



JANUARY 2019 NEWSLETTER

IMPORTANT DATES:

January 1 – DJA Closed



January 9

DJA Webinar -Cohort Default Rates

11:00 a.m. CST

January 27-28

*PCCS Conference
Kansas City, MO*

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With the New Year comes the beginning of the peak processing cycle for the 2018-2019 award year for all Federal Student Aid processing centers and for all of us as well!

At the same time, schools have been receiving 2019-2020 ISIRs since the beginning of October, so preparations for 2019-2020 processing have been underway for quite a while now. Keep in mind, though, that the Pell Chart for 2019-2020 has not yet been released and funds cannot be requested until COD and G5 are up and running.

It's a very demanding period for schools with so many deadlines during this time of peak processing for multiple award years!

In addition to the normal chaos that January often brings, we are in the midst of a government shutdown that began December 22nd. Although the Department of Education and student aid program funding has not been impacted, schools may still see an effect in regards to the partial closure of the Internal Revenue Service (IRS). Be sure to read the section of the newsletter regarding the shutdown for more information.

DJA is committed to assisting schools in meeting their processing deadlines and maintaining compliance with USDE regulations. This newsletter contains multiple links to the IFAP website and other resources you will need to help you stay on top of things. In addition, our monthly webinars and yearly training will keep you fluent in current requirements. Please visit our website at www.gotodja.com if you are interested in learning more about how DJA services can benefit your school in the coming years; or you may contact Kristi Cole, Director of Client Services at kcole@gotodja.com or myself at djohn@gotodja.com.

I wish you a bright, happy and successful New Year and look forward to working with you in 2019!

*Thank you and until next time, have fun!
Deborah John, President*



GOVERNMENT SHUTDOWN

The government shut down for the third time in 2018, beginning on December 22nd after the Congress and the White House failed to reach a spending deal. Roughly a quarter of the government shut down as funding expired, including appropriations to the Department of Homeland Security, Justice, Housing and Urban Development and other parts of the government. Also affected is the Income Revenue Service (IRS) as it retained only 12.5 % of its workforce. The agency's contingency plan (which only accounted for a 5 day shutdown) indicated that income verification and transcript services as "non-excepted" activities and are subject to disruption.

Since the beginning of the week both the "Get Transcript Online" and "Get Transcript by Mail" services have been offline at the IRS website. It has not yet been published if this in connection with the government shutdown. Although the ED announced at the recent Federal Student Aid Conference that copies of tax returns and written statements of non-filing would be acceptable for verification, FSA has yet to release any official written guidance. The National Association of Student Financial Aid Administrators has stated they are urging the Department of Education to release written guidance as soon as possible in order to avoid the possible impact the partial closure of the IRS may cause to students/parents needing tax transcripts to complete the verification process.

SAVE INSTRUCTIONS FOR U.S. DEPARTMENT OF EDUCATION (SCHOOL) USERS VERSION 2.0 AVAILABLE

Federal Student Aid (FSA) announced the updated SAVE Instructions for School Users document, which incorporates and updates all SAVE system process and procedure changes from:

- The "DHS-SAVE Instructions for U.S. Department of Education (School) Users, Version 1.0" posted on May, 10, 2018;
- Subsequent Electronic Announcements (EAs) posted through September 4, 2018; and
- SAVE changes since September 4, 2018.

Financial Aid Administrators (FAAs) should replace the "DHS-SAVE Instructions for U.S. Department of Education (School) Users, Version 1.0," with "Version 2.0." In addition to information on the upcoming "Resend to Matches" option that will be available in [FAA Access to CPS Online](#) beginning February 2019, Version 2.0 contains instructions in the "Requesting a Third Step Verification" section, including:

- How to resolve a "No cases found" error message;
- What action is necessary for each of the five SAVE response messages;
- How to proceed if a SAVE response is not received within 15 business days of submission;
- How and when to resolve a "closed case" and request a new DHS verification number;
- How to check the *Institutional Student Information Record (ISIR)* DHS Match Flags for a confirmed eligible noncitizen status after FSA's Application Processing Division has resent a DHS verification number to SAVE;



- How to enter "Cuban/Haitian Entrant review requested" in the SAVE "Special comments" box;
- How to determine whether unusual immigration statuses are eligible for Title IV Aid, and;
- How to find help for SAVE system issues.

A [DHS-SAVE, Eligible Noncitizen link](#) has been established on the [Information for Financial Aid Professionals \(IFAP\) website](#) located under the "Information Links" on the right side of the IFAP website. This serves as a repository for all Electronic Announcements; SAVE system instruction documents; Federal Student Aid Handbook, Volume I, Chapter 2: U.S. Citizenship and Eligible Noncitizens; and other information related to eligible noncitizen issues.

Need Help?

For the most timely response, email your questions to:

- FSA at: applicationprocessingdivision@ed.gov, or
- The SAVE Program Agency Relationship Manager at: Tommy.Benbow@uscis.DHS.gov.

(NOTE: Do not call the SAVE Call Center because they do not have a full understanding).

