and will ensure that there is no penalty assessed to a lender or lender servicer provided the claim was submitted prior to the filing deadline.

- ED will continue to partner with the HHS Program Support Center (PSC) for holding and collecting on defaulted HEAL Program loans after claims are paid. HEAL Program lenders and lender servicers will continue to cease responsibility for a HEAL Program loan once a claim is paid.
- ED will issue the HEAL Program interest rates effective July 1, 2014 through September 30, 2014 (also referred to as the quarter ending September 30, 2014) as soon as possible in July 2014. In addition to sending HEAL Program lenders and lender servicers an interest rate communication generated through HOPS, ED will post the new interest rate information in the HEAL Program Information area on the Information for Financial Aid Professionals (IFAP) Website (see below for additional information).

Until ED issues the HEAL Program interest rates for the quarter ending September 30, 2014, HEAL Program lenders and lender servicers will continue to calculate interest on HEAL Program loans using the interest rates for the quarter ending June 30, 2014. Once ED provides the new interest rate information, lenders and lender servicers will begin using the new interest rates to calculate interest on borrowers' HEAL Program loans. For cases in which the new interest rate on a borrower's loan is lower than the previous interest rate, lenders and lender servicers will recalculate the interest that should have been charged since July 1, 2014 and adjust the borrower's account accordingly.

- ED has transferred the Office of Management and Budget (OMB) clearance of HEAL Program forms from HHS to ED. ED is now updating the OMB clearance information on each form and replacing HHS references and contact information with ED's information. Once completed, ED will post the updated versions of the forms in the HEAL Program Information area on the IFAP Website (see below for additional information).

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# HEAL Program Transferred to U.S. Department of Education

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Until ED posts the updated versions of the HEAL Program forms, HEAL Program lenders and lender servicers will continue to use the HHS versions of the forms. Once ED posts the “ED” versions of the forms, lenders and lender servicers will begin using the updated forms.

- ED has established new contact information for HEAL Program lenders and lender servicers. Lenders and lender servicers will use a new toll-free telephone number and e-mail address for general questions and a new e-mail address and mailing address for claims process questions and submissions.

The new contact information for lenders and lender servicers is located on the [HEAL Program for Lenders and Lender Servicers](#) Contact Information page on the IFAP Website.

Note: On June 16, 2014, HHS stopped accepting e-mails sent to its HEAL Claims mailbox. An automatic reply message instructed senders to resend their e-mails to one of ED’s new HEAL Program e-mail addresses beginning July 1, 2014. A recipient of the automatic reply message must resend his or her e-mail to the appropriate e-mail address. E-mails received in the HHS HEAL Claims mailbox prior to June 16th which were not worked or completed before the shutdown were forwarded to ED. ED will now work the backlogged e-mails from oldest to newest.

## HEAL Program Information on Web

Ed has established a HEAL Program Information area on the IFAP Website. The HEAL Program information area consolidates previous program documentation posted by HHS, new contact information, and new program guidance under four categories—References, Current Guidance, Interest Rates, and Forms. Each time ED updates the HEAL Program Information area a notice will appear on the IFAP Website’s “What’s New” page and in the IFAP subscription e-mail (see below for additional information). The HEAL Program Information area is located [here](#).

ED will post new HEAL Program guidance through the IFAP Website’s Electronic Announcement communication type. ED will identify such announcements by including the words “HEAL Program Information” at the beginning of the subject line. Notice of each announcement will appear on the IFAP Website’s “What’s New” page and in the IFAP subscription e-mail. If a HEAL Program lender or lender servicer has not already subscribed to weekly e-mail notifications of IFAP postings, this would be a good time to do so. An IFAP user can subscribe to notifications of IFAP postings by following these four easy steps:

1. Go to the IFAP Home page located at [ifap.ed.gov](http://ifap.ed.gov).
2. Click on MyIFAP at the top of the right sidebar.
3. Select New User Registration.
4. Complete the electronic sign up process.

ED has added HEAL Program items on the StudentAid.gov Website. These items will provide appropriate contact information for HEAL Program borrowers who visit that site. The primary HEAL Program item is located on the Loans page.

## HEAL Program Contact Information

ED has posted new HEAL Program contact information on two IFAP Contact Information pages.

