

Available in Spanish!

Select the Spanish link to access the publication.



INDUSTRY BULLETIN

Reaffirmation Agreement for Inadvertent Overborrowing

On [January 21, 2015](#), the U.S. Department of Education (ED) published a notice in the Federal Register requesting comments on the proposed information collection request (ICR) for a Reaffirmation Agreement (Office of Management and Budget [OMB] Control Number: 1845-NEW). Those interested are invited to submit comments electronically through the [Federal eRulemaking Portal](#) by selecting Docket ID number ED-2015-ICCD-0008 on or before March 23, 2015. Comments may also be submitted by postal mail, commercial delivery or hand delivery.

ED is especially interested in public comment addressing the following issues:

1. Is this collection necessary to the proper functions of ED;
2. Will this information be processed and used in a timely manner;
3. Is the estimate of burden accurate;
4. How might ED enhance the quality, utility, and clarity of the information to be collected; and
5. How might ED minimize the burden of this collection on the respondents, including through the use of information technology.

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.



- 2 [FAFSA Completion Numbers](#)
- 3 [Employment Electronic Announcement #51](#)
[FSA ID Information](#)
- 4 [Fiscal Year 2012 3-Year Cohort Default Rate Calculations](#)
[Employment](#)
- 5 [Tentative 2015-2016 Funding Levels for the Campus-Based Programs](#)
[Now Available!](#)
- 6 [Updated Guidance on Making Direct Loan Refunds of Cash](#)
- 7 [Adverse Credit History Under the Direct PLUS Loan Program](#)
[Wind-down of the Federal Perkins Loan Program](#)
- 8 [Contact](#)

FEB 2015

FAFSA Completion Numbers

On [February 6, 2015](#), the U.S. Department of Education (ED) published an Electronic Announcement (EA) to advise the community that the Free Application for Federal Student Aid (FAFSA) completion numbers for the high school graduating class of 2015 are now available. Federal Student Aid (FSA) established the [FAFSA Completion Tool](#) in March 2012 as a device for school administrators and guidance professionals to track FAFSA completion at high schools across the country. The 2015 version of the tool incorporates enhancements focused on publishing updated information for applicable parties on a weekly basis during FAFSA completion peak season. By increasing the frequency of data dissemination, administrators and counselors can more accurately measure the adequacy of their outreach programs and strategies.

Schools previously relied on self-reported student surveys as their means for collecting information concerning FAFSA completion, which was generally unreliable. With the FAFSA Completion Tool, schools have the ability to utilize more accurate data to assist them in increasing the amount of high school students that complete the FAFSA. According to various studies, there is a strong link between FAFSA completion and college enrollment.

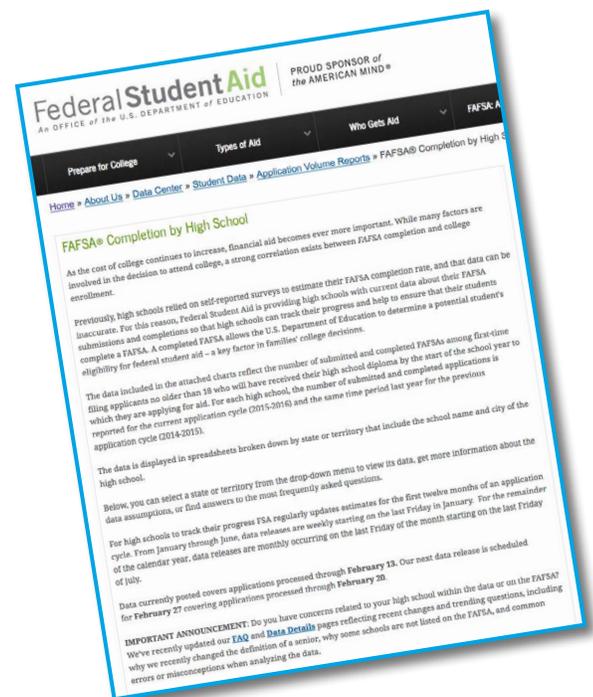
FSA encourages high schools to use the FAFSA Completion Tool in combination with the overall [Financial Aid Toolkit](#) created by ED. The toolkit functions as a database, which houses various beneficial financial aid resources including a [FAFSA completion workshop](#) and [FAFSA completion social media resources](#).

