



NMASFAA

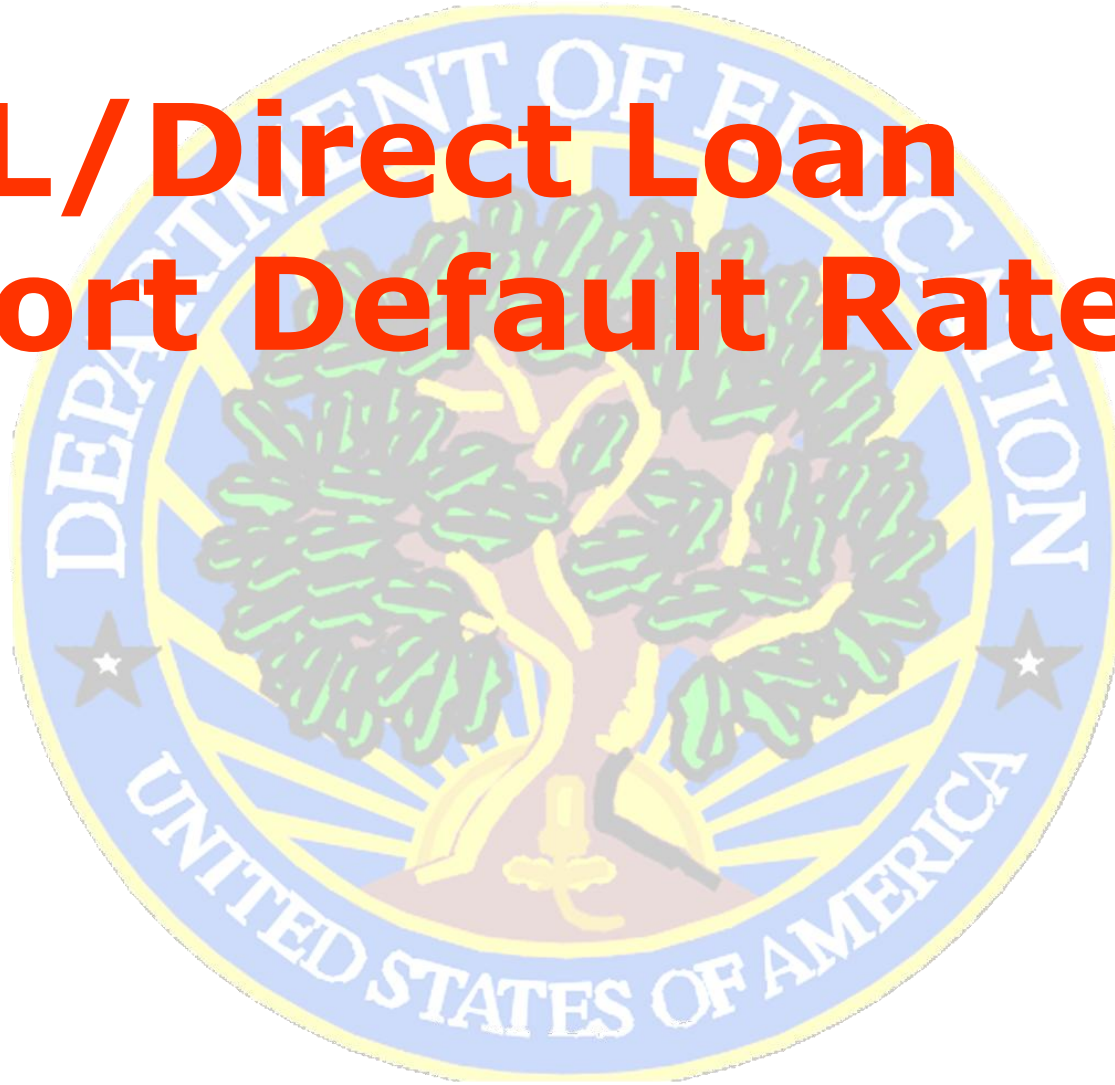


Federal Update

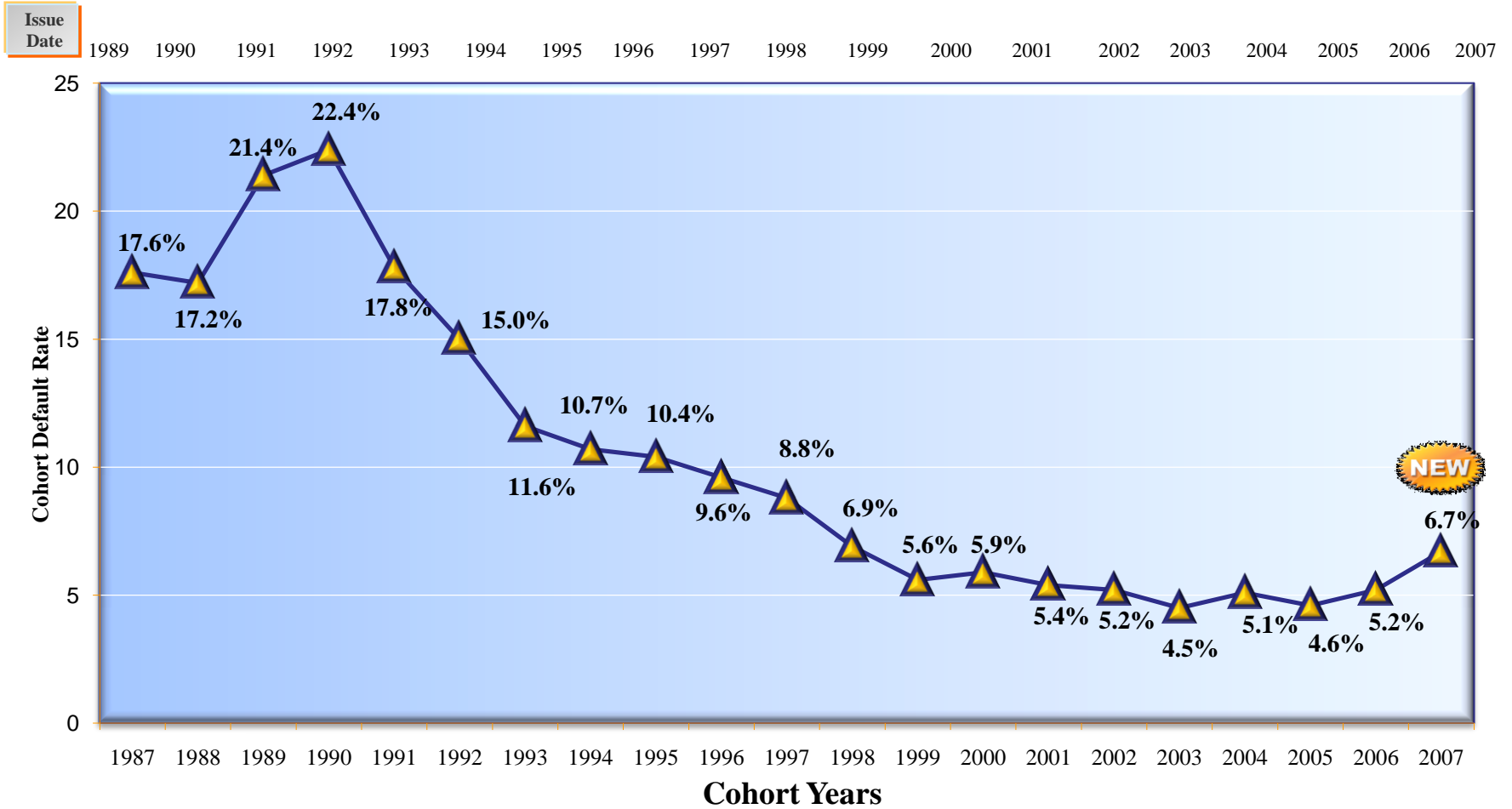
April 2, 2010

Trevor Summers
Training Officer
US Department of Education

FFEL / Direct Loan Cohort Default Rates



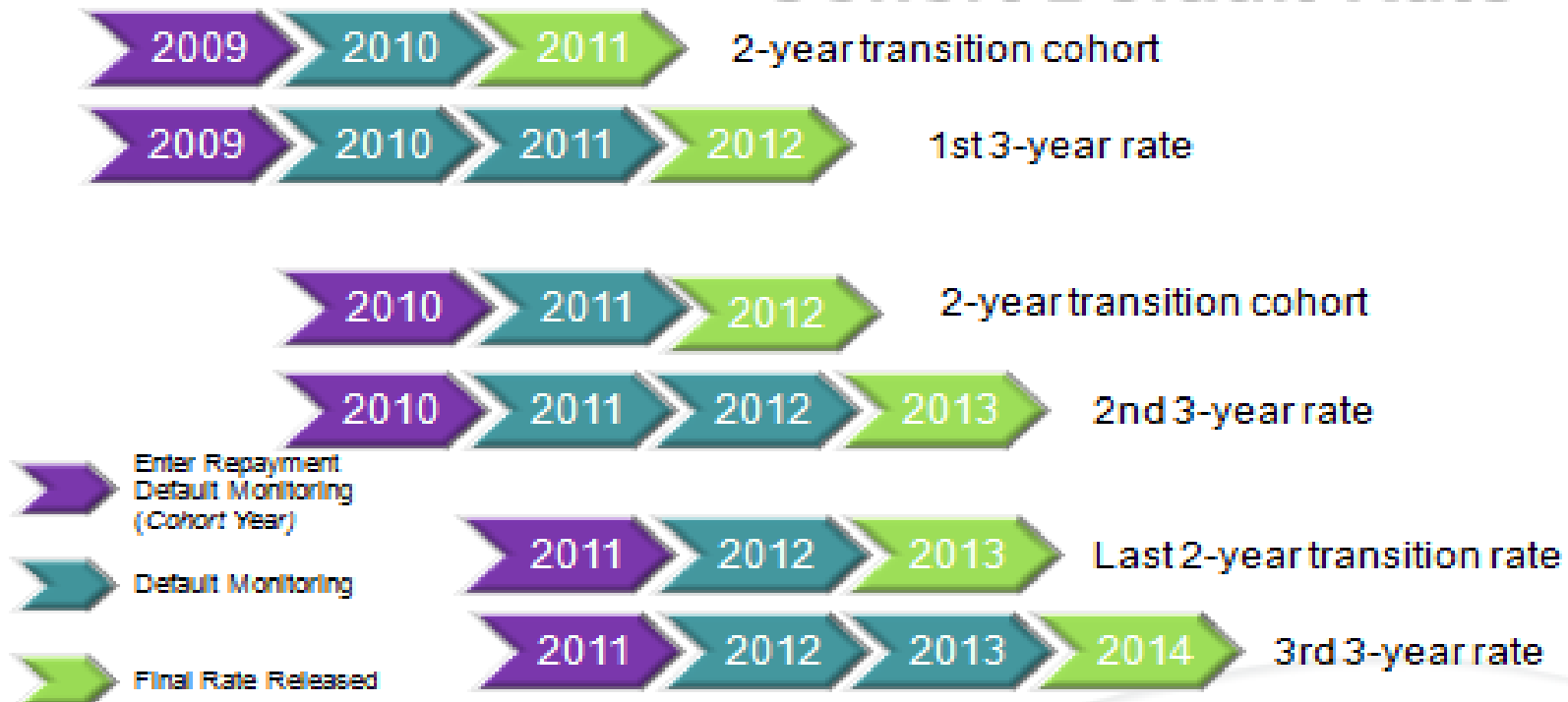
National Student Loan Cohort Default Rates



Cohort Default Rates



