



FINANCIAL AID SERVICES, INC.



800.242.0977
djainfo@gotodja.com

3000 W Kellogg Drive
Wichita, KS 67213

IMPORTANT DATES:

September 3 – Labor Day
DJA Closed

September 5
DJA Webinar
Cash Management
11:00 a.m. CDT

September 8



September 15
Deadline for 17/18 FAFSA
Corrections

September 17
Constitution Day

October 1
FISAP Submission Deadline

October 1
Annual Security Report
Deadline

October 1
17/18 GE Reporting Deadline

IN THIS ISSUE:

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- Proposed Rulemaking on BDR
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- DJA Calendar

SEPTEMBER 2018 NEWSLETTER

CELEBRATING 30 YEARS IN BUSINESS

DJA was founded in 1988 in Wichita, Kansas. Starting with just one client, we developed a philosophy of providing personalized service with professional results. Building on that core foundation, DJA has enjoyed continued success and has the pleasure of serving our valued clients in almost every state. Even with DJA's success and growth the company's core philosophy hasn't changed since day one – personalized service; professional results – building DJA's reputation as one of the top companies in the financial aid industry.

DJA is celebrating 30 years of service to the financial aid industry this month! I want to personally thank our clients for choosing DJA. We appreciate your business and look forward to many more years of providing you peace of mind!

A special thanks to the DJA team for their hard work, dedication, and commitment to me and our clients. The entire team is committed to assisting your school in staying compliant with USDE regulations. Our monthly newsletters contain multiple links to the IFAP website and other resources you will need to navigate the ever-changing landscape of financial aid. In addition, our monthly webinars and yearly training help to keep you fluent in current requirements.

We will be closed Monday, September 3rd in observance of Labor Day. Take time to unwind, relax, and enjoy your Labor Day weekend!

Thank you and until next time, have fun!

Deborah John, President

NOTICE OF PROPOSED RULEMAKING FOR GAINFUL EMPLOYMENT (GE)

On August 14, 2018, the Department of Education, published in the **Federal Register** a notice of proposed rulemaking to rescind the gainful employment (GE) regulations, which added to the Student Assistance General Provisions for programs that prepare students for gainful employment in a recognized



occupation.

The Department also plans to update the College Scorecard, or a similar web-based tool, to provide program-level outcomes for all higher education programs, at all institutions that participate in the programs authorized by Title IV of the Higher Education Act of 1965, which would improve transparency and inform student enrollment decisions through a market-based accountability.

The proposal to rescind the GE regulations is based on a number of findings, including research results that undermine the validity of using the regulations' debt to earnings (D/E) rates measure to determine continuing eligibility for participation in the programs authorized by Title IV of the HEA of 1965. These findings were not accurately interpreted during the development of the 2014 GE regulations, were published subsequent to the declaration of those regulations, or were presented by committee members at negotiated rulemaking sessions. The Department has also determined that the disclosure requirements included in the GE regulations are more burdensome than originally anticipated and that a troubling degree of inconsistency and potential error exists in job placement rates reported by GE programs that could mislead students in making an enrollment decision. Additionally, the Department has received consistent feedback from the community that the GE regulations were more burdensome than previously anticipated through the disclosure and reporting requirements that were established in 2014.

Finally, the Department has determined that in order to effectively inform student enrollment choices and create a framework that enables students, parents and the public to hold institutions of higher-education accountable, program-level outcomes data should be made available for all Title IV participating programs. The Department plans to publish this data to the College Scorecard, or a similar web based tool. This will allow students and parents to compare the institutions and programs available to them and make informed enrollment and borrowing decisions. However, the College Scorecard isn't the subject of this regulation, but rather a possible future solution.

<https://ifap.ed.gov/fregisters/FR081518.html>

NOTICE OF PROPOSED RULEMAKING ON BORROWER DEFENSE REPAYMENT

On July 31, 2018 the Department of Education published in the *Federal Register*, a notice of proposed rulemaking (NPRM) on the borrower defense repayment and related issues (BDR). The proposed regulations are meant to replace the 2016 BDR that was previously enacted by the previous administration. The Department allowed for a 30 day comment period which ended on August 31th. The proposed new regulations governing borrower defenses would cover loans disbursed on or after July 1, 2019. The Department does not propose any changes to loans disbursed prior to this date and they will be managed under the current policies; however there would be a revision to the rule to create a statute of limitations on recovery actions. That limit would be three years after the last award year in which the student attended the school, unless the school received actual notice of the defense to repayment during that period.