Mrs. Obama has also joined the movement to help increase FAFSA completion by implementing the "[FAFSA Completion Challenge](#)." The challenge was established to motivate more high school students to complete the FAFSA.

The FAFSA determines eligibility for federal student aid and non-federal sources of aid. Students who do not complete a FAFSA are not eligible for any federal grants, loans, and most state-based and institutional aid. By completing a FAFSA, students not only create opportunities for themselves, but they make a beneficial contribution to their school, communities and states.

In 2014 alone, the FAFSA Completion Tool was able to provide FAFSA submission and completion data for the senior classes at more than 25,000 high schools in the U.S.

Visit [StudentAid.gov/FAFSA-HS-Data](#) for more information about the FAFSA Completion Tool.



Employment Electronic Announcement #51

On [January 9, 2015](#), the U.S. Department of Education (ED) issued an Electronic Announcement (EA) regarding the availability of the updated National Student Loan Data System (NSLDS) Gainful Employment Submittal File Record Layouts. Institutions will use information in these layouts to prepare their systems for submitting the required gainful employment (GE) information to ED.

The NSLDS Gainful Employment Submittal File Record Layouts are now [available](#). The layouts can also be downloaded from the [Resources section of the Gainful Employment Information Page](#).

FSA ID Information

On [January 12, 2015](#), the U.S. Department of Education (ED) released an Electronic Announcement (EA) regarding the implementation of a new login process this spring for student- and borrower-based websites, including FAFSA on the Web, NSLDS Student Access, StudentLoans.gov, StudentAid.gov, and the TEACH Grant website. The new Federal Student Aid (FSA) ID will be comprised of a user-selected username and password and will replace the FSA PIN (PIN) as the process by which students, parents, and borrowers authenticate their identity to access their federal student aid information.

The date of implementation for the FSA ID will be April 26, 2015. To ensure a seamless transition for customers and to minimize confusion before the change, the following actions will be completed this spring:

- In mid-April, an announcement will be posted on each impacted website about the FSA ID.
- A new page will be created on [StudentAid.gov](#) in mid-April that provides additional information about the upcoming transition to the FSA ID. Once the FSA ID is implemented, users who visit the PIN website will automatically be redirected to this page.
- After the April 26, 2015 implementation, users arriving at impacted websites will be directed to a link to register for their new FSA ID. The registration process should take less than seven minutes.

Note: During the FSA ID registration process, an individual who already has a PIN with a successful match from the Social Security Administration (SSA) will have the option to link that PIN to their new FSA ID.

A step-by-step guide to registering for an FSA ID will be posted to the [IFAP website](#) later this winter.

As a reminder, this change will not impact the FSA User ID login process that is currently in place for financial aid professionals.

The screenshot shows an email or announcement header with the following details:

- Logo:** START HERE GO FUTURE FEDERAL STUDENT AID
- IFAP HOME** button
- Posted Date:** January 12, 2015
- Author:** Brenda Wensil, Chief Customer Experience Officer, Federal Student Aid; William Leith, Chief Business Operations Officer, Federal Student Aid
- Subject:** FSA ID Information - Communicating the Transition to Students

The main body of the announcement contains the following text:

As we announced in an [October 1, 2014 Electronic Announcement](#) posted to the Information for Financial Aid Professionals (IFAP) Web site, we will implement a new login process this spring for our student- and borrower-based websites, including FAFSA on the Web, NSLDS® Student Access, StudentLoans.gov, StudentAid.gov, and the TEACH Grant website. The new FSA ID, which will be comprised of a user-selected username and password, will replace the Federal Student Aid PIN as the process by which students, parents, and borrowers authenticate their identity to access their federal student aid information.

At the December 2014 FSA Training Conference, we shared the date of implementation of the FSA ID (April 26, 2015) and outlined our communication strategy to inform users of the change. To ensure the transition to the FSA ID is as seamless as possible for our customers and to minimize confusion before the change, we will complete the following activities this spring:

- We will post an announcement about the FSA ID on each impacted website in mid-April 2015. This high-level information will introduce the FSA ID to users but will also reassure them that there is nothing they need to do before the change.
- We will also create a new page on [StudentAid.gov](#) in mid-April that provides additional information about the upcoming transition to the FSA ID. Once the FSA ID is implemented on April 26, 2015, users who visit the PIN website will automatically be redirected to this page.
- After implementation on April 26, 2015, users who arrive at the impacted websites will be directed to a link to register for their new FSA ID. The registration process should take less than seven minutes.