<https://ifap.ed.gov/eannouncements/120618SAVEInstructionsEDSchoolUsersVer2Available.html>

TITLE IV AID DISBURSEMENT REPORTING, EXCESS CASH AND RECONCILIATION REPORTING

As we begin the new year, it is a good time to refresh on the general disbursement reporting, excess cash, and reconciliation requirements for all Title IV programs. Because these requirements apply to disbursement *and* financial data, both the Financial Aid Office and Business Office should review the information provided below.

Disbursement Reporting Requirements

The disbursement and disbursement adjustment reporting requirements for all Title IV aid are announced in an annual Federal Register Notice. The most recent Federal Register Notice, published on [December 4, 2018](#), specifies that a school must submit disbursement records no later than 15 days after making the disbursement or becoming aware of the need to adjust a student's previously reported disbursement.

Excess Cash Requirements

The Department of Education (the Department) considers excess cash to be any amount of Title IV funds (other than Federal Perkins Loan Program funds) that a school does not disburse to students or parents by the end of the third business day after the date the school (1) received the funds from the Department, or (2) deposited or transferred to its federal account previously disbursed Title IV funds received from the Department. In some



circumstances, cash may be held for up to 7 calendar days if a school meets the excess cash tolerance and can disburse the aid to students within that time frame. In no circumstance should cash balances remain beyond the 7-day period.

See 34 CFR 668.162 for the federal regulations that govern requesting funds for the Title IV programs and 34 CFR 668.166 for the excess cash regulations.

Reconciliation

Reconciliation is the process by which a school reviews and compares Title IV aid (grants, loans, and campus-based aid) recorded on the Department's systems (COD/G5) with the information in the school's internal records. Schools should reconcile both internally (between Business Office and Financial Aid Office data) and externally (between school data and the COD System/G5). Through reconciliation, disbursement and cash discrepancies are identified and resolved in a timely manner to ensure the school meets all regulatory requirements. Schools must document their reconciliation efforts and retain this documentation for auditing purposes.

If completed on a regular basis, reconciliation can assist schools in determining whether the disbursement reporting requirements and excess cash deadlines noted above are being met, and also whether any additional data needs to be submitted to ensure all school data is reflected correctly in the Department's records. For the Direct Loan and Campus-Based programs (including Federal Perkins Loan, Federal Work-Study, and Federal Supplemental Educational Opportunity Grant), schools must reconcile at least monthly to meet regulatory requirements. For all other Title IV Programs (including Pell Grant, Iraq and Afghanistan Service Grant, and TEACH Grant) it is highly suggested that schools also reconcile at least monthly or as frequently as necessary to identify issues and maintain compliance with the cash management and disbursement reporting requirements outlined above.

Additional information on reconciliation can be found on the [IFAP website](#) in the following publications:

- Electronic Announcements (published annually by program)
- Federal Student Aid Handbook
- Federal Student Aid Training Conference Presentations

Final Reconciliation

If a school is meeting all disbursement/adjustment reporting, excess cash, and reconciliation requirements, a final reconciliation should begin no later than the last award or payment period end date at the school for a given program and year. A school should be able to reconcile to a zero cash balance soon after its final disbursements and should not carry a cash balance (positive or negative) for an extended period. **Note:** Schools must reconcile to both zero Ending Cash Balance and zero Total Net Unbooked for DL and TEACH Grant; and to zero Cash > Net Accepted & Posted Disbursements for Pell Grant.



When schools have completed their final reconciliation, they can officially confirm closeout via the School Balance Confirmation page on the COD Web Site for the Direct Loan, Pell Grant, and TEACH Grant programs (*Note:* The confirmation process is available for Pell Grant and TEACH Grant for the 2016–17 Award Year and forward). Balance confirmation will allow schools to receive a Program Year Closeout Letter to document completion of final reconciliation. It also provides tighter controls over available funding and data submission so that the school can then focus on processing and reconciliation in more current award years.

Contact Information

For disbursement reporting, excess cash, or reconciliation and processing questions, contact the COD School Relations Center at 1-800-848-0978. You may also email CODSupport@ed.gov.

<https://ifap.ed.gov/eannouncements/121018TitleIVAidDisburseRepExcessCashReconcilReq.html>

DIRECT LOAN RECONCILIATION REQUIREMENTS

As the previous article outlines the importance of completing reconciliation on a regular basis, FSA also published a follow up defining reconciliation for the Direct Loan program.

Direct Loan Reconciliation Defined

Direct Loan reconciliation is the process by which Direct Loan funds received and disbursed as recorded on the Department of Education's (the Department's) systems are reviewed and compared with a school's internal records; AND

- Discrepancies are identified and resolved
- Reasons for remaining cash balances are documented

Direct Loan reconciliation is a *mandatory* monthly process, as required under 34 CFR 685.300(b)(5). A school should reconcile all cash (drawdowns and refunds of cash) and disbursement records (actual disbursements and adjustments) with information in the COD System on an ongoing basis.

There are two types of reconciliation, which can be performed separately or simultaneously during the month, including:

- **Internal Reconciliation**

This is the process where the business and financial aid offices compare the monthly financial aid office roster of scheduled and actual disbursements in each office's system to a monthly business office cash detail report

that reflects funds drawn down and funds disbursed for the month. If discrepancies are found, the school must document and resolve them in a timely manner.