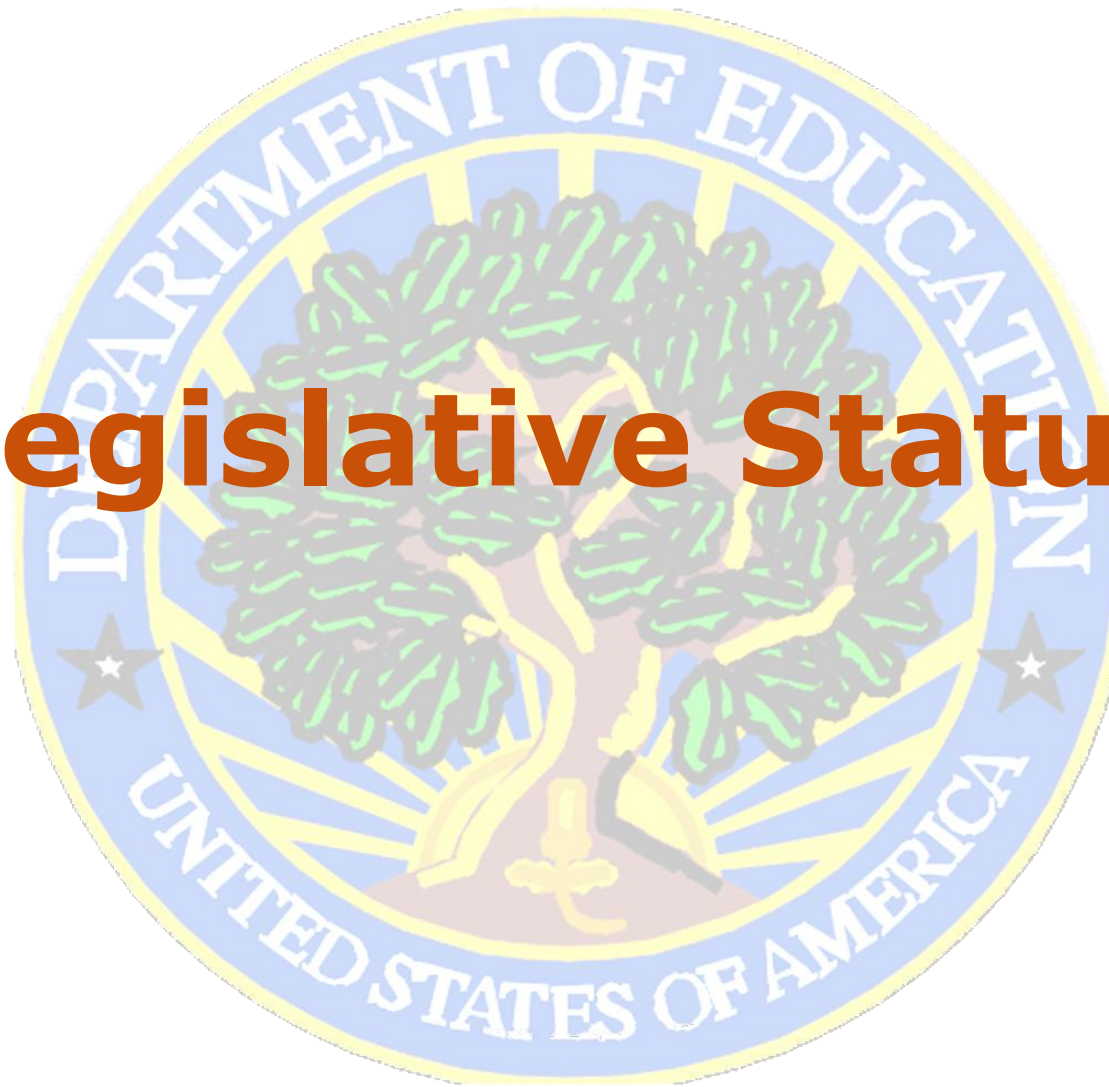
2-Year vs 3-Year Cohort Default Rate



Three-Year Cohort Default Rates

- First Released – September 2012
- First Sanctions – September 2014
- Sanction Threshold from 25% to 30%
- Disbursement Relief from 10% to 15%
- ED released 'test' 3-year rates for FY 05, FY06, and FY 07.

