Federal Update

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Regulatory Reform Agenda

- Executive Order on Regulatory Review
  - On February 24, 2017, the President signed Executive Order 13777 to reduce regulatory burdens on the American people through regulatory reform.
  - ED has created a Regulatory Reform Task Force (RRTF) to review regulatory and sub-regulatory guidance throughout the Department.
The RRTF is identifying regulations that:
- Eliminate jobs or inhibit job creation
- Are outdated, unnecessary, or ineffective
- Impose costs that exceed benefits
- Create a serious inconsistency or otherwise interfere with regulatory reform initiatives and policies
Regulatory Review Task Force

- Public hearings on postsecondary regulatory relief:
  - September 26, 2017 – Salt Lake Community College
  - October 4, 2017 – U.S. Department of Education

- Received comments on a broad range of issues including financial aid regulations and Title IX guidance
Initial Higher Ed Focuses of RRTF

- Elimination of outdated guidance
- Borrower Defense to Repayment
  - Financial Responsibility
  - Guaranty Agency authority to charge collection costs
- Gainful Employment
Elimination of Outdated Guidance

- Identified 398 outdated Dear Colleague Letters

- In the process of marking them as “historical records” on the Information for Financial Aid Professionals (IFAP) website

- Institutions no longer need to follow this guidance
On November 1, 2016, the Department published final regulations that were scheduled to take effect on July 1, 2017. The final regulations:

- Created a new Federal standard for borrower defense
- Prohibited mandatory arbitration clauses
- Required repayment rate disclosures under some circumstances
BD Delay of Implementation

Three delay notices published:

- In light of pending litigation, on June 16, 2017, the Department postponed the effectiveness of some provisions of the Borrower Defense regulations under section 705 of the Administrative Procedures Act.

- On October 24, 2017, the Department published:
  - An Interim Final Rule that delays the effective date of selected provisions of the final regulations until July 1, 2018.
  - An NPRM proposing to delay the effective date of selected provisions of the final regulations until July 1, 2019.
    - 30-day comment period ended November 24, 2017.
BD Delay of Implementation (con’t)

- The Department did not postpone provisions in the Borrower Defense regulations relating to:
  - Documentation for discharges for death
  - Mandatory administrative forbearance or suspension of collection of FFEL loans that the borrower intends to consolidate for borrower defense
  - Consolidation of Nursing Student Loans and Nurse Faculty Loans
  - Technical corrections
Committee formed to negotiate Borrower Defense

Committee is negotiating the following issues:

- Federal standard
- Process
- Limited Aspects of Financial Responsibility and Administrative Capability
- Pre-dispute Arbitration Agreements, Class Action Waivers, and Internal Dispute Processes
- Closed School Discharge
- False Certification Discharge
- Guaranty Agency Collection Fees
- Subsidized Usage Period Recalculation
On October 31, 2014, the Department published final GE regulations that went into effect on July 1, 2015.

These regulations:

- Establish a debt-to-earnings rate measure to determine whether a GE program prepares students for gainful employment in a recognized occupation.
- Require institutions to report information about students who enrolled in each of the institutions’ GE programs.
- Require institutions to establish the eligibility of a GE program by certifying that the program:
  - Is included in the institution’s certification.
  - Satisfies applicable state licensing/certification requirements for the occupations the program prepares students to enter.
On March 10, 2017, the Department allowed additional time—until July 1, 2017—for institutions to comply with specified provisions in the GE regulations that had not yet gone into effect including alternate earnings appeals and the disclosure template.
Gainful Employment Negotiation

A negotiated rulemaking committee was formed to consider the Gainful Employment rules, and the committee will meet:

- Session 1: December 4-7, 2017
- Session 2: February 5-8, 2018
- Session 3: March 12-15, 2018
Perkins Wind-down

- Federal Perkins Loan Program Extension Act of 2015
  - Enacted on December 18, 2015
  - Extended the Perkins Loan program through September 30, 2017
  - Eliminated grandfathering of students after the new expiration date
  - Prohibits any further extensions of the Perkins Loan Program under GEPA
Perkins Wind-down (con’t)

- Perkins Wind-down Key Dates
  - Schools may not award Perkins Loans to graduate students after September 30, 2016
  - Schools may not make subsequent disbursements to graduate students after June 30, 2017
  - Schools may not award Perkins Loans to undergraduates after September 30, 2017
  - Schools may not make subsequent disbursements to undergraduates after June 30, 2018
Perkins Wind-down (con’t)

- DCL GEN-17-10 (posted October 6, 2017)
  - ED will begin collecting Federal share of schools’ revolving funds after submission of the 2019-20 FISAP
  - Schools are not required to liquidate their Perkins Loan portfolios
  - If a school chooses to liquidate, it should submit the school’s intent to liquidate through the eCB system
Year-Round Pell: DCL GEN-17-06

- Per the Consolidated Appropriations Act of 2017, a student may now receive Pell Grant funds up to 150% of the Scheduled Award in an award year
  - 1st 100% is initial scheduled Pell award
  - Final 50% is considered the additional Pell award (YRP)
- Effective with the 2017-18 award year
  - Does not apply to summer 2017 if it is treated as a trailer to the 2016-17 award year
- Technical information – Electronic Announcement: June 20, 2017
Year-Round Pell: Student Eligibility

- Student must be enrolled at least half-time in the payment period(s) for which s/he receives the additional Pell Grant funds (additional 50%)
  - Dropping below half-time enrollment after Pell is disbursed will not render the student ineligible
- Pell calculations and formulas remain unchanged
- The additional Pell Grant funds will be reflected in the student’s 600% maximum Pell Lifetime Eligibility Used (LEU)
One more on Pell