The proposed rulemaking on BDR seeks comments on the subject of affirmative claims. Prior to the 2016 final regulations, borrowers had an opportunity to raise defenses to the repayment of Direct Loans only in response to collection actions by the Department. However in 2016, borrowers were allowed to raise defenses to repayment in affirmative claims.

Additionally the proposed regulations would:

- Rescind specified provisions of the 2016 final regulations, which have not yet become effective.
- Amend §668.41 to require schools that require students to accept pre-dispute arbitration agreements or class action waivers as a condition of enrollment to disclose that information to students, prospective students, and the public in an easily accessible format;
- Amend §668.91 to provide that the Secretary may accept other types of surety or financial protection in addition to letters of credit and that a hearing official must uphold the amount of financial protection required by the Secretary unless certain conditions are met;
- Amend §668.94 to provide that a limitation on an institution's participation in the Title IV programs may include changing the institution's status from fully certified to provisionally certified;
- Amend §668.171 to establish the actions or events that have or may have an adverse material effect on an institution's financial condition and revise appendices A and B of the financial responsibility regulations to conform with changes in accounting standards;
- Amend §668.172 to address changes to the accounting standards regarding leases;
- Amend §668.175 to expand the types of financial protection acceptable to the Secretary;
- Amend §§674.33, 682.402 and 685.214 to extend the window for a borrower to qualify for a closed school discharge and to specify that if a closing school provided a borrower the reasonable opportunity to complete his or her academic program through an orderly school closure or a teach-out plan and that is approved by the school's accrediting agency and, if applicable, the school's State authorizing agency, the borrower will not qualify for a closed school discharge;
- Amend §§682.202, 682.405, and 682.410 to prohibit guaranty agencies and FFEL Program lenders from capitalizing the outstanding interest on a FFEL loan when the borrower rehabilitates a defaulted FFEL loan;
- Amend §682.405 to prohibit guaranty agencies and FFEL Program lenders from charging collections costs when a borrower enters into a repayment agreement within 60 days of the notice of default;
- Amend §685.200 to specify that a loan discharge based on school closure, false certification, an unpaid refund, or a defense to repayment will lead to the elimination of or recalculation of the subsidized usage period that is associated with the loan or loans discharged;
- Establish a Federal standard for deciding borrower defenses to repayment pertaining to a loan first disbursed on or after July 1, 2019;
- Establish the procedures that the Department would use to determine the liability of a school for the amount of any loan discharges resulting from borrower defense claims pertaining to loans first disbursed on or after July 1, 2019;
- Provide that the Secretary may initiate a proceeding to recover from an institution the amount of any loan discharged by the Secretary based on a defense to repayment within five years of the date of the final decision to discharge the loan.
- Amend §685.215 to provide that in cases when a Direct Loan borrower could not obtain an official transcript or diploma from high school and instead provided an attestation to the institution that the



borrower was a high school graduate, the borrower will not qualify for a false certification discharge based on not having a high school diploma.

- Amend §685.300 to require institutions to accept responsibility for the repayment of amounts discharged by the Secretary pursuant to the borrower defense to repayment, closed school discharge, false certification discharge, and unpaid refund discharge regulations.
- Amend §685.304 to require institutions that use pre-dispute arbitration agreements or class action waivers to provide written, plain language descriptions of those agreements and to provide the student borrower with written information on how to use the school's internal dispute resolution process.
- Amend §685.308 to require the repayment of funds and the purchase of loans by the school if the Secretary determines that the school is liable as a result of a successful claim for which the Secretary discharged a loan, in whole or in part, pursuant to §§685.206, 685.214, and 685.216.