Legislative Status



Legislative Status

- H.R. 3590 is the Patient Protection and Affordable Care Act
- H.R. 3221 is the Student Aid and Fiscal Responsibility Act (SAFRA)
- H.R. 4872 is the Health Care and Education Reconciliation Act of 2010
- It incorporated H.R. 3590 and H.R. 3221 (SAFRA)
- H.R. 4872 is divided into Divisions I, II and III
- Divisions I and II are related to Health Care Reform
- Division III is related to Title IV and is where SAFRA is located

Pell Grant Increases

- Pell Grant maximums in future years would be changed by adding an appropriated base to a specified add-on. From 2014-15 through 2017-18, increases to the specified add-on would be based on estimated changes to the consumer price index (CPI).

Pell Grant Changes

- **Amount of Minimum Pell Grant:** The bill revises the minimum Pell Grant from 10 percent of appropriated maximum to 10 percent of total maximum (appropriation + mandatory add-on)
- **Appropriation for Pell Grant Shortfall:** The bill appropriates \$13.5 billion to fund projected short-falls in Pell appropriation levels through fiscal year (FY) 2012

Income-Based Repayment (IBR)

- Beginning on July 1, 2014, new borrowers will qualify for IBR if the borrower's standard repayment exceeds 10% of discretionary income (reduced from the current 15%), and the income-based repayment amount is lowered to 10 percent of the borrower's discretionary income. Loan forgiveness occurs after 20 years of repayment rather than the current 25.
- Be aware this is a reduction in loan payment, not loan principal. This may cost the borrower more money in the long run.

Future of FFELP

- **Elimination of the Federal Family Education Loan Program (FFELP):** No new (first disbursed) Stafford, PLUS, or consolidation loans may be disbursed through the FFEL program after June 30, 2010.

In-School Consolidation

- Borrowers who have loans in the Direct Loan program, the FFEL program, or loans purchased by the Department under ECASLA may consolidate those loans into a Direct Consolidation loan between July 1, 2010 and July 1, 2011. The borrower must have at least one loan in each of two of the three categories named, and have not yet entered repayment on at least one of those loans.

- **Authorization of Direct Loans for Foreign Schools:** Schools outside of the United States are now authorized to participate in the Direct Loan program. Loan funds will be disbursed through a financial institution located or operating in the U.S. and designated by the Secretary of Education.
- **College Access Challenge Grant Program:** Funding for the program is increased to \$150 million annually from FY 2010 through FY 2014.

- **TAA for Communities:** Appropriates \$500 Million a year for fiscal years 2010 through 2014 in the Community College and Career Training Grant program for community colleges to develop and improve educational or career training programs. Ensures that each state receives at least 0.5 percent of the total funds appropriated.
- **Assistance to Institutions Participating in the DL Program:** The Secretary is required to provide technical assistance to institutions of higher education participating or seeking to participate in the Direct Loan Program and is given \$50 million for fiscal year (FY) 2010 in funding to provide such assistance.

HR 3221

- Needs Analysis (EFC)
 - Effective 2011-12 Award Year
 - Elimination of assets
 - Asset threshold -- no subsidized aid
 - Elimination of most untaxed income
 - Elimination of income exclusions

HR 3221

- Drug Conviction and Student Eligibility
 - Only if conviction was for sale of a controlled substance.

New Direct Perkins Loan

- \$6 billion available for new loans, up from \$1.5 billion
- Broad Availability to Schools
- Likely School Contribution
- Direct Loans
 - Interest rate remains at 5%
 - Unsubsidized
 - Same terms and conditions as Direct Loans
 - Originated by schools using COD
 - Serviced by ED



New Direct Perkins Loan

- “Lending Authority” Established for Each School
 - Hold Harmless for Current Participating Perkins Schools
 - “Fair Share” Calculation with Incentives
 - Success in Enrolling *and* Graduating Low-Income Students
 - Affordable Tuition Charges
 - Credit for Non-Federal Need Based Grants Awarded/Received



New Direct Perkins Loan

- Recall Federal share of cash in school's Revolving Fund as of June 30, 2010
 - Schools collect on existing loans
 - Remit to ED federal share; keep institutional share; administrative fee paid by ED
 - ED collect on loans assigned by schools
 - ED remits institutional share of collections to schools



Loan Programs Update



DIRECT LOAN – FFEL PROGRAM STATISTICS

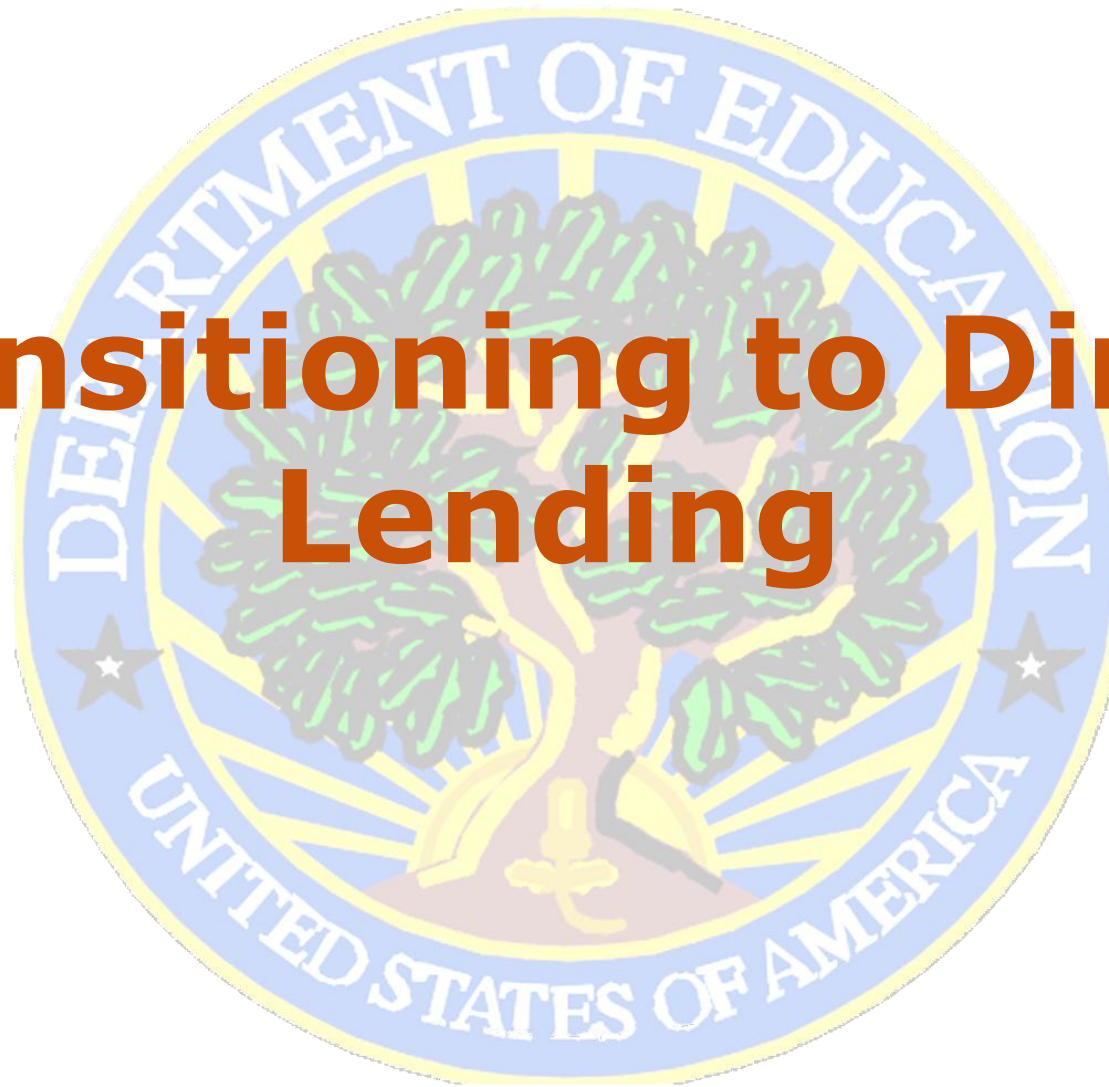
	TOTAL FFEL LOANS MADE	FFEL LOANS SOLD TO ED	PERCENT SOLD TO ED
Loans	15,229,602	11,591,588	76.1 %
Dollars	\$61,160,183,858	\$46,252,966,517	75.6 %