The HEAL Program for Lenders and Lender Servicers page provides information for HEAL Program lenders and lender servicers.

The HEAL Program for Borrowers page provides information for HEAL Program borrowers.

# 2012-2013 Direct Loan Program Year Closeout Information

The Department of Education (ED) published an Electronic Announcement (EA) on [June 26, 2014](#) which supplements previously released guidance regarding the 2012-2013 Direct Loan Program Year close out. (See the [February 4, 2014](#) and [May 6, 2014](#) EAs)

The closeout deadline to submit records is 8:00 P.M. (ET) on Thursday July 31, 2014. Subsequently, the COD System must accept all records submitted by the closeout deadline for the records to be included in the school's final Ending Cash Balance for 2012-2013. Any records received after the closeout deadline will be rejected and returned to the school.

Refunds of Cash sent via G5 can take seven to nine days to process and post to the COD System. Please consider this when submitting Refunds of Cash in order for these types of transactions to be reflected in your school's Ending Cash Balance by the deadline.

If a school has not successfully closed out by the deadline and has a positive Ending Cash Balance, the school will be sent a Final Demand Letter requesting the return of the outstanding balance as a refund of cash. If the school does not pay the outstanding balance by the deadline in the letter, a receivable will be established, and the school will be billed accordingly.

If a school has not successfully closed out by the deadline and has a negative Ending Cash Balance, the school will be sent a Negative Balance Letter requesting the resolution of the outstanding balance.

Schools that have concerns about meeting the closeout deadline should contact COD School Relations prior to the deadline for further assistance.

NOTE: Cash management, disbursement/adjustment reporting, and monthly reconciliation requirements supersede the closeout deadline. A school should be able to reconcile to a zero balance and close out within a month or two of its final 2012-2013 actual disbursements.

The deadline for drawdowns and/or drawdown adjustments is 8:00 P.M. (ET) on Thursday, July 31, 2014. A 2012-2013 SAS Report will be produced by ED in early August 2014 which will advise schools of their final balance. SAS Reports will be sent to every school even if it is at a zero balance or has previously closed out for this program year. If reconciliation to a zero balance has not been completed by the deadline, it is important that the school's reconciliation be completed using this final SAS Report. The SAS Report should be kept as part of the school's reconciliation documentation.

The screenshot shows an email from the Department of Education. The header includes the Department of Education logo and the text "START HERE GO FURTHER FEDERAL STUDENT AID". The email is dated June 26, 2014, and is from Sue O'Flaherty, Service Director, Program Management, Federal Student Aid. The subject is "Additional 2012-2013 Direct Loan Program Year Closeout Information". The body of the email provides instructions for schools to reconcile their Ending Cash Balance and Total Net Unbooked Disbursements of \$0, and to complete the Balance Confirmation form on the Common Origination and Disbursement (COD) Web site. It also includes a section titled "When is the closeout deadline?" which states that the deadline is 8:00 P.M. (ET) on Thursday, July 31, 2014. A note mentions that Refunds of Cash sent via G5 can take 7-9 days to process and post to the COD System. The email concludes with a section titled "What if a school does not successfully close out by the deadline?" which states that a Final Demand Letter will be sent if the school has a positive Ending Cash Balance.

# Violence Against Women Reauthorization Act of 2013 Prompts Proposal to Amend Federal Regulation

The Department of Education published a notice in the Federal Register on June 20, 2014, which proposed to amend the Student Assistance General Provisions regulations, to implement the changes made to the Clery Act by the Violence Against Women Reauthorization Act of 2013 (VAWA). The reauthorization of the VAWA resulted in amendments to Section 485(f) of the Higher Education Act, specifically the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act). Amendments to the Clery Act require schools to: compile statistics for sexual assault, domestic violence, dating violence, and stalking crimes and include policies, procedures and programs related to such crimes in their Annual Security Report.

The Federal Register dated June 20, 2014, outlines the proposals to amend federal regulation 668.46 to implement the statutory changes, add provisions from the Clery Act, delete outdated deadlines and cross-references, and make other changes to improve readability and clarity of the regulations. See below for a list of the substantive changes to regulations. The proposed changes are the result of the consensus reached at the final negotiated rulemaking meeting on April 1, 2014.