Note: During the FSA ID registration process, an individual who already has a PIN with a successful match from the Social Security Administration (SSA) will have the option to link that PIN to their new FSA ID. By linking to a "matched" PIN, the user will be able to immediately use the FSA ID with the FAFSA on the Web, NSLDS Student Access, StudentLoans.gov, StudentAid.gov, and the TEACH Grant websites. If an individual does not link to a "matched" PIN during the FSA ID registration process, they will have limited use of the FSA ID until the SSA confirms their personal identifiers (1-3 days). This is similar to the "conditional PIN" that new PIN applicants currently receive, while waiting for the SSA match to be conducted.

Fiscal Year 2012 3-Year Cohort Default Rate Calculations

On [January 12, 2015](#), the U.S. Department of Education (ED) issued a Technical Update (GA-2015-02) regarding the Fiscal Year (FY) 2012 three-year Cohort Default Rate Calculations.

The Technical Update, GA-2015-02: Fiscal Year 2012 3-Year Cohort Default Rate Calculations, may be found [here](#).

This Technical Update is presented in both a Microsoft Word Format and in a Portable Document Format (PDF). The PDF file requires version 4.0 or greater of the free Adobe Acrobat reader.

The information presented in the Technical Update is intended for the person at your school who is responsible for working with the National Student Loan Data System (NSLDS). Please ensure that the appropriate person receives this update.

The Technical Update provides a schedule for the NSLDS calculation rates, which is provided below:

DRAFT FY2012 3-Year	
Calculation:	January 24, 2015
Release:	February 23, 2015

OFFICIAL FY2012 3-Year	
Calculation:	August 1, 2015
Release:	September 21, 2015

In the Technical Update, ED requests that schools provide NSLDS with all changes that may affect the FY rates prior to the calculation dates noted above. Providing timely updates to NSLDS ensures the accuracy of the cohort default rate calculation and reduces challenges and appeals during the draft and official cycle. A borrower's record(s) may be updated online via the [NSLDS Professional Access website](#) or as part of your Guaranty Agency's (GA's) submittal. All updates must be received and accepted by NSLDS prior to the above-noted calculation dates in order for the data to be reflected in the calculations.

Contact Information

If you have questions about this technical update, contact the NSLDS Customer Support Center at [800.999.8219](tel:800.999.8219). You can also contact Customer Support by e-mail at nsls@ed.gov.

Tentative 2015-2016 Funding Levels for the Campus-Based Programs

On [January 23, 2015](#), the U.S. Department of Education (ED) issued an Electronic Announcement (EA) which stated that the tentative funding levels and corresponding worksheets for the Campus-Based Programs for the 2015-2016 Award Year (July 1, 2015 through June 30, 2016) would be posted to the [eCampus-Based \(eCB\) website](#) by January 31, 2015.

On December 16, 2014, President Obama signed the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235), which appropriated \$989,728,000 for the Federal Work-Study (FWS) Program and \$733,130,000 for the Federal Supplemental Educational Opportunity Grant (FSEOG) Program for the 2015-2016 Award Year. P.L. 113-235 did not include an appropriation for the Federal Perkins Loan Program.

