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INDUSTRY BULLETIN

Foreign Schools and NSLDS Enrollment Reporting

On [February 23, 2015](#), the U.S. Department of Education published a Foreign School Update to provide instruction for institution enrollment reporting by foreign schools. Effective November 14, 2014, the National Student Clearinghouse (Clearinghouse) discontinued its service to provide institution enrollment reporting to National Student Loan Data System (NSLDS) on behalf of foreign schools; therefore, the affected schools must now report enrollment information directly to NSLDS.

Required Actions to Begin Enrollment Reporting to NSLDS for Foreign Schools

Schools will need both batch and online enrollment update access to manage the NSLDS Enrollment Reporting process. The batch process uses the Student Aid Internet Gateway (SAIG) mailbox to send enrollment files electronically and the online process provides access to the [NSLDS Professional Access Website](#). Schools should review their access and take the appropriate action to ensure their ability to properly participate in the enrollment reporting process.

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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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Foreign Schools and NSLDS Enrollment Reporting

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Once a school confirms that its access is appropriate, it should report enrollment data within the correct timeframes: every 60 days and respond to rosters within 15 days.

If a school is not enrolled in the SAIG and also does not have the appropriate access for enrollment reporting, it must complete a “SAIG Form for Designating a Primary Destination Point Administrator (DPA) with All Services” which can be found in the [SAIG Introduction document](#) posted in the Direct Loan Setup Area of the [Foreign School Information Page](#) of the [Information for Financial Aid Professionals Website](#).

If a school is enrolled in the SAIG, but is not set up for the enrollment reporting process, the Primary DPA must submit a completed [SAIG Form for Adding/Modifying Services for an Existing DPA User](#) to the following address:



Instructions for completing the SAIG Form for Adding/Modifying Services for an Existing DPA User are available in the SAIG Introduction document.

Schools must also remove the Clearinghouse from the third-party servicer information in Section J of the Application for Approval to Participate in Federal Student Financial Aid Programs (E-App) at eligcert.ed.gov. If a new third-party servicer is selected, the new servicer’s information should be added in Section J.

Now Available!

The [Application and Verification Guide](#) of the 2015-16 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 [COD Processing Update](#)

Implementation of 2015-16 Pell Grant Payment and Disbursement Schedules

On [March 6, 2015](#), Federal Student Aid (FSA) submitted an Electronic Announcement (EA) providing information related to modifications that will be made resulting from the implementation of the 2015-16 Federal Pell Grant (Pell Grant) payment and disbursement schedules.

[Dear Colleague Letter \(DCL\) GEN-15-02](#) outlined the requirement that 2015-16 Pell Grant payment and disbursement schedules must be used for all 2015-16 Pell Grant award calculations. The maximum award amount for the 2015-16 increased to \$5,775 while the maximum expected family contribution (EFC) increased to \$5,198.

Impact on the Central Processing System (CPS) and Upcoming Reprocessing

The CPS will be updated on March 29, 2015, to use the 2015-16 Pell Grant payment and disbursement schedules to calculate Pell Grant eligibility and estimated award amounts for 2015-16 Free Applications for Federal Student Aid (FAFSA).

The FSA will also reprocess records for students who completed their 2015-16 FASFA before March 29, 2015.

Impact of the Institutional Student Information Report (ISIR) Analysis Tool

On April 26, 2015, the 2015-16 ISIR Analysis Tool will reflect correct award amounts based on the 2015-16 schedules. It will be available through [FAA Main Menu of the FAA Access to CPS Online Website](#).

Impact on the Common Origination and Disbursement (COD) System

From March 27-29, 2015, the COD System will be updated to support 2015-16 Award Year processing. The FSA will release an upcoming EA on the IFAP Website detailing more information about the updates.

Impact on EDEXpress

The FSA has a scheduled release date of April 2015 for the 2.0 EDEXpress update of the Packaging and Pell Grant modules to use the 2015-16 schedules. The 1.0 release did not include the updated information.