- 2018-19 Award Year Federal Pell Grant Program Payment and Disbursement Schedules
  - Published January 31, 2018
  - https://ifap.ed.gov/dpcletters/GEN1801.html
  - Max Pell amount remains at $5,920
Hurricanes and Other Natural Disasters

- Dear Colleague Letter GEN 17-08
- The Hurricanes Harvey, Irma, and Maria Education Relief Act of 2017 (Public Law 115-64)
Campus-Based Funds

- Supplemental Funds for Federal Supplemental Educational Opportunity Grant (FSEOG)
  - Distributed September 28th to schools in areas impacted by Hurricanes
- Supplemental Funds for Federal Work-Study (FWS)
  - Distributed to schools in a FEMA declared disaster area
  - Distributed to schools with concentrations of students who were impacted by disaster
  - Work Study jobs can clean up community after storm
eCB is Moving to COD
Why end eCB?

The expiration of the eCampus-Based (eCB) contract presented an opportunity to retire the eCB system and integrate Campus-Based within COD.

Expected benefits:
• Streamlined school interaction by eliminating the unique stand-alone interface for eCB
• Reduced costs through ease of system enhancement and the elimination of eCB contract overhead
Impact on Schools

• One less system to access!

• Minimal changes to Campus-Based processes

• Common “look and feel” for all Title IV processing

• Future enhancements to Campus-Based processes will be viable in the modernized COD system
Transition Timeline

- COD for Campus-Based will go live in the Spring of 2018
- Processes occurring throughout the Spring will primarily occur in eCB system, with a transition to COD beginning late Spring
- No lost data (prior year FISAPs, Statements of Account, notification letters, etc. will be transferred to COD)
- Live Internet Webinar – The FISAP in the COD System
Correct and Timely Reporting – Data Accuracy
Data Accuracy

- Data Quality
  - Completeness
  - Accuracy
  - Consistency
- Data Quality Reviews
- Data Corrections
Data Accuracy

- COD –
  - Student’s academic program information

- NSLDS –
  - Enrollment, including academic program
  - GE Reporting
  - Perkins loan reporting

- FISAP –
  - Cumulative fields
Protecting Student Information
Data Security

https://ifap.ed.gov/eannouncements/Cyber.html

Consolidated Rules, Tools, Audit Language & Guidance

### Cybersecurity Compliance

**Federal Student Aid** recognizes the importance of strong data security. Federal Student Aid has consolidated its cybersecurity compliance information and resources on this page. The data is organized into key topical areas below and other useful links to the right. Each time we update this page, a notice will appear in “What’s New.”

**Regulations**

- GLBA Safeguards Rule
- Identity Theft Red Flag Rule
- Privacy
- Data Privacy Laws (42 U.S.C. 2066)
- International Law (IF global)

**Tools**

- nCheck Tool (risk/determinacy)
- FAP Compliance Framework (HCF)
- GAT-2017
- How to use the HCF

**Documents**

- FY18 Audit Language
  - Click below to find the draft language for the upcoming FY18 audit to ensure schools are securing student information.
  - Draft language

**Alerts**

**Contact Information**

**Training and Conferences**

- SWEEO
- EDGACON
- FSAC Conference
- International
- Domestic
- Webinar - SWEEO

**Related Links**

- FTC Identity Theft Assistance
- FTC, Security Center - Protect and Prevent
- US Computer Emergency Readiness Team (US-CERT)

### Self-Report Option and Suggested Data Share

- Cyber Alerts and Contact Info
- Outreach, Training & Links
Data Security

- Postsecondary Institution Data-Security Overview and Requirements
  - As institutions move from the Information Age to the Virtual Age, cyber threats are a certainty. It isn't a question of "if," but "when" and "how often."
Data Security

- Institutions must ensure that its third-party servicers use NSLDS® data only for the Title IV function for which the servicer is contracted to perform on behalf of the institution. Servicers are prohibited from using NSLDS data for any other purpose.

- NSLDS data includes but is not limited to:
  - Any borrower- or loan-level information retrieved from NSLDS
  - Usage of the NSLDS websites
  - Receipt of data from NSLDS reports
  - Receipt of data from NSLDS batch distribution (ex. Enrollment Reporting, FAH, etc.)

- The Department will initiate an administrative action against the institution and its third-party servicer if a third-party servicer violates this prohibition.
GE Reporting

- Report all Title IV Students by July 31, 2015
  - Programs with Medical and Dental Residencies report 2007 – 2008 through 2013 – 2014 award years
- Report 2014 – 2015 Award Year by October 1, 2015
- Report 2015 – 2016 Award Year by October 1, 2016
- Report 2016 – 2017 Award Year by October 1, 2017
- Report 2017 – 2018 Award Year by October 1, 2018
GE Disclosure Resources

- GE Disclosure Template
  - Quick start guides
  - Help desk: 855-359-3697, gedt@inovas.net

- Release of the 2018 GE Disclosure Template, January 19, 2018
  - Institutions will have until **April 6, 2018** to update disclosures for each of their GE programs
GE Certifications

- Certifications renewed when institution recertifies Program Participation Agreement (PPA) or when something materially changes
- If that change does not result in a new PPA, the institution must provide a new certification each time the E-App is updated
- GE Certifications are required -
  - If adding a new program
  - If changing a program – such as CIP code or credential level
The Essentials

- Information for Financial Aid Professionals (IFAP)
  - Dear Colleague Letters
  - Electronic Announcements

- fsatraining.info
  - FSA Coach
  - Fundamentals
  - Quick Takes
  - Archived Presentations
Thank You!

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