*Does not include Consolidation Loans

DIRECT LOAN – FFEL PROGRAM STATISTICS

	ALL LOANS MADE	DIRECT LOAN	FFEL PURCHASED BY ED	TOTAL LOANS OWNED BY ED	% OWNED BY ED
Loans	20,642,368	5,412,766	11,591,588	17,004,354	82.4 %
Dollars	\$82.1 Billion	\$20.9 Billion	\$46.3 Billion	\$67.2 Billion	81.8 %

Transitioning to Direct Lending



FSA Preparations

- COD System capacity enhancements for 100% FFELP volume in progress, on time and on target
- FSA Customer Service Centers
 - Increased and trained staff
 - Monitor incoming volume
 - COD has dedicated “OnBoarding Team” to assist setup completion requests and “starts”

Loan Origination

- Similar to FFEL
 - Confirm eligibility
 - Determine award/loan amount
 - MPN needed – eMPN available
 - Create and send certification/origination to lender
- Similar to Grants
 - School transmits loan origination data to COD via Common Record and same transmission as Pell Grant data

FSA Support

- FSA Direct Loan Transition Team
 - Focused “OnBoarding” Point of Contact Team
 - Focused School Assist Team
 - Graduate and Professional schools
 - Career Colleges
 - Small schools
 - Foreign schools

Training

- IFAP Announcement: Publication Date: January 11, 2010
- DCL ID: ANN-10-01 Subject: Live Internet Webinars - Direct Loan Webinar Training Suite
 - Attachments contain session descriptions and schedule

Training

- Direct Loan Training Conferences
 - Began February 16
 - Direct Loan Program Basics
 - Direct Loan Systems Basics
 - Considerations for Direct Loan Business Practices
 - COD & Direct Loan Program
 - Reconciliation
- Charlotte – April 6
- Jacksonville – April 8

How to Get Started

- Email to COD
 - CODSupport@acs-inc.com
- Direct Loan Website
 - <http://www.direct.ed.gov/participating.html>
- For more information
 - Email to DLEnrollment_FSA@ed.gov
 - Email to wood.mason@ed.gov

The seal of the Department of Education, United States of America, is centered in the background. It features a blue outer ring with the text "DEPARTMENT OF EDUCATION" at the top and "UNITED STATES OF AMERICA" at the bottom, separated by two stars. The inner circle contains a green tree with a yellow trunk and a yellow book at its base, set against a background of yellow rays.

FAFSA SIMPLIFICATION

Technology

- 2010-11 design facilitated by technology upgrade
- Updated navigation reduces the number of pages and length of the application
- Display of help text and instructions will be enhanced by:
 - use of field instructions
 - flyover text
 - modal boxes

The screenshot displays the FAFSA (Free Application for Federal Student Aid) application form. At the top, the logo reads "START HERE GO FURTHER FEDERAL STUDENT AID" and "FAFSA Free Application for Federal Student Aid". The navigation tabs include: Student Demographics, Basic Eligibility, School Selection, Parent Demographics, Financial Information, Signature & Certification, and Confirmation.

The main section is titled "Student Demographic Information" and includes the following fields and options:

- Last Name, First Name, Middle Initial (text input fields)
- Social Security Number, DOB (mm/dd/yyyy) (text input fields)
- Are you a male or female? (Radio buttons for Male and Female)
- Permanent Mailing Address (text input field)
- City, State (dropdown menu), Zip Code (text input field)
- Has XXX lived at this address for more than 5 years? (Radio buttons for Yes and No)
- XXX's permanent telephone number (text input field)
- XXX's E-mail address (text input field)
- What is XXX's marital status as of today? (dropdown menu)
- Some states/schools need DL info? Do you want to provide this? (Radio buttons for Yes and No)

A "Next" button is located at the bottom of the form. A dashed box at the bottom of the page contains an "Exit" button.

On the right side, there are two help modal boxes. The top one is titled "Status" and the bottom one is titled "Am I eligible for student aid?". The bottom modal box contains the following text:

Am I eligible for student aid?
In order to receive federal student aid there are requirements.
The following is a list of *some* of the requirements:
You must be a United States citizen or eligible noncitizen of the United States with a valid Social Security Number;
You must have a high school diploma or a General Education Development (GED) certificate, or pass an approved "ability to benefit" test;
You must enroll in an eligible program as a regular student

2009-2010 FAFSA



Lauren

- 17 year old female
- U.S. citizen, no driver's license
- Not employed and plans to attend college in the fall
- Receives reduced-priced lunch at school
- Lives with both parents and at the same address for 7 years
- Parents have filed their taxes and their AGI was \$45,000



2010-2011 FAFSA



22 Questions are Eliminated
28% Reduction in Questions Presented
17 Web Screens are Eliminated
65% Reduction in Web Screens