Once the 2.0 version is available, EDEXpress users must repackage students who were originally packaged under the 1.0 version.

Third Party Servicer Data Form

On [February 12, 2015](#), the U.S. Department of Education (ED) released an Electronic Announcement (EA) stating that ED has determined that a significant number of higher education institutions failed to report, update, or accurately report third party servicer information to ED as required under the regulations (34 C.F.R. § 668.25(e)). As a result, ED is unable to rely on the institutions' reported information to provide appropriate oversight of the entities performing work on behalf of Title IV eligible institutions.

ED has obtained the Office of Management and Budget's (OMB) approval to collect the information necessary for effective oversight and data validation directly from the entities that perform work on behalf of Title IV eligible institutions. The obligation to respond to this collection is required in order to retain the benefit of performing Title IV related functions on behalf of eligible higher education institutions.

Entities that meet the definition of a Third Party Servicer (see 34 C.F.R. § 668.2) are required to submit the Third Party Servicer Data Form within 30 days of receiving notification of the requirement from ED. [Third party servicers](#) are also required to update information within 10 days if:

- The servicer changes its name;
- The servicer changes the address or contact information for its primary location or additional location;
- The servicer adds or terminates a contract with an eligible Title IV institution; or
- The servicer buys, sells, or merges with another third party servicer (see 34 C.F.R. § 668.25(e)(1)(i)).

2015-16 Financial Aid Shopping Sheet

On [February 24, 2015](#), the U.S. Department of Education (ED) issued an Electronic Announcement (EA) regarding the 2015-16 Financial Aid Shopping Sheet. The EA provides updates, HTML specifications, and the Institutional Metric Data file for the 2015-16 Financial Aid Shopping Sheet.

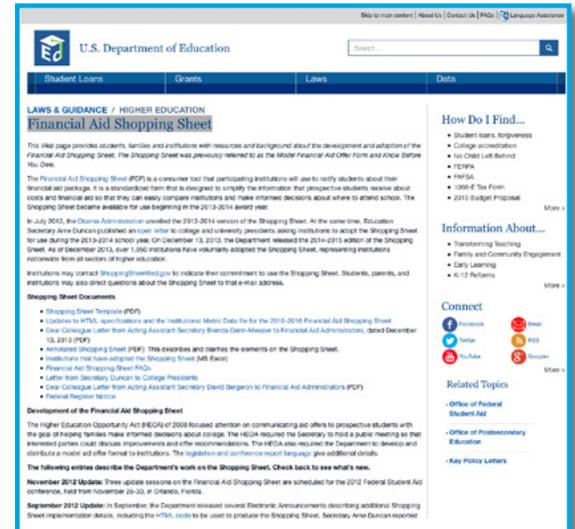
In July 2012, ED released the Financial Aid Shopping Sheet format and asked institutions to voluntarily commit to supplying it to prospective students. As of February 2015, over 2,000 institutions have reported their commitment to ED. A list of institutions adopting the Shopping Sheet can be found at: ed.gov/financial-aid-shopping-sheet.

Since its release, ED's process for determining updates to the Shopping Sheet has included meeting with stakeholders and reviewing comments obtained through the ShoppingSheet@ed.gov mailbox. The feedback that ED received over the last few years has indicated that institutions and financial aid administrators are becoming more familiar with the template and more comfortable providing it to prospective students. Feedback from students and guidance counselors also supported minimal revisions to the Shopping Sheet. In response, the only addition that is being made to the 2015-16 Shopping Sheet is the "American Opportunity Tax Credit" bullet under the "Other options" section. ED hopes that the addition of this bullet will make more students aware of the opportunity to claim this tax credit during the following calendar year after enrollment.

Like last year, ED is releasing all components needed to complete institutional Shopping Sheets (HTML specifications and the institutional metric data file) as a compiled batch. All components of the Financial Aid Shopping Sheet are provided in the EA.