This is just a summary of the proposed changes. To review the proposed rulemaking in its entirety, please view the *Federal Register* at:

<https://ifap.ed.gov/fregisters/attachments/FR073118NPRM.pdf>

2017-2018 PROCESSING DEADLINE REMINDERS

ISIR corrections must be received by September 15, 2018. For additional details see the Federal Register Notice Volume 82, Number 122 (Monday, April 4, 2016), available here:

<https://ifap.ed.gov/fregisters/FR062717AwardYearDeadlineDates1718.html>

Also per the Federal Register Notice the following have deadlines of 9/22/2018:

- An ISIR or SAR for the student must be received by the institution no later than the student's last date of enrollment for the 2017-2018 award year or September 22, 2018, whichever is earlier.
- Verification documents must be received by the institution no later than 120 days after the student's last date of enrollment for the 2017-2018 award year or September 22, 2018, whichever is earlier.
- All Federal student aid programs except for (1) Direct PLUS Loans that will be made to parent borrowers, and (2) Direct Unsubsidized Loans that will be made to dependent students who have been determined by the institution, pursuant to section 479A(a) of the HEA, to be eligible for such a loan without providing parental information on the FAFSA, the ISIR or SAR must have an official expected family contribution (EFC) and must be received by the institution no later than the earlier of the student's last date of enrollment for the 2017-2018 award year or September 22, 2018.
- For a student who is requesting aid through the Pell Grant, FSEOG, FWS, and Federal Perkins Loan programs or for a student requesting Direct Subsidized Loans, who does not meet the conditions for a late disbursement under 34 CFR 668.164(g), a valid ISIR or valid SAR must be received by the student's last date of enrollment for the 2017-2018 award year or September 22, 2018, whichever is earlier.
- In accordance with 34 CFR 668.164(g)(4)(i), an institution may not make a late disbursement of title IV student assistance funds later than 180 days after the date of the institution's determination that the student was no longer enrolled. Table A provides that, to make a late disbursement of title IV student assistance funds, an institution



must receive a valid ISIR or valid SAR no later than 180 days after its determination that the student was no longer enrolled, but not later than September 22, 2018.

Table A (referenced in the last bullet above) can be viewed by linking to the Federal Register Notice above. For additional questions on this or other deadline dates contact the Research and Customer Care Center at 1-800-433-7327.

REMINDER – OCTOBER 1, 2018 DEADLINE FOR SUBMITTING FISAP

This is a reminder of the upcoming deadline for submitting the Fiscal Operations Report for 2017-2018 and the Application to Participate for 2019-2020 (FISAP) for the Campus-based programs. The date by which a school must submit the FISAP and the required signature page is **Monday, October 1, 2018**.

All schools requesting funding under the Campus-Based Programs for the 2019-2020 Award Year and all schools that had Campus-Based expenditures for the 2017-2018 Award Year are required to electronically submit a FISAP via the [COD Website](#). Schools that closed during the 2017-2018 Award Year are required to complete and submit a final FISAP to report 2017-2018 Campus-Based Program expenditures. For information about accessing the FISAP on the [COD Website](#), refer to the [July 13, 2018 Electronic Announcement Final FISAP Form, Instructions, Desk Reference and Technical Reference for FISAP Due October 1, 2018](#). The deadline for electronic submission of the FISAP is 11:59 P.M. (ET) on Monday October 1, 2018. Transmissions must be completed prior to 12:00 midnight.

DJA provides a FISAP reporting service to our clients and is currently in the process of completing these reports.

INFORMATION FOR GE REPORTING BY THE OCTOBER 1, 2018 DEADLINE

Despite the recent announcement by the Secretary to rescind the Gainful Employment (GE) regulations, DJA has confirmed with the Department that the GE reporting regulations are still in place and the deadline for the 2017/2018 Award Year is October 1, 2018. Please note that this year October 1 falls on a Monday, therefore to make sure you make the deadline you may want to submit your GE reporting by Friday, September 28th.

Schools will only report for the financial aid recipients who were **enrolled** in your GE programs beginning July 1, 2017 through June 30, 2018. GE reporting must only include students who received Title IV aid to attend the GE program being reported.