- ✓ Require institutions to maintain statistics about the number of incidents of dating violence, domestic violence, sexual assault, and stalking that meet the proposed definitions of those terms.
- ✓ Revise the definition of “rape” to reflect the Federal Bureau of Investigation’s (FBI) recently updated definition in the UCR Summary Reporting System, which encompasses the categories of rape, sodomy, and sexual assault with an object that are used in the UCR National Incident-Based Reporting System.
- ✓ Revise the categories of bias for the purposes of Clery Act hate crime reporting to add gender identity and to separate ethnicity and national origin into independent categories.
- ✓ Require institutions to provide and describe in their annual security reports primary prevention and awareness programs to incoming students and new employees. These programs must include: A statement that the institution prohibits the crimes of dating violence, domestic violence, sexual assault, and stalking; the definition of these terms in the applicable jurisdiction; the definition of consent, in reference to sexual activity, in the applicable jurisdiction; a description of safe and positive options for bystander intervention; information on risk reduction; and information on the institution’s policies and procedures after a sex offense occurs;
- ✓ Require institutions to provide and describe in their annual security reports ongoing prevention and awareness campaigns for students and employees. These campaigns must include the same information as in the institution’s primary prevention and awareness program;
- ✓ Define the terms “awareness programs,” “bystander intervention,” “ongoing prevention and awareness campaigns,” “primary prevention programs,” and “risk reduction.”
- ✓ Require institutions to describe each type of disciplinary proceeding used by the institution; the steps, anticipated timelines, and decision making process for each type of disciplinary proceeding; and how the institution determines which type of proceeding to use based on the circumstances of an allegation of dating violence, domestic violence, sexual assault, or stalking;

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# Violence Against Women Reauthorization Act of 2013 Prompts Proposal to Amend Federal Regulation

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- ✓ Require institutions to list all of the possible sanctions that the institution may impose following the results of any institutional disciplinary proceedings for an allegation of dating violence, domestic violence, sexual assault, or stalking;
- ✓ Require institutions to describe the range of protective measures that the institution may offer following an allegation of dating violence, domestic violence, sexual assault, or stalking;
- ✓ Require institutions to provide for a prompt, fair, and impartial disciplinary proceeding in which (1) officials are appropriately trained and do not have a conflict of interest or bias for or against the accuser or the accused; (2) the accuser and the accused have equal opportunities to have others present, including an advisor of their choice; (3) the accuser and the accused receive
- ✓ simultaneous notification, in writing, of the result of the proceeding and any available appeal procedures; (4) the proceeding is completed in a reasonably prompt timeframe; (5) the accuser and accused are given timely notice of meetings at which one or the other or both may be present; and (6) the accuser, the accused, and appropriate officials are given timely access to information that will be used after the fact-finding investigation but during informal and formal disciplinary meetings and hearings.
- ✓ Define the terms “proceeding” and “result.”
- ✓ Specify that compliance with these provisions does not constitute a violation of section 444 of the General Education Provisions Act (20 U.S.C. 1232g), commonly known as the Family Educational Rights and Privacy Act of 1974 (FERPA).

We will keep our readers informed of the progress of these changes as more information is made available to the community.

# Reporting Verification Results Using FAA Access to CPS Online

The Electronic Announcement (EA) published on June 18, 2014, provides clarification on previously published EAs regarding the reporting of the Verification Tracking Groups V4 and V5, specific to the identity and high school completion status. This clarification applies to applicants whose 2014-2015 ISIR had a Verification Tracking Group of V4 or V5. For such applicants, a school is required to upload a "flat file" to the FAA Access to CPS Online Website which includes the V4 and V5 verification results.

The EA specifically provides clarification on:

- Which FAFSA applicants institutions must report
- The conditions for each Identity Verification Results value
- When results must be reported

Reminder: The new reporting requirements are in addition to, and do not replace, the normal required verification status results reporting to the COD System as outlined in the [September 28, 2007, EA](#).

An institution is only required to report verification results for applicants whose ISIRs indicate they were placed in the V4 or V5 Verification Tracking AND the institution has requested the required documentation from the applicant. Verification results should not be reported for applicants selected by the institution or for applicants from whom the institution did not request documentation.