HTML Specifications: Institutions and their software providers may use the attached HTML specifications to produce and populate the Shopping Sheet, using the applicable fields from their existing data systems. The HTML includes a "download" button on the Shopping Sheet to allow prospective students to download their aid offer information into a machine readable format (XML). This XML layout is also attached to the EA. ED encourages institutions providing the Shopping Sheet in electronic format to include this feature. Institutions that are delivering the Shopping Sheet in print form may want to remove the button. For convenience, a PDF version of the Shopping Sheet is also provided in the EA.

Institutional Metric Data File: The student information on the Shopping Sheet is populated using the applicable fields from institutions' existing data systems. The data and information necessary to populate the institutional metrics section of the Shopping Sheet — the graduation rate, the loan default rate, and the median borrowing figures — are provided in the files attached to the EA. The institutional metrics data file is updated on an annual basis. In addition, the EA included the image files necessary for situations when there is no graduation rate data or cohort default rate data available for a particular institution. Data used to populate the metrics on the Shopping Sheet comes from ED's Integrated Postsecondary Education Data System and National Student Loan Data System. Therefore, accurate institutional reporting is necessary to ensure that correct information is populated within the Shopping Sheet metric data file and, ultimately, received by prospective students.



Distribution of 2012 3-Year Cohort Default Rates

On [February 23, 2015](#), the U.S. Department of Education (ED) issued an Electronic Announcement (EA) indicating that ED had distributed the Fiscal Year (FY) 2012 Draft Cohort Default Rate notification packages to all eligible domestic and foreign schools, guaranty agencies, and lenders.

Background for 3-Year Cohort Default Rates

As explained in a [December 7, 2009 EA](#), the Higher Education Opportunity Act (HEOA), enacted on August 8, 2008, made a number of changes to the student aid programs authorized under Title IV of the Higher Education Act (HEA), including the timeframes for the calculation of Federal Family Education Loan and Direct Loan Cohort Default Rates (CDRs). On October 28, 2009, ED published in the Federal Register the regulations that will govern the calculation of default rates beginning with the FY 2009 cohort year. Under the new provisions, a school's CDR is calculated as the percentage of borrowers in the cohort who default before the end of the second fiscal year following the fiscal year in which the borrowers entered repayment.

This year, schools will be subject to the loss of Title IV eligibility based on a school's 3-year rates. Schools are subject to the loss of eligibility if they have a CDR greater than 30% for 3 years or if they have a 2012 3-Year CDR greater than 40% for one year.

As noted in the cohort default rate regulations, if a school's FY 2012 official 3-year CDR is equal to or greater than 30 percent when the official CDR is published in September 2015, the school will be required to establish a Default Prevention Task Force and develop a default prevention plan. The plan must be submitted to ED. In developing the plan, a school will be required to:

1. Identify the factors causing the default rate to exceed the threshold;
2. Establish measureable objectives and the steps the school will take to improve its cohort default rate; and
3. Specify the actions the school will take to improve student loan repayment, including counseling students on repayment options.

Questions regarding developing and submitting the default prevention plan should be sent to defaultpreventionassistance@ed.gov.

Distribution of FY 2012 3-Year Draft Cohort Default Rates

For both eligible domestic and foreign schools enrolled in the Electronic Cohort Default Rate (eCDR) notification process, ED sent FY 2012 3-Year Draft Cohort Default Rate and accompanying documentation via the Student Aid Internet Gateway (SAIG). This information was sent to the SAIG mailbox for the destination point administrator designated by the school.

Each eCDR package contained the following information:

- Cover Letter (message class SHDRLROP)
- Reader-Friendly Loan Record Detail Report (message class SHCDRROP)
- Extract-Type Loan Record Detail Report (message class SHCDREOP)

ED did not send eCDR notification packages to any school not enrolled in eCDR. These schools may download their cohort default rates and accompanying Loan Record Detail Reports from the [National Student Loan Data System \(NSLDS\) Professional Access Website](#).