There are three methods of loading GE records into NSLDS:

- 1) GE Add Web Page Online: Allows for a single GE record, for a single student to be added (*School's NSLDS user may do this*)



- 2) NSLDS GE Spreadsheet Submittal Format: Allows submittal directly on NSLDS (*School's NSLDS user may do this*)
- 3) Batch Reporting Allows a school to transmit GE information electronically using their SAIG TG Mailbox (*School's may do this, but must have access to SAIG Title IV Wan software; or DJA can submit for you*)

More information about these GE reporting options can be found in the [NSLDS Gainful Employment User Guide](#), available in the NSLDS User Documentation section of the [Information for Financial Aid Professionals \(IFAP\) website](#) or under the “[Resources](#)” section of the IFAP [Gainful Employment Information](#) page.

GE REPORTING TIPS:

Correct Classification of Student Debt: Title IV loan debt, including Perkins loan debt, is not private loan debt and is not institutional debt. When calculating GE rates, the Department will include Title IV debt obtained from NSLDS. If an institution reports Title IV loan debt as part of private or institutional debt, the Title IV loan debt will be double-counted.

Data Accuracy: Institutions must carefully review their GE data during the reporting process to ensure that it is correct. Note that institutions are not limited to award year 2016-2017 for correcting errors – any errors in GE data previously reported must be corrected promptly after the errors are discovered.

GE Program Tracking Functionality: GE Program Tracking functionality will remain unavailable for this upcoming reporting cycle. Institutions should review disbursement records sent to the Common Origination and Disbursement (COD) System, enrollment records sent to NSLDS, and the GE programs listed on their Program Participation Agreement (PPA) to ensure that they are reporting for all Title IV students enrolled in all GE programs by October 1, 2017.

Additional tips are given in the [GE FAQs](#).

If you have technical questions about reporting GE data to NSLDS, contact the NSLDS Customer Support Center at 800/999-8219. You can also contact Customer Support by e-mail at nslds@ed.gov.

The [Gainful Employment Information Page](#) on the IFAP Web site contains publications and resources on GE as well as FAQs. If you have a policy question about GE that has not already been addressed in the FAQs section of the [Gainful Employment Information Page](#), please submit the question to ge-questions@ed.gov.

THE MYSTUDENT AID MOBILE APP IS NOW AVAILABLE

As we mentioned in last month's newsletter and the Department announced in an [Electronic Announcement dated 07/24/18](#), Federal Student Aid notified the financial aid community that beginning this summer, students and parents would have two ways to complete the Free Application for Federal Student Aid (FAFSA) form; a redesigned fafsa.gov website and a mobile app. These two improvements will streamline the process for



students and parents to access and complete the FAFSA form on the device that works best for them, with a particular focus on improving the experience on mobile devices, such as smartphones and tablets.

In an Electronic Announcement on August 16, 2018, Federal Student Aid revealed that the myStudentAid app is now available for download from both the Apple App Store (iOS) and Google Play (Android). The myStudentAid mobile app will provide the following:

- myFAFSA: complete the FAFSA safely and securely from your mobile device
- Profile: edit/manage an FSA ID
- myFederalLoans: view federal student loan and aid history
- Studentaid.gov: access FSA's signature source of information on student financial aid products, processes and services
- Contact Us: contact information for FSA's contact centers

Key features of myFAFSA

The myFAFSA component—which is used to complete the FAFSA form—is currently the myStudentAid app's featured function. Customers are offered the following features in the initial beta release of myFAFSA:

- The ability to begin, complete, and submit a new FAFSA form for the 2018–19 FAFSA processing cycle;
- A customized experience based on whether they are a student, parent, or preparer. myFAFSA provides both guidance and assistance on how to answer the FAFSA questions, making the overall process more positive, engaging, and user-friendly; and
- A secure channel with the same data protections as completing the FAFSA form through fafsa.gov.

myFAFSA's ability to customize the experience based on a specific role also makes it easier for students and parents to understand and complete the form. In addition, students and parents will have the ability to complete the FAFSA form on any device that they prefer.

It is important to note that the myFAFSA beta version does not offer all of the same features as the fafsa.gov website. An enhanced version of myFAFSA will be released this fall and it will enhance functionality.