Please see the chart included in the [June 18, 2014](#) EA for details regarding the circumstances that apply for each of the V4 and V5 verification results values that are used when reporting using FAA Access to CPS Online.

The information must be submitted no later than 60 days after the date on which the institution requested that the applicant provide the required documentation. Because the 2014-2015 Federal Register notice, which provides the deadline dates for reports and other records associated with the 2014-2015 award year, has not yet been published, institutions will have until 60 days after the date on which the Federal Register is published to submit the first 2014-2015 reporting.

Institutions must update any V4 and V5 results that change.

Questions related to this Electronic Announcement should be directed to Federal Student Aid's Research and Customer Care Center Staff at [800.433.7327](tel:800.433.7327), Monday through Friday from 9:00 a.m. and 5:00 p.m. (Eastern Time). Alternatively, you may e-mail the Care Center at [fsa.customer.support@ed.gov](mailto:fsa.customer.support@ed.gov).

# Enhancements to MyStudentData Download on NSLDS

The Department of Education (ED) published a notice [June 27, 2014](#) to announce enhancements to MyStudentData Download on National Student Loan Data System (NSLDS).

ED is pleased to announce that on June 30, 2014, “MyStudentData Download” functionality was enhanced on the [National Student Loan Data System \(NSLDS\) Student Access](#) Website. The MyStudentData Download allows students to download their loan, grant, enrollment, overpayment, and program enrollment information from the NSLDS into a machine-readable, plain text file.

In an ongoing effort to provide students with their most current and helpful data, the downloadable file was updated to include the following:

- Student contact information
- 150% Direct Subsidized Loan Limit (SULA) information
- Additions to the list of valid loan type values
- Loan subsidy information
- Program enrollment information
- Appendix A with sample output

ED has posted an updated NSLDS MyStudentData Download file layout to the [NSLDS Record Layouts page on the IFAP Website](#). This document defines the layout of the file that students will be able to download from [NSLDS Student Access](#) and assists software vendors with designing new tools for students to maximize the usefulness of the data.

## Contact Information

If your students have questions about MyStudentData Download on NSLDS, ask them to contact the Federal Student Aid Information Center at [800.4.FED.AID](#) [800.433.3243], or by e-mail at [FederalStudentAidCustomerService@ed.gov](mailto:FederalStudentAidCustomerService@ed.gov). TDD/TTY service is also available at [800.730.8913](#).

## State Authorization Delay of Implementation

The Department of Education (ED) published [Federal Register \(Volume 79, Number 121\)](#) on June 24, 2014, to announce the further delay of implementation for certain State authorization regulations. These regulations are aimed at postsecondary institutions whose State authorization does not meet the requirements of these regulations with the expectation that the State is establishing an acceptable authorization process to take effect by the delayed implementation date.

**DATES:** The implementation date is delayed to July 1, 2015, as discussed in the Supplementary Information section of this document.

**SUPPLEMENTARY INFORMATION:** The Department further delays, until July 1, 2015, the implementation date of the changes to 34 CFR 600.9(a) and (b) (State authorization regulations) published in the Federal Register on October 29, 2010 (75 FR 66832) for institutions of postsecondary education whose State authorization does not meet the requirements of these

regulations by July 1, 2014, so long as the State is establishing an acceptable authorization process that is to take effect by the delayed implementation date. On May 21, 2013, the Department delayed this date from July 1, 2013, to July 1, 2014 (78 FR 29652). The Department provides this further extension for institutions in order to provide States with additional time to finalize processes for those institutions to be able to comply with the State authorization provisions in Sec. 600.9(a) and (b). Those provisions apply to an institution separately with respect to each State in which the institution has a main or additional location offering at least 50 percent of an eligible educational program.

An institution that cannot meet the State authorization requirements to receive an extension to implement Sec. 600.9(a) and (b) until July 1, 2015, must obtain an explanation from the State, such as information on timeline and action steps to ensure compliance, of how an additional one-year extension will permit the State to finalize its procedures so that the institution is in compliance with amended Sec. 600.9. The explanation must be provided to Department staff upon request.

# Now Available!

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Processing Aid and  
Managing FSA Funds  
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## 2014-2015 Federal Student Aid Handbook

[Volume 4](#) of the 2014-2015 Federal Student Aid (FSA) Handbook is now available. This volume provides schools with information specific to processing aid and managing FSA funds.