ED also sent a Network Message (message class MESSAGTB) to each school's SAIG mailbox that provides instructions for downloading, viewing, and printing the eCDR files. If a technical problem caused by ED results in an inability to access the data, schools have five business days from the receipt of the eCDR notification package to notify the Operations Performance Division at the e-mail address provided in the EA.

Any school that did not have a borrower in repayment during the current or any of the past cohort default rate periods will not receive a FY 2012 3-year draft cohort default rate notification package. These schools are considered to have no cohort default rate data and no cohort default rate.

Begin Dates for Challenging FY 2012 3-Year Draft Cohort Default Rates

The time period for challenging a school's 3-Year Draft Cohort Default Rate for FY 2012 began on Tuesday, March 3, 2015.

All Incorrect Data Challenges (IDC) must be made through the eCDR Appeals application. Participation Rate Index Challenges (PRI) will continue to be submitted via hard copy. As a reminder, eCDR Appeals is a web-based application that allows schools to electronically submit certain challenge and adjustment requests during the specified timeframes. The application also allows data managers (guaranty agency or Federal Loan Servicer) and Federal Student Aid personnel to electronically view and respond to these challenge/adjustment requests. The application tracks the entire life cycle of each request from the time the case is submitted until the time a decision is made and the case is closed.

Note: The FY 2011 2-year cohort default rate published in September 2013 was the last 2-year rate to be calculated and can no longer be challenged. Schools can only submit CDR challenge and adjustment requests for 3-year cohort default rates during the specified timeframes.

Adding or Changing Alien Registration Numbers

On [March 9, 2015](#), Federal Student Aid (FSA) posted a reminder to schools detailing the instructions for updating or adding a student's Alien Registration Number (ARN) on the Free Application for Federal Student Aid (FAFSA). ARNs confirm students' eligible noncitizen status with the U.S. Department of Homeland Security (DHS).

Social Security Administration (SSA) Citizenship Match

A comment code will not be displayed in the event that an SSA match confirms the student's citizenship status. A match verifies name, date of birth, U.S. citizenship status, Social Security number (SSN), and date of death, if applicable.

If the SSA cannot confirm that a student is a U.S. citizen or legal resident, the school must decide what documents are acceptable to confirm the U.S. citizenship or legal residency status.

DHS Primary Verification Match

When a student provides an eligible noncitizen document, they must update their FAFSA to include their ARN. The DHS system will use the ARN instead of the student's name or SSN to identify students on their system.

Procedure for Comment Code 144 and C Flag

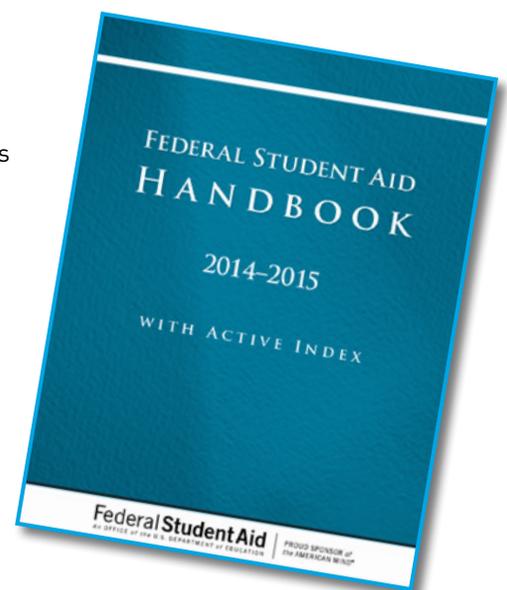
When an eligible noncitizen status is not confirmed by matching with the DHS primary database (Comment Code 144), Financial Aid Administrators (FAAs) need to check if the ARN on the ISIR matches the ARN on the student's eligible noncitizen documentation. If it does not match, the ARN should be corrected on the FAFSA. CPS will produce a corrected ISIR within three days with the corrected ARN.