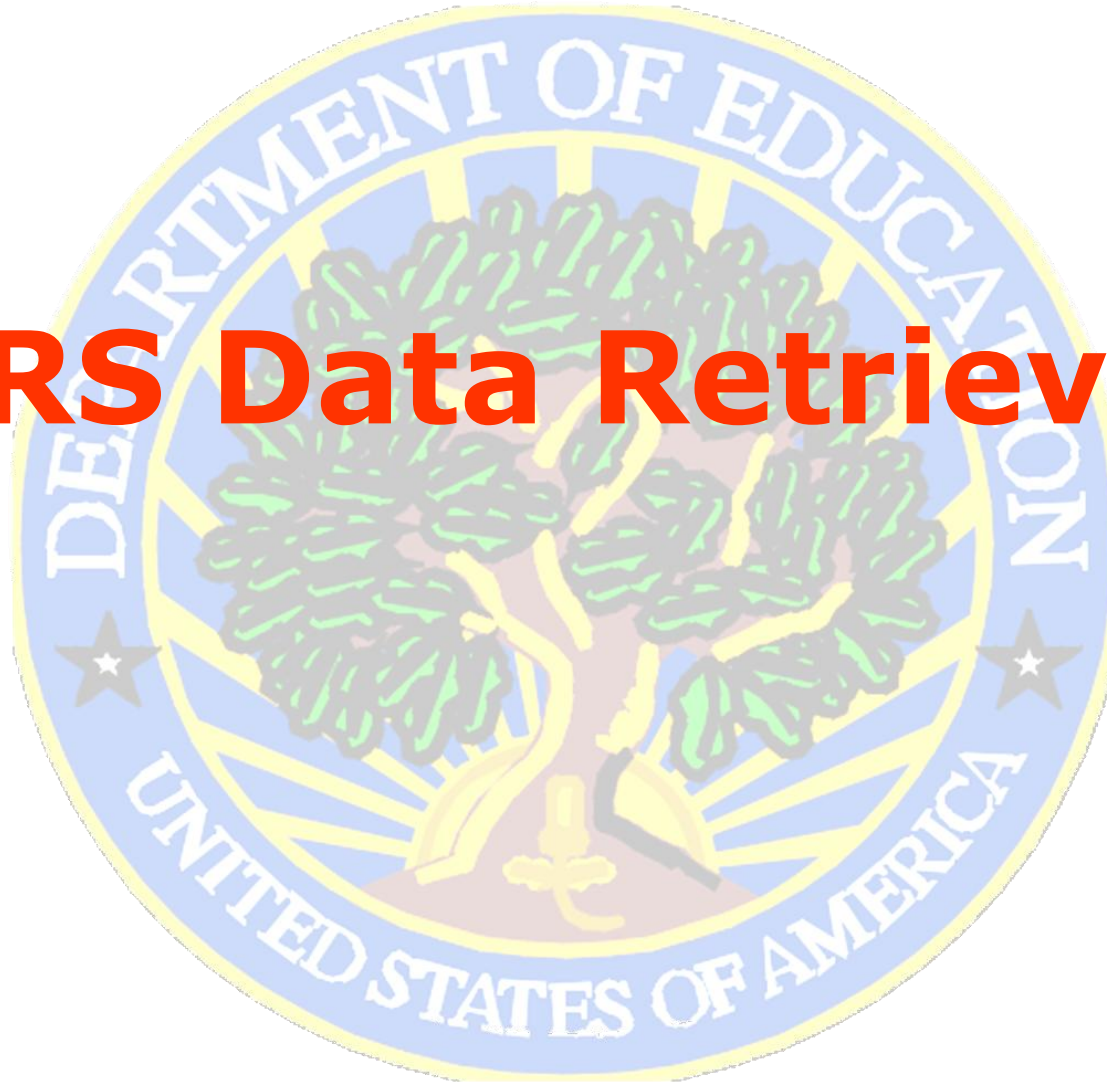


START HERE
GO FURTHER
FEDERAL STUDENT AID®

Results Reporting

- Retention, graduation and transfer rates within FAFSA on the Web
 - When students use the school code lookup within FOTW to lists colleges on the form, they will be presented with each college's reported retention, graduation and transfer rates.
 - This information will also display on the FAFSA on the Web confirmation page and on SAR.

IRS Data Retrieval



IRS Data Retrieval

- Federal Student Aid (FSA) and the Internal Revenue Service (IRS) developed a collaborative solution that simplifies FAFSA completion.
- Tax filer Retrieves Their Own Data
 - No Consent
 - Voluntary
- Allows some applicants that use FAFSA on the Web to retrieve their income tax data from the IRS – see schedule.
- IRS data can be automatically transferred to FOTW.

Implementation Schedule

- 2009-10 IRS data retrieval process will be implemented in January 2010
 - Pilot to test proof of concept
 - Participation is voluntary
- 2010-11 IRS data share will be implemented in the Summer of 2010
 - Full implementation
 - Participation is voluntary

The applicant will now see the option to access the IRS Data Retrieval Tool...

Applicant will have to authenticate using the FSA PIN.

The screenshot shows the FAFSA website interface. At the top, there is a logo for 'START HERE GO FURTHER FEDERAL STUDENT AID' and the 'FAFSA Free Application for Federal Student Aid' text. A navigation bar includes 'Help', 'Contact Us', 'FAQs', and 'Live Help'. A left sidebar lists steps from '1 Info About You (the Student)' to '8 Submit Your FAFSA', with '3 Your Parents' Information' selected. The main content area is titled 'Your Parents' Information' and contains a section 'View Your IRS Information'. This section includes a description: 'You, the parent, may link to the IRS and view your 2008 tax information. You will also have the option to securely transfer your IRS information into this FAFSA.' Below this is a form with a dropdown menu for 'Which parent are you?' and a text input for 'What is your PIN?'. There are links for 'Apply For A PIN' and 'I Forgot/Don't Know My PIN'. Two buttons are highlighted with red circles: 'LINK TO IRS' and 'SKIP THIS OPTION'. At the bottom, there are navigation buttons for 'PREVIOUS', 'LINK TO IRS', 'NEED HELP?', 'SAVE', 'VIEW FAFSA SUMMARY', and 'EXIT'.



Get My Federal Income Tax Information

See our [Privacy Notice](#) regarding our request for your personal information.

Enter the following information as it appears on your <2008> Federal Income Tax Return. [?](#)

Required fields*

First Name*	<input type="text" value="Joe"/>
Last Name*	<input type="text" value="Smith"/>
Social Security Number*	***-**-6789
Date of Birth*	<input type="text" value="01"/> / <input type="text" value="04"/> / <input type="text" value="1990"/>
Address* ? P.O. Box and/or Street Address	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
Apt. Number (Required if it appears on your tax return)	<input type="text"/>
Country*	<input type="text" value="United States"/> v
City, Town or Post Office*	<input type="text"/>
State/ U.S. Territory*	<input type="text" value="Select One"/> v
ZIP Code*	<input type="text"/>
Filing Status*	<input type="text" value="Select One"/> v



Student <2008> Federal Income Tax Information

The information below is your tax information that will help you answer some of the questions on the FAFSA.

[Print this page for your records.](#)

	My Tax Information	FAFSA Question Numbers
Tax Year	2008	
Name (s)	Jane Smith	
Social Security Number	***-**-6789	
Filing Status	Single	
Type of Tax Return Filed	1040	Question 33 on the FAFSA
Adjusted Gross Income	\$36,721	Question 36 on the FAFSA
Income Tax	\$3,400	Question 37 on the FAFSA
IRS Exemptions	2	Question 38 on the FAFSA
Education Credits	\$2,500	Question 44a on the FAFSA
IRA Deductions and Payments	\$2,500	Question 45b on the FAFSA
Tax-Exempt Interest Income	\$2,500	Question 44d on the FAFSA
Untaxed IRA Distributions	\$2,500	Question 44e on the FAFSA
Untaxed Pensions	\$2,500	Question 44f on the FAFSA

Transfer My Tax Information into the FAFSA

- I understand that by checking this box, I am agreeing to transfer my data from the IRS to the FAFSA. (TBD language aboutnot certified by the IRS).
Choosing this option will end my IRS session and return me to FAFSA on the Web.

[Transfer Now](#)



Do Not Transfer My Tax Information

By clicking the "Log Out" button I am choosing not to transfer my tax information. However, I may use this tax information to answer the FAFSA questions.