**START HERE  
GO FURTHER  
FEDERAL STUDENT AID** **IFAP**

Period Begin: July 1, 2014  
Period End: June 30, 2015  
Posted Date: July 1, 2014

**Subject:** Federal Stafford, Federal PLUS, Federal SLS, and Federal Consolidation Interest Rate Calculations for the Period July 1, 2014 – June 30, 2015

The attached charts show the variable interest rates applicable to the Federal Stafford, Federal SLS, Federal PLUS, and Federal Consolidation loan programs for the period July 1, 2014 – June 30, 2015. Interest rates for variable-rate loans under these programs are determined annually, and are based on the following:

- Stafford Loans** – based on the bond equivalent rate of 91-day Treasury Bills auctioned at the final auction held before June 1st of each year. The bond equivalent rate for 91-day Treasury Bills auctioned on May 27, 2014 is 0.03 percent.
- PLUS/SLS Loans** – based on either the bond equivalent rate of 91-day Treasury Bills auctioned at the final auction held before June 1st of each year, or the weekly average of the one-year constant maturity Treasury yield as published for the last calendar week ending on or before June 30th of each year. The bond equivalent rate for 91-day Treasury Bills auctioned on May 27, 2014, is 0.03 percent. The weekly average of the one-year constant maturity Treasury yield for the last calendar week ending on or before June 28th is 0.15 percent.
- Consolidation Loans** – for which the loan application was received by an eligible lender on or after 11/13/97 but prior to 10/1/98 are based on the bond equivalent rate of 91-day Treasury Bills auctioned at the final auction held before June 1st of each year, or 0.03 percent. For the HEAL portion of consolidation loans for which the loan application was received by an eligible lender on or after 11/13/97, the rate is based on the average of the bond equivalent rates of the 91-day Treasury Bills auctioned for the quarter ending June 30th of each year, or 0.03 percent.

These rates do not affect Federal Stafford or Federal PLUS loans made on or after July 1, 2008 that are subject to fixed-rates.

The [interest rate calculations](#) for the Federal Stafford, Federal SLS Federal PLUS, and Federal Consolidation loan programs have been released for the period July 1, 2014 – June 30, 2015.

**START HERE  
GO FURTHER  
FEDERAL STUDENT AID** **IFAP**

Posted Date: June 20, 2014  
Author: Sue O'Flaherty, Service Director, Program Management, Federal Student Aid  
Subject: 2014-2015 COD Technical Reference (June 2014 Update)

We are pleased to announce the posting of the updated [2014-2015 Common Origination and Disbursement \(COD\) Technical Reference](#).

The 2014-2015 COD Technical Reference contains development information for the 2014-2015 Award Year. For a complete list of updates, refer to the [June 2014 Change Tracking Log](#).

**Note:** The Common Record Layout section has changed from the 2013-2014 posting. As a reminder, in preparing for 2014-2015 processing, it is important that a school or third party software provider carefully review the [COD Common Record XML Schema 4.0a](#) in conjunction with the Common Record Layout.

**Contact Information**  
If you have questions about this material, contact the COD School Relations Center at 800-474-7288 for Grants or 800-948-0978 for Direct Loans. You may also e-mail [CODSupport@ed.gov](mailto:CODSupport@ed.gov).

## Common Origination and Disbursement (COD) Updates

The [updated 2014-2015 COD Technical Reference](#) is now available on the Information for Financial Aid Professionals website.

The updated edition of the [COD Processing Update](#) is available on the COD Website. This resource is made available to schools for COD System processing and provides information on: COD News and Updates, Current Issues and Reminders.



### QUESTION:

In years past, schools were given the ability to deny an “approved” Parent PLUS loan application upon collecting data that would prove the parent could not feasibly make payments or absorb that debt. Is this practice still permissible for the 2014-15 award year?

### ANSWER:

Based on [Dear Colleague Letter GEN-11-07](#), published March 22, 2011, which discusses the topic of limited parent borrowing, yes, it is possible to make this type of determination for the 2014-15 academic year.