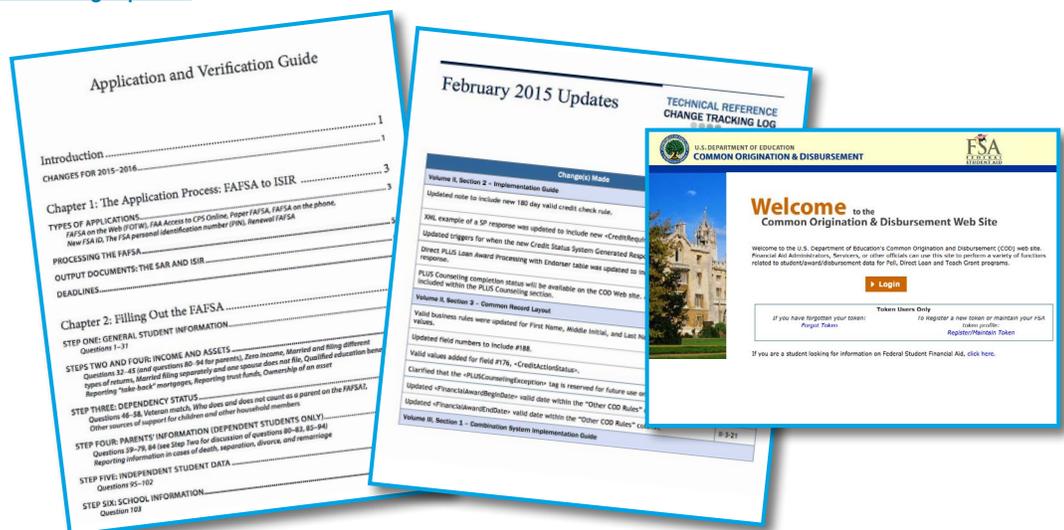
The EA included an [attachment](#) which provided an explanation of the calculation of the tentative funding level for each of the Campus-Based Programs. The expected deadline for the final awards for the 2015-2016 Award Year to be posted to the eCB website is April 1, 2015.

Now Available!

The [Application and Verification Guide](#) of the 2015-2016 Federal Student Aid Handbook was posted to the Information for Financial Aid Professionals (IFAP) website on February 9, 2015.

As a reminder, the following materials were recently updated and are also available on the Information for Financial Aid Professionals website:

- [The 2015-2016 Common Origination and Disbursement \(COD\) Technical Reference](#)
- [The COD Processing Update](#)



Updated Guidance on Making Direct Loan Refunds of Cash

On [February 12, 2015](#), Federal Student Aid (FSA) published an Electronic Announcement (EA) to provide updated guidance on making a Direct Loan refund of cash. According to cash management regulations (34 CFR 668.166), any Direct Loan funds must be refunded to ED if they are not disbursed to borrowers within 3 business days (7 calendar days in some cases) from when the drawdown is received.

Direct Loan funds are school, program and award year-specific. Therefore, any returned funds can

be disbursed to other students at the same school who are eligible for Direct Loans during the same award year. The funds must be returned for the same school, program and award year if they cannot be disbursed within the regulatory timeframes.

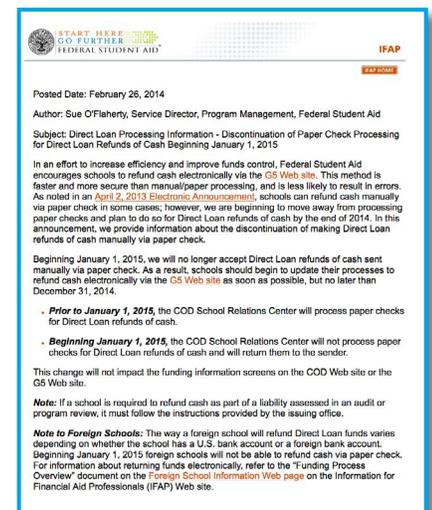
Unless specifically instructed otherwise, schools should refund cash electronically through the [G5 website](#). Schools should contact the G5 Hotline for further assistance on making a refund electronically.

NOTES:

- Beginning January 1, 2015, ED no longer accepts paper checks for Direct Loan cash refunds. Refer to the [Feb. 26, 2014, Announcement](#) posted on the Information for Financial Aid Professionals (IFAP) website for more information.
- Schools should not use drawdown adjustments in G5 to make a cash refund and cash refunds should not be procured with a drawdown from another school, program or award year.
- Instructions provided by the issuing office should be followed if a school must refund cash due to a liability determined in an audit or program review.
- Schools must report a corresponding downward disbursement adjustment to the Common Origination and Disbursement (COD) System if cash is being returned due to refunds made to a borrower's account. Refer to the [Nov. 21, 2011, Electronic Announcement](#) posted on the IFAP website for more information.
- Direct Loan disbursements, disbursement adjustments and cash refunds should only be reported in whole dollar amounts. Refer to the [Nov. 21, 2011, Electronic Announcement](#) posted on the IFAP website for more information.
- Foreign schools: Refunding Direct Loan funds varies based on whether the school has a U.S. or foreign bank account. Refer to the [Funding Process Overview](#) document found of the [Foreign School Information website](#) for more information.