[Log Out](#)

Transfer Now



START HERE
GO FURTHER
FEDERAL STUDENT AID™

FAFSA
Free Application for Federal Student Aid

Help Contact Us FAQs Live Help

- 1 Info About You (the Student)
- 2 Your Dependency Status
- 3 Your Parents' Information**
- 4 Your Finances
- 5 Schools to Receive Your Results
- 6 Preparer's Information
- 7 Review FAFSA and Apply Signatures
- 8 Submit Your FAFSA

Your Parents' Information

You have successfully transferred your 2008 IRS tax information.

Your IRS tax information will display throughout the FAFSA with the notation "Transferred from the IRS".

What income tax return did your parents file or will they file for 2008 (question 83)?	Transferred from the IRS 1040
--	----------------------------------

If your parents have filed or will file a 1040, were they eligible to file a 1040A or 1040EZ (question 84)?

Select Yes if your parents filed or will file a 1040 but were eligible to file a 1040A or 1040EZ.

In general, your parents are eligible to file a 1040A or 1040EZ if they:

- Make less than \$100,000 per year,
- Do not itemize deductions,
- Do not receive income from their own business or farm,
- Do not receive self-employment income or alimony,
- Are not required to file Schedule D for capital gains.

Your parents are not eligible to file a 1040A or 1040EZ if they:

- Make \$100,000 or more per year,
- Itemize deductions,
- Receive income from their own business or farm,

Select

Successful Transfer:
You have successfully transferred your 2008 IRS tax information

Notation for IRS fields:
Transferred from the IRS

IRS Request Flag Values

Student & Parent IRS Request Flag	Description
00	IRS data request for the student/parent was not submitted to IRS (default value)
01	IRS data request for the student/parent was sent to IRS
02	IRS data for the student/parent was returned from the IRS and was not changed by the user
03	IRS data for the student/parent was returned from IRS and was changed by the user
04	IRS data for the student/parent was transferred from the IRS and on a correction entry at least one IRS data field was changed by the user
05 (Under Construction)	<i>IRS data for the student/parent was transferred from the IRS but may be incomplete based on marital status and tax filing status</i>

Verification

- Flags on ISIR to identify when income data is from IRS versus self-reported
- Need to evaluate the 2009-10 pilot
- Verification on current Negotiated Rulemaking agenda

Enhancements Under Consideration

- Add data retrieval process to Corrections on the Web (COTW).
- Real-Time with electronic tax filers.
- Add Spanish language version or enable Spanish FOTW filers to use retrieval process



The seal of the United States Department of Education is centered on the page. It features a blue outer ring with the text "DEPARTMENT OF EDUCATION" at the top and "UNITED STATES OF AMERICA" at the bottom. Inside the ring is a yellow sunburst with a green oak leaf wreath in the center. A quill pen is positioned at the bottom of the wreath. Overlaid on the seal is the text "Negotiated Rulemaking" in a large, bold, orange font.

Negotiated Rulemaking

Completed Regulatory Process

- General Provisions, Grants, and Other Issues
 - NPRM published August 21, 2009
 - Final published October 29, 2009
 - Effective July 1, 2010
- ACG/SMART Final Rule
 - November 2009

Completed Regulatory Process

- General and Lender/Guaranty Agency Loan Issues
 - NPRM published July 23, 2009
 - Final published October 29, 2009
 - Effective July 1, 2010
- School-Based Loan Issues
 - NPRM published July 28, 2009
 - Final published October 28, 2009
 - Effective July 1, 2010

Completed Regulatory Process

- Accreditation
 - NPRM published August 6, 2009
 - Final published October 27, 2009
 - Effective July 1, 2010
- Discretionary Grants
 - NPRM to be published

2009-2010 Negotiated Rulemaking

- May 26, 2009 Federal Register Notice
- Two Negotiating Committees
 - Program Integrity
 - Negotiations began November 2, 2009
 - Negotiations concluded January 29, 2010
 - Foreign Schools
 - Negotiations began November 16, 2009
 - Negotiations conclude February 26, 2010

Foreign Schools Agenda

- Non-degree programs
- Issues specific to foreign medical schools
- Eligibility requirements for foreign veterinary and nursing schools
- Foreign medical and veterinary schools certified separately from larger school

Foreign Schools Agenda

- Financial statements & compliance audits
- Definition of a foreign school
- Non-profit status for foreign schools
- Financial responsibility for publics
- Consolidation of Title IV requirements on a country-wide basis

Program Integrity Agenda

- Definition of a high school diploma
- Ability to benefit
- Misrepresentation by institutions
- Incentive compensation
- State authorization and institutional eligibility

Program Integrity Agenda

- Gainful employment in a recognized occupation
- Definition of credit hour
- Agreements between institutions of higher education
- Verification of information on FAFSA
- Satisfactory academic progress

Program Integrity Agenda

- Retaking coursework
- Return of Title IV aid: Term-based module programs
- Return of Title IV aid: Taking attendance
- Disbursements of Title IV funds

The seal of the Department of Education, United States of America, is a circular emblem. It features a central tree with a brown trunk and green foliage, set against a background of yellow rays. The tree is flanked by two stars. The words "DEPARTMENT OF EDUCATION" are written in a blue arc at the top, and "UNITED STATES OF AMERICA" is written in a blue arc at the bottom. The entire seal is outlined in yellow.

Other Issues

Awards for Children of Deceased Military

For any student whose parent or guardian was a member of the Armed Forces and died as a result of military service in Iraq or Afghanistan after September 11, 2001.

- For the 2009-2010 award year -
 - If Pell eligible, including EFC, all Title IV aid awarded using zero EFC (Pell).
 - If not Pell eligible, all Title IV aid awarded using calculated EFC (No Pell).

Awards for Children of Deceased Military

For the 2010-2011 award year and beyond -

- If Pell eligible, including EFC, all Title IV aid awarded using zero EFC (Pell).
- If Pell eligible except for EFC -
 - Undergraduate student gets new Iraq/Afghanistan Service Grant in amount of maximum Pell for enrollment status.
 - All other Title IV aid awarded using calculated EFC (No Pell).

ACG and National SMART Grants

- The 2010-2011 Award Year is last year for the programs.
 - Includes, summer 2011 Cross-Over periods assigned to the 2010-2011 Award Year.
- No “grandfathering” of prior recipients.

Professional Judgment

- GEN-09-04
 - Reminder of FAA Use of PJ
 - Not limited to calendar year
- GEN-09-05
 - Special Treatment for recipients of Unemployment Benefits

Two Pell Grants In An Award Year



Two Pell's In An Award Year

- Authorized by the Higher Education Opportunity Act (HEOA).
- If eligible, student able to receive all or a portion of a second Scheduled Award within an Award Year.
- Objective is to help needy students accelerate their academic progress.
- Effective for the 2009-2010 Award Year.
 - Students eligible for second Scheduled Award in 2009-2010 must be paid.
- Final Regulations Published October 29, 2009.

Two Pell's: Student Eligibility

- Second Scheduled Award
 - Student otherwise Pell Grant eligible.
 - Enrolled at least half-time.
 - Received 100% of first Scheduled Award.
 - Pell awarding formulas have not changed
 - Calculation by payment period based on student's Scheduled Award
 - A payment period may include awards from both first Scheduled Award and second Scheduled Award.

Two Pell's: Student Eligibility

- Second Scheduled Award
 - Student otherwise Pell Grant eligible.
 - Enrolled at least half-time.
 - Received 100% of first Scheduled Award.
- No change in way award for payment period is calculated
 - Pell awarding formulas have not changed
 - Calculation by payment period based on student's Scheduled Award

If Law Had Not Changed - Semester Example

Student may only receive up to ONE Scheduled Award within an Award Year. Assume student's 2009-2010 Scheduled Award is \$5,350 and will be \$5,550 for 2010-2011.