<https://ifap.ed.gov/eannouncements/081618myStudentAidMobileApp.html>





As the original founder and owner of DJA, Deborah has definitely been around since day one. Deborah comes from a family of entrepreneurs and had a vision from young adulthood of the future she wanted to create and business ownership was always at the forefront. After earning her bachelor's degree in Business Administration at Boston University, Deborah dove into the workforce to gain valuable business experience outside the classroom. Marriage would bring her to Kansas (which was quite the culture shock for this east coast maiden). Finding a job at a local beauty school provided her the opportunity to discover an industry

she felt offered a market for the service based business she dreamed to establish. Along with her late husband Alan, Deborah John and Associates Inc. was founded in 1988 in a small office in Wichita, KS. With only a handful of clients, the early years were spent doing lots of marketing. They often employed the help of their young children to address mailers and apply the stamps. The business started as a family affair and has continued as one as both Deborah's children, Renee and Tom are also part of DJA today.

Deborah enjoys the challenges her role at DJA provides her, as well as the freedoms that long term small business ownership has offered her and her family. She likes that the industry is always changing, giving her many opportunities to expand her knowledge and understanding of financial aid. However, her favorite takeaway has always been the relationships she has been able to build with the many loyal clients that have helped build her business. There a lot of laughs to be had over the review of the Department of Education's handbook.

Outside of DJA, Deborah has embraced her role as Gaga (her grandkids name for her) through and through, from hosting sleep overs, attending sporting events, and stepping in as the third parent. She loves nothing more to spoil her five grandkids- Tatum, Trey, Gage, Ella and Greyson and spend time with her children, as well as her children-in law Brandon and Ashton. Deborah's family time wouldn't be complete without her precious 1 year old rescued Aussiedoodle, Rosie. Rosie is a staple at the office and enjoys visiting each day to see "her" people. In her spare time, Deborah also loves spending time at the lake, shopping and relaxing out by the pool.



COMPLIANCE CORNER

DATA SECURITY, CYBER SECURITY AND INSTITUTIONAL RESPONSIBILITY

What is data and cyber security and what is our institutional responsibility? The answer to that question can be found in this month's edition of *Compliance Corner*.

The Department of Education has indicated they will start including as part of their audit process an investigation into the compliance of institutions in providing proper security protocols for the abundance of data they store, both in physical storage and electronic/cyber storage. For this reasons, it is imperative that schools familiarize themselves with all that data and cyber security entail, as well as the legal responsibility that defines compliance with these regulations.

Data security means protecting digital data, such as those in a database, from destructive forces and from the actions of unauthorized users, such as a cyberattack or a data breach. Educational institutions are specifically being targeted as most institutions are lacking in their security policies; this along with the educational environment being rich with individuals personal information, makes settings such as these a perfect target for security breaches. As an FSA partner, your institution is obligated to implement strong security policies, controls, and monitoring as it is critical to protecting personally identifiable information and ensuring the confidentiality, security, and integrity of Title IV financial aid information.

Title IV schools are **financial institutions** per the Gramm-Leach-Bliley Act (GLBA, 2002). Per FSA PPA & SAIG agreements, these schools must have GLBA safeguards in place or will be found administratively incapable – unable to properly administer Title IV funds. All Third Party servicers should be pro-active in ensuring that proper GLBA safeguards are in place in order to keep our students, clients, and employees personal information secure. As a third party servicer, DJA is also required to adhere to the same security requirements.

To adhere to GLBA standards, schools need to complete the following safeguards:

- Develop an Information Technology and Cyber Security Policy (you can visit <https://ifap.ed.gov/eannouncements/Cyber.html> for additional tools)
- Develop internal training on Cyber Security to educate all team members on the regulations, compliance expectations and importance of security protection of the students.

You must also **commit** to protecting the privacy and security of the institution's students by taking steps to:

- Ensure the security and confidentiality of customer information;
- Protect against any anticipated threats or hazards to the security or integrity of such records; and
- Protect against unauthorized access to or use of such records or information which could result in substantial harm or inconvenience to any client.