Refer to the [G5 website](#) or call the G5 Hotline at [888.336.8930](#) or [202.401.6238](#) for more information related to refunding cash via G5.

Contact the COD School Relations Center at [800.848.0978](#) or [571.392.3737](#) or email CODSupport@ed.gov for questions about this announcement.



Adverse Credit History Under the Direct PLUS Loan Program

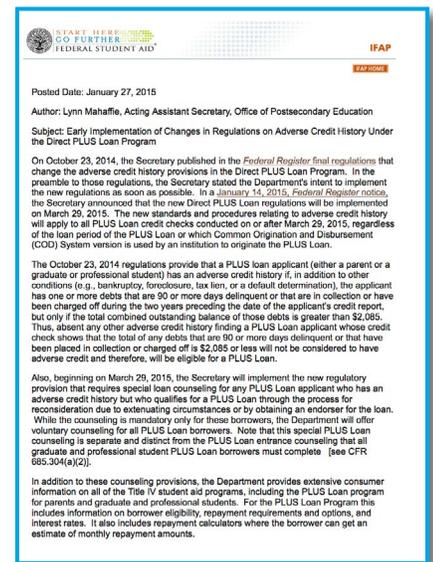
On [January 27, 2015](#), the U.S. Department of Education (ED) released an Electronic Announcement (EA) regarding the early implementation of changes to the adverse credit history provisions for the Direct PLUS Loan Program. These final regulations were published in the [Federal Register](#) on October 23, 2014; the preamble included ED's intent to implement the new regulations as soon as possible.

In a [Federal Register](#) notice released on January 14, 2015, ED announced that the new Direct PLUS Loan regulations will be implemented on March 29, 2015. The new standards and procedures relating to adverse credit history will apply to all Direct PLUS Loan credit checks conducted on or after March 29, 2015, regardless of the loan period of the Direct PLUS Loan or which Common Origination and Disbursement (COD) System version is used by an institution to originate the Direct PLUS Loan.

The final regulations published on October 23, 2014, redefined "adverse credit history" as, in addition to other conditions (e.g., bankruptcy, foreclosure, tax lien, or a default determination), the applicant has one or more debts that are 90 or more days delinquent, are in collection, or have been charged off during the two years preceding the date of the applicant's credit report, but only if the total combined outstanding balance of those debts is greater than \$2,085.

Beginning on March 29, 2015, ED will implement the new regulatory provision that requires special loan counseling for any Direct PLUS Loan applicant who has an adverse credit history but who qualifies for a Direct PLUS Loan through the reconsideration process due to extenuating circumstances or by obtaining an endorser for the loan. In addition, ED will modify its procedures so that a credit check for a Direct PLUS Loan applicant will remain valid for 180 days, instead of the current 90 days.

ED released a [list of Questions and Answers \(Q&As\)](#) in the EA to describe the impact of the new provisions on Direct PLUS Loan applicants.



Wind-down of the Federal Perkins Loan Program

On [January 30, 2015](#), the U.S. Department of Education (ED) published Dear Colleague Letter (DCL) GEN-15-03 regarding the wind-down of the Federal Perkins Loan Program and schools' limited authority to continue to make loans to certain students after September 30, 2015.

The DCL explains that under section 461(b)(1) of the Higher Education Act of 1965, as amended (the HEA), the authority for schools to make a Federal Perkins Loan ended on September 30, 2014, with an automatic one-year extension pursuant to section 422(a) of the General Education Provisions Act (GEPA); therefore, schools may not make Federal Perkins Loans to new borrowers after September 30, 2015.

Additionally, section 461(b)(2) of the HEA includes a narrow "grandfathering" provision that allows schools to make Federal Perkins Loans to certain students for up to five additional years (through September 30, 2020) to enable students who received a loan for award years that end prior to October 1, 2015 "to continue or complete courses of study." For the complete list of conditions that must be met for a school to make a new Perkins Loan to a student after September 30, 2015, please see the DCL.

ED advised in the DCL that additional information will be provided in the upcoming months as the September 30, 2015 deadline approaches.

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.

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
030215

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