Fall 2009 \$2,675	Spring 2010 \$2,675	Summer 2010 \$0	100% 2009-10 AY
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2009-10 Award Year

Summer 2010 \$2,775	Fall 2010 \$2,775	Spring 2011 \$0	100% 2010-11 AY
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2010-11 Award Year

New Law - Semester Example

Student may receive up to TWO Scheduled Awards within an Award Year. Assume student's 2009-2010 Scheduled Award is \$5,350 and will be \$5,550 for 2010-2011.

Fall 2009 \$2,675	Spring 2010 \$2,675	Summer 2010 \$2,675	150% 2009-10 AY
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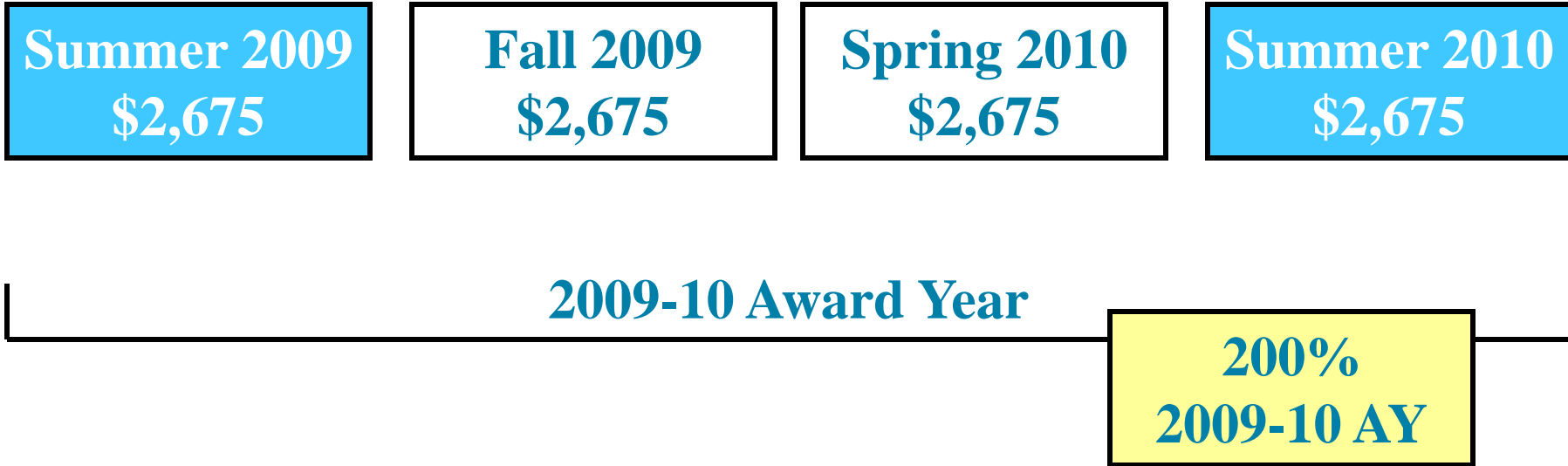
2009-10 Award Year

Fall 2010 \$2,775	Spring 2011 \$2,775	Summer 2011 \$2,775	150% 2010-11 AY
-----------------------------	-------------------------------	-------------------------------	----------------------------------

2010-11 Award Year

New Law - Semester Example

Student may receive up to TWO Scheduled Awards.
Student's Scheduled Award is \$5,350 for the Award Year.



If Law Had Not Changed

Clock Hours – Program Within One Award Year

Student may receive ONE Scheduled Award.

1500 clock hour program AY = 900 hours/26 weeks

Scheduled Award is \$5,350 for 2009-2010

450 hours/13 weeks \$2,675	450 hours/13 weeks \$2,675
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2009-10 Award Year

100%
2009-10 AY

300 hours/8 weeks \$0	300 hours/8weeks \$0
--	---------------------------------------

2009-10 Award Year

New Law

Clock Hours – Program Within One Award Year

Student may receive up to TWO Scheduled Awards

1500 clock hour program AY = 900 hours/26 weeks

Student's Scheduled Award is \$5,350 for 2009-2010.

450 hours/13 weeks
\$2,675

450 hours/13 weeks
\$2,675

2009-10 Award Year

161.6%
2009-10 AY

300 hours/8 weeks
\$1,647

300 hours/8 weeks
\$1,646

2009-10 Award Year

One Term - Two Awards

Completes first Scheduled Award and begins second Scheduled Award within same term
Scheduled Award is \$5,350

Summer 2009
Three-Quarter Time

Award Amount -\$2,006
\$2,006 from First Scheduled Award which is 37.5% of the First Scheduled Award

Total Percent of First Scheduled Award is 37.5%

Fall 2009
Full-Time

Award - \$2,675
\$2,675 from First Scheduled Award which is 50% of the First Scheduled Award

Total Percent of First Scheduled Award is 87.5%

Spring 2010
Full-Time

Award - \$2,675
\$669 from First Scheduled Award which is the remaining 12.5% of the First Scheduled Award

\$2,006 from Second Scheduled Award which is 37.5% of the Second Scheduled Award

The seal of the Department of Education, United States of America, is centered in the background. It features an eagle with wings spread, holding an olive branch and arrows, with a shield on its chest. The eagle is set against a blue background with a yellow border. The text "DEPARTMENT OF EDUCATION" is written in a semi-circle above the eagle, and "UNITED STATES OF AMERICA" is written in a semi-circle below it. Two stars are positioned on either side of the eagle's chest.

Two Pell Grants In An Award Year

Cross-Over Payment Period Requirements

Cross-Over Payment Period

- Longstanding Policy –
 - Payment period that includes both June 30 and July 1.
 - Must be assigned to one award year.
 - Must have valid SAR/ISIR for assigned year.
 - First and last cross-over payment periods could be from the same award year.
 - May be different award year for Pell than for other Title IV aid.

New Regs for Cross-Over Term

- Effective with the 2010-2011 Award Year
- Must assign to award year in which student receives greater payment for the term - based upon information available at initial calculation.
 - Assume other year is higher if –
 - No SAR/ISIR.
 - Rejected ISIR with no EFC.
 - ISIR selected for verification but verification not completed.

New Regs for Cross-Over Term

- Effective with the 2010-2011 Award Year
- Must assign to award year in which student receives greater payment for the term - based upon information available at initial calculation.
 - Student not eligible for second scheduled award funds, regardless of which Award year is higher if –
 - Student not enrolled at least half-time
 - Student does not meet acceleration requirement.

New Regs for Cross-Over Term

Changes –

- Until date published in Federal Register (September ???) -
 - Must reassign payment period if information received showing greater payment from other Award Year.
 - Must compare again if re-calculating for any reason.
- May monitor and adjust after Federal Register date.

New Law – Assign Cross-Over To Higher Payment Semester Example

Student may receive up to TWO Scheduled Awards. Assume student's 2009-10 Scheduled Award is \$5,350 and \$5,550 for 2010- 2011 and student eligible for either.

Fall 2009 \$2,675	Spring 2010 \$2,675	Summer 2010 \$0	100% 2009-10 AY
-----------------------------	-------------------------------	---------------------------	----------------------------------

2009-10 Award Year

Summer 2010 \$2,775	Fall 2010 \$2,775	Spring 2011 \$2,775	150% 2010-11 AY
-------------------------------	-----------------------------	-------------------------------	----------------------------------

2010-11 Award Year

New Law – Assign Cross-Over To Higher Payment Semester Example

Student may receive up to TWO Scheduled Awards.