For C Flag, the G-845 form should be filled out once an updated ISIR with a DHS Secondary Match flag is generated.

Do not complete a G-845 without evidence of eligible noncitizen status

A G-845 is the Secondary Confirmation process form. If a student's documentation does not prove he or she is an eligible noncitizen, the FAA should not complete the G-845 form.

The [Federal Student Aid Handbook](#) contains further information about citizen documentation.



Designated Entities and FAFSA Completion Initiative

On [February 9, 2015](#), the U.S. Department of Education (ED) published Dear Colleague Letter (DCL) GEN-15-04 announcing the criteria under which nonprofit college access organizations are presumed to qualify as designated entities eligible to receive FAFSA® Filing Status Information under the *FAFSA® Completion Initiative*.

The DCL stated that under the Student Aid Internet Gateway (SAIG) Participation Agreement for State Grant Agencies ([SAIG Participation Agreement](#)), as part of the *FAFSA® Completion Initiative*, secondary schools, local educational agencies (LEAs), and certain “designated entities” are eligible to receive “FAFSA® Filing Status Information.” In [DCL GEN-14-12](#), ED informed state grant agencies that the first set of “designated entities” had been determined under the SAIG Participation Agreement. These “designated entities” were grantees of ED under the TRIO Programs and the Gaining Early Awareness and Readiness for Undergraduate Program (GEAR-UP) as well as certain American Indian and Alaskan Native educational organizations.

In [DCL GEN-15-04](#), ED added nonprofit college access organizations as an additional set of “designated entities” that may be eligible, on a case-by-case basis, to receive FAFSA® Filing Status Information. A state grant agency may presume that a nonprofit college access organization qualifies as such a “designated entity” if the nonprofit organization (1) meets the standard requirements for designated entities set forth in the [SAIG Participation Agreement](#), and (2) has been identified by the state grant agency as meeting each of the following criteria:

1. The nonprofit organization is, and continues to be, designated as tax-exempt by the Internal Revenue Service (IRS) under Section 501(c)(3) of the Internal Revenue Code.
2. The nonprofit organization has as part of its mission a stated and demonstrated commitment to promoting college access and a record of legitimacy and reliability.
3. The nonprofit organization provides its services primarily to economically disadvantaged clients.
4. The nonprofit organization does not charge students, families, other clients, or schools for any of its services.
5. Neither the nonprofit organization itself, nor any of its affiliates or its parent organization, if any, has been administratively or judicially formally accused of committing or determined to have committed fraud or any other material violation of law involving federal, state, or local government funds.
6. The nonprofit organization has submitted a written statement to the state grant agency certifying that each of the above criteria has been met and that the nonprofit organization will immediately notify the state grant agency, in writing, if it does not or cannot continue to meet any of those criteria.

If the state grant agency determines that the nonprofit college access organization meets all of the above criteria, and the state grant agency has procedures in place to ensure that the nonprofit organization continues to meet those criteria, the state grant agency may presume that the nonprofit organization will qualify as a “designated entity” under the guidance provided in the DCL. The state grant agency may then enter into a written agreement to provide FAFSA® Filing Status Information to such identified nonprofit college access organizations.

If the state grant agency determines that the nonprofit organization no longer meets the criteria, the nonprofit organization would no longer qualify as a “designated entity” eligible to receive FAFSA® Filing Status Information. The state grant agency and nonprofit organization must terminate their written agreement if the nonprofit organization ceases to qualify.

ED may request documentation from the state grant agency supporting the agency’s identification of a nonprofit organization as a “designated entity.”

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
032515

CONTACT

**BUSINESS DEVELOPMENT
& OPERATION/LOAN GUARANTY**

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

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