Additionally, 2014-15 FSA Handbook, Volume 1, Chapter 6, Page 1-76, confirms the school’s ability to refuse or reduce a parent’s eligibility for Parent PLUS loans, if the reason for that action is documented and provided to the borrower in writing as long as the determination is made on a case-by-case basis, the documentation supporting the determination is retained in the student’s file, and the school does not engage in any pattern or practice that results in a denial of a borrower’s access to Direct Loans because of the borrower’s race, gender, color, religion, national origin, age, disability status, or income.

# Special Allowance Rates for Federal Family Education Loan Program (FFELP) Stafford and PLUS Loans

## For the Quarter Ending June 30, 2014

The Treasury Bill (T-bill) rate for the quarter ending June 30, 2014, averaged .03%. The categories for which special allowance was paid on loans made or purchased with taxable funds are:

Loan Interest Rate	Special Allowance Annual Rate+	Special Allowance Quarterly Rate+	LaRS (Lender Reporting System) Part III: Special Allowance Category Column E*
7.00%	0.00%	0.00%	SA
7.00%	0.00%	0.00%	SB
8.00%	0.00%	0.00%	
3.15%	0.15%	0.0325%	SD
3.30%	0.00%	0.0000%	
7.00%	0.00%	0.00%	
8.00%	0.00%	0.00%	
3.15%	0.00%	0.0000%	SE
3.15%	0.00%	0.0000%	SG
3.23%	0.00%	0.00%	
2.55%	0.00%	0.0000%	SH
1.75%	0.48%	0.12%	SJ
2.35%	0.48%	0.12%	SK

For the quarter ending June 30, 2014, the average Commercial Paper (CP) rate – as calculated by the U.S. Department of Education – was .11%. When the special allowance formula results in a negative rate on a loan first disbursed on or after April 1, 2006, the lender must remit the excess interest to ED.

Loan Interest Rate	Special Allowance Annual Rate+	Special Allowance Quarterly Rate+	LaRS (Lender Reporting System) Part III: Special Allowance Category Column E*
1.75%	0.10%	0.0250%	CA
2.35%	0.10%	0.0250%	CB
3.15% (PLUS)	0.00%	0.00%	CD
1.75%	0.10%	0.0250%	CE
6.80%	(4.95%)	(1.2375%)	
2.35%	0.10%	0.0250%	CF
6.80%	(4.35%)	(1.0875%)	
3.15% (PLUS)	(0.40%)	(0.0100%)	CH
8.50% (PLUS)	(5.75%)	(1.4375%)	
5.6%	(4.30%)	(1.0750%)	CI
6.00%	(4.70%)	(1.1750%)	
6.80%	(5.50%)	(1.3750%)	
5.6%	(3.70%)	(0.9250%)	CJ
6.00%	(4.10%)	(1.0250%)	
6.80%	(4.90%)	(1.2250%)	
8.50% (PLUS)	(6.60%)	(1.6500%)	CM

# Special Allowance Rates for Federal Family Education Loan Program (FFELP) Stafford and PLUS Loans – continued

Beginning with the quarter ending June 30, 2013, lenders were given the option to use “the average of the bond equivalent rates of the quotes of the 1-month London InterBank Offered Rate (LIBOR) in effect for each of the days in such quarter as compiled and released by the British Bankers Association” in place of the Commercial Paper Rate.

- \* For a detailed explanation of the Special Allowance codes, please visit the *Common Manual* at [aesSuccess.org](http://aesSuccess.org). To access the Manual, click on ‘Financial Aid Products and Support for Schools’ on the left-hand side of the screen. Then click on ‘Common Manual Information.’ Select the most recent Common Manual under the Integrated Common Manual heading. The Special Allowance codes are located in Appendix A, figure A-5.
- + For entities approved as not-for-profit holders, Special Allowance payments will be based on another code that ED sets in the respective demographic profiles. Please see the [March/April 2008 issue of Loan Notes](#) for more information.

## Resources:

The applicable Special Allowance Rates, including those for Consolidation loans and loans made or purchased with tax-exempt funds, are available at [ifap.ed.gov](http://ifap.ed.gov).

Rates for previous quarters may be found on the AES Website. To access this archive, [CLICK HERE](#).

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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## CONTACT

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Mon - Fri, 7:30 am to 9:00 pm ET

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