Assume student's 2009-10 Scheduled Award is \$5,350 but only \$4,000 for 2010-11 and student eligible for either.

Fall 2009 \$2,675	Spring 2010 \$2,675	Summer 2010 \$2,675	150% 2009-10 AY
2009-10 Award Year			
Summer 2010 \$0	Fall 2010 \$2,000	Spring 2011 \$2,000	100% 2010-11 AY
2010-11 Award Year			

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**Two Pell Grants In An
Award Year**

**Cross-Over Payment
Period Transition**

2009 -2010 Cross-Over Transition

- 2009-2010 Award Year –
 - Generally if awarding second Scheduled Award from 2009-2010 (including summer 2010 cross-over) new regulations do not apply.
- 2010-2011 Award Year –
 - Generally, if awarding from 2010-2011 and beyond (including summer 2010 cross-over) new regulations do apply.
- Must develop 2010 cross-over policy prior to July 1, 2010 or regulations apply.

2010 Summer Cross-Over Packaging:

Example #2: 2009-2010 Package (Pell as "Header") Pell to be paid from 2010-2011

COA	\$5,000
- <u>EFC</u>	<u>500</u>
= Need	4,500
- Pell	2,775
= Remaining Need	1,725
- Sub Loan	1,275
- <u>Perk/FWS/ FSEOG</u>	<u>450</u>

**Pell amount based on 2010-2011 Scheduled Award of \$5,550 and payment period award of \$2,775.
For all other TIV aid, school uses 2009-2010 EFC of 500.**

2010 Summer Cross-Over Packaging:

Example #3: 2010-2011 Package (Pell as "Header") Pell to be paid from 2009-2010

COA	\$5,000
- <u>EFC</u>	<u>0</u>
= Need	5,000
- Pell	2,450
= Remaining Need	2,550
- Sub Loan	1,600
- <u>Perk/FWS/ FSEOG</u>	<u>450</u>

Pell amount based on 2009-2010 Scheduled Award of \$4,900 and payment period award of \$2,450.

For all other TIV aid, school uses 2010-2011 EFC of 0.

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**Two Pell Grants In An
Award Year
★ Acceleration ★**

Acceleration

- At least one credit or clock hour (or partial hour if school uses partial hours) in the payment period when award will be from a second Scheduled Award must be attributable to the student's next academic year.
- Not "grade progression".
- Must be applied for any required recalculation.
- Gives meaning to statutory use of term "accelerate"

Credit Or Clock Hours Not Applicable To Acceleration

- In determining if student is in second academic year, may not count credit/clock hours earned through
 - Advanced Placement
 - International Baccalaureate
 - Testing out
 - Life experience
 - Other similar competency measures
- Remedial credits DO count

Semester Academic Year Progression

Assumes academic year defined as 24 hours

Fall 2009
50% Paid
12 Hours
Earned

Spring 2010
50% Paid
12 Hours
Earned

Summer 2010
Enrolled in
6 Hours
ELIGIBLE

First Scheduled Award

**Second Scheduled
Award**

No Hours to Prior Academic Year
Six Hours for New Academic Year
Pay 25% of
Second Scheduled Award

Semester Academic Year Progression

Assumes academic year defined as 24 hours

Fall 2009
50% Paid
12 Hours
Earned

Spring 2010
50% Paid
9 Hours
Earned

Summer 2010
Enrolled in
6 Hours
ELIGIBLE

First Scheduled Award

**Second Scheduled
Award**

Three Hours to Prior Academic Year
Three Hours for New Academic Year
Pay 25% of
Second Scheduled Award

Semester Academic Year Progression

Assumes Academic Year defined as 24 hours

Fall 2009
50% Paid
9 Hours
Earned

Spring 2010
50% Paid
9 Hours
Earned

Summer 2010
Enrolled in
6 Hours
NOT ELIGIBLE

First Scheduled Award

**Second Scheduled
Award**

Six Hours to Prior Academic Year
No Hours for New Academic Year
Cannot pay second Scheduled Award
May pay from upcoming Award Year

Year Round Pell: Transfers

- If student received 100% of the first Scheduled Award at prior school(s), assume student completed first academic year.
- If student received less than 100% use same ratio to the receiving school's academic year as the % of the Scheduled Award that was received from the other school(s). Round down.
- Receiving school may use actual hours earned at prior school(s).
 - Credits do not have to transfer to new school
 - Not related to academic program

Transfer To Semester School Assumption Method

- Assume student completed the same ratio of the academic year as the % of Pell received
 - Prior school disbursed \$4,000 of \$5,350 Scheduled Award at that school.
 - New school's academic year is defined as 24 credits
 - $\$4,000 \times 24 / \$5,350 = 18$ credits assumed earned at prior school.
 - Student given 18 credits toward completion of first academic year.

Special Circumstances

- Academic Year completion requirement can be waived if –
 - FAA determines that student was unable to complete the hours of the first academic year due to 'circumstances beyond the student's control'.
 - Determination must be documented and made on a student by student basis.

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Two Pell Grants In An Award Year ★ Operations ★

Two Pell's: COD Reporting

- New field in COD Common Record
 - Additional Eligibility Indicator (AEI)
- Set AEI to “true” when awarding funds from the student’s second Scheduled Award.
- With AEI set, no POP MRR but still triggers concurrent enrollment flag.



****Training Version****

Direct Loan **Pell Grant** TEACH Grant

Student Information
 Original SSN:
 Original Name Code: SE

Origination Information
 Award ID: 001010001SE201008187600
 Origination Status: Not Ready
 Last Pell Processor Date:
 Document ID:
 Record Source: M

Last Updated
 User:
 Date:
 Time:
 Record: NEW RECORD

School Information
 Reporting Pell ID: 081876
 Attended Pell ID: 081876
 Reporting Entity ID: 99999999
 Attended Entity ID: 99999999

Scheduled Award
 Total of All Disbursement Amounts: \$0.00

CPS Transaction #: -R
 EFC: -R
 Cost of Attendance: -R
 Enrollment Date: -R
 Additional Eligibility Indicator:
 Award Amount for Entire School Year: -R
 Total Payment Ceiling:
 E-mail Address 1: a@n.com
 E-mail Address 2:

Disbursement Profile Code:
 Verification Status Code:
 Low Tuition & Fees Code:
 Incarcerated?:
 School Internal Sequence Number:
 Origination Cross Reference:

Enrollment Information - For School Use Only
 Enrollment Status:
 Academic Calendar:
 Payment Methodology:
 Weeks of Instructional Time Used to Calculate Payment:
 Weeks of Instructional Time in Program's Definition of Academic Year:
 Credit/Clock Hours Used to Calculate Payment:
 Credit/Clock Hours in This Student's Program of Study's Academic Year:

Additional Eligibility Indicator Checkbox

Additional Resources—Dallas Training Officers

- Kevin Campbell
 - 214-661-9488
 - kevin.campbell@ed.gov
- Cynthia Thornton
 - 214-661-9457
 - cynthia.thornton@ed.gov
- Trevor Summers
 - 214-661-9468
 - trevor.summers@ed.gov
- Michael Novak
 - 214-661-9452
 - michael.novak@ed.gov

Feedback

We appreciate your feedback and comments. I can be reached at:

- Phone: 214-661-9468
- Email: trevor.summers@ed.gov
- Fax: 214-661-9662

Supervisor: Jo Ann Borel

- Phone: 202-377-3930
- Email: joann.borel@ed.gov