IT Security and Cyber Security:

Information technologies (IT) are vital to Company operations. They are tools that improve the quality and efficiency of our work. They are the repositories for critical and sometimes highly proprietary corporate



information. The improper access to or the destruction of these resources will have serious consequences for the Company. The IT and Cyber Security policy should define IT:

- Information technologies are tools intended for business operations.
- The Information Technology (IT) department shall identify and maintain an organizational structure appropriate to the maintenance of the institution's IT security.
- The IT Organization has primary responsibility and authority for all components of the IT infrastructure. All devices, applications, databases and other components must comply with the Company's IT policies.
- Information technologies include: Computer hardware and peripherals; software; electronic data stored on standalone devices, networks, databases, etc.; network infrastructure devices; the school's intranet and access to and data transmissions across the Internet and World Wide Web.

And outline its purpose:

- Ensure the corporate IT resources are appropriately protected from destruction, alteration, or unauthorized access.
- Ensure that these protections are accomplished in a manner consistent with the business and work flow requirements of the company.
- To provide Cyber Security guidance on IT security to employees of the school, a higher education institution, in order to:
 - Protect data used in all aspects of the administration of the Title IV Federal student financial aid programs; and
 - Protect all breaches resulting in loss of PII data to FSA.

Compliance with Laws and Regulations on Data and Cyber Security:

- Student Aid Internet Gateway (SAIG) Enrollment Agreement
 - The institution *“must ensure that all Federal Student Aid applicant information is protected from access by or disclosure to unauthorized personnel.”*
- Privacy Act of 1974 (Federal Agencies)
- HEA (Higher Education Act)
- Gramm-Leach-Bliley Act
 - Safeguards Rule
 - Applies to financial institutions and those that receive information about the customers of financial institutions
 - Requires institutions to secure customer information and create a written information security plan that describes program to protect customer information

FSA Security Initiative

- Active Confirmation
- Primary Destination Point Administrator (DPA)
 - SAIG Mailbox | TG Number
 - December 15, 2017
 - Federal Student Aid Identification (FSA ID)
- Short Message Service (SMS) Feature
 - Verify phone number



Stay tuned for next month for the next installment on Cyber Security as we dive into what PII entails and establishing safety protocols to protect PII that exists in your institution.

REMINDER: CONSTITUTION DAY - SUNDAY, SEPTEMBER 17, 2018

As we mentioned in last month's newsletter, Constitution Day is this month on September 17th. This day commemorates the September 17, 1787 signing of the United States Constitution. Educational institutions that receive federal funds are required to hold an educational program pertaining to the U.S. Constitution on September 17 of each year.

DJA CALENDAR

Monthly DJA Webinar: *Cash Management —Wednesday, September 5th at 11 a.m. CDT*

NOTE: There may be a difference between DJA local time and your time zone. To determine your time zone equivalent, click on this link to view a time zone map: <http://www.worldtimezone.com/time-usa12.php>

Webinars are free to clients. There is a fee for all others who may be interested in joining us for these presentations. Invitations are automatically sent to all clients, however if you do not receive an invitation, email Jeanne Haring at jharing@gotodja.com. After registering, you will receive the log-in information. Questions can be directed to Jeanne by email or by calling toll free at 1-800-242-0977.

2018 DJA MONTHLY WEBINAR SCHEDULE

SEPT 5	Cash Management
OCT 3	Enrollment Reporting Using NSLDS
NOV 7	Program Integrity (Audits, Program Review)
DEC 5	1098-T Reporting

2018 FEDERAL STUDENT AID (FSA) TRAINING CONFERENCE

Registration and housing for the 2018 FSA Training Conference are now open at <http://fsaconferences.ed.gov/>.

The date & location of the FSA Training Conference:



November 27 – November 30, 2018

(Tuesday, approximate 8 a.m. start time – Friday, approximate 3 p.m. end time)

Monday, November 26, 2018

Foreign Schools Preconference

Omni Atlanta Hotel at the CNN Center (meeting space and headquarter hotel)

100 CNN Center NW

Atlanta, GA 30303

Program and session information will be posted in the coming months.

Disclaimer: The information presented in this Newsletter is provided as a service and represents our best efforts to assist institutions with federal student aid regulations. We have collected information we believe to be important in finding and obtaining the resources for administering federal student aid; however, we assume no liability for the use of this information. The information in this newsletter does not constitute, and should not be construed as, legal advice.