- **External Reconciliation**

The school compares its reconciled internal records to the Department's records of funds received and returned, and loans originated and disbursed to students at the school. At a minimum, this reconciliation must be completed at least monthly to ensure that data is correct in all systems and that cash management and disbursement reporting timelines are being met. If you have completed the internal reconciliation first, the school will have fewer discrepancies to resolve when you perform this external reconciliation. The Department offers various tools to assist you with external reconciliation. For more information, see the attachment to this announcement.

Direct Loan schools must also complete a final reconciliation to a zero (\$0) Ending Cash Balance at the end of their processing year. This should occur within a month or two of the school's final disbursements but no later than the Program Year Closeout deadline, which is the last processing day in July of the year following the end of the award year. Information regarding this final reconciliation and the Program Year Closeout deadline is published in three (3) Electronic Announcements posted to the [Information for Financial Aid Professionals \(IFAP\) website](#), in February, May, and July prior to the deadline.

Contact Information

For additional information on Direct Loan reconciliation, refer to the attached questions and answers document. If you have questions about this announcement or its attachment, contact the COD School Relations Center at 1-800-848-0978. You may also email CODSupport@ed.gov.

For common questions and answers regarding the Direct Loan Reconciliation process, visit the electronic announcement at:

<https://ifap.ed.gov/eannouncements/122118WDFFederalDLPreconciliation.html>

COD SCHOOL TESTING FOR THE 2019-20 AWARD YEAR

The Common Origination and Disbursement (COD) School Relations Center will allow for COD School Testing for the 2019–20 Award Year from January 2, 2019 through December 20, 2019.

The purpose of COD School Testing is to provide schools, third party servicers, and software vendors an opportunity to test Federal Pell Grant (Pell Grant), Teacher Education Assistance for College and Higher

Education (TEACH) Grant, and William D. Ford Federal Direct Loan (Direct Loan) business processes and system software with the COD System prior to the transmission and processing of actual production data using [COD Common Record XML Schema Version 4.0c](#). It also allows schools, third party servicers, and software providers the opportunity to make corrections or enhancements to software applications and processes prior to sending data to the “live” production environment.

All entities that wish to participate in COD School Testing must submit the “COD School Testing 2019–20 Sign-Up Document” to the COD School Relations Center. Schools, third party servicers, and software vendors can submit the sign-up document beginning Monday, December 10, 2018.

Complete testing information will be available in the COD School Testing Guide (Volume V of the 2019–20 COD Technical Reference) posted on the [Information for Financial Aid Professionals \(IFAP\) website](#). In this announcement, we provide useful high-level information about COD School Testing for the 2019–20 Award Year in the following order:

- Who Should Participate in COD School Testing for the 2019–20 Award Year
- School Testing Phases
- COD School Testing Sign-Up Process
- Contact Information

Who Should Participate in COD School Testing for the 2019–20 Award Year

Any school that will participate in the Pell Grant, TEACH Grant, or Direct Loan program for the *first time* in the 2019–20 Award Year *must* complete school testing with the COD System before sending data into production. The only exception to this is schools using EDEXpress or software from software providers or third party servicers.

While other schools are not required to test with the COD System, all schools, software providers, and third party servicers may participate in testing. We encourage schools using a solution developed in-house (mainframe system, server, software, or other) to send and receive the COD Extensible Mark Up Language (XML) Common Record to test with the COD System.

Software providers and third party servicers may perform their own product testing on behalf of their customers. Schools should contact their software provider or third party servicer to discuss testing plans/concerns. The Department of Education (the Department) will test the EDEXpress software before releasing it to schools.

For more information on the School Testing Phases and the School Testing Sign Up process, you can read the electronic announcement in full at:

<https://ifap.ed.gov/eannouncements/121118CODSchoolTesting1920AY.html>



CAMPUS-BASED PROGRAMS TITLE III OR TITLE V NON-FEDERAL SHARE REQUIREMENT WAIVER

Institutions participating in the FWS and FSEOG programs are normally required to provide a non-Federal share under each program. Certain institutions, however, are eligible for a waiver of those requirements under 34 CFR 675.26(d) of the FWS regulations and 34 CFR 676.21(b) of the FSEOG regulations. To receive a waiver of the FWS and FSEOG non-Federal share requirement, the institution must be designated by the Department of Education's Office of Postsecondary Education Institutional Service (OPE/IS) as an eligible Title III or Title V institution under the Higher Education Act (the HEA).

If an institution is designated as a Title III or Title V institution for Federal Fiscal Year 2019 under the process described below, it will receive a waiver of the requirement for the non-Federal share of earned compensation paid to students under the FWS Program and of FSEOG funds awarded to students for the 2019–20 Award Year.

Federal Student Aid will send a notice to the financial aid administrator of the institution, indicating that the waiver of the non-Federal share matching requirement has been granted. An institution may choose to continue to provide a non-Federal share and to determine the amount of that share for one or both of the Campus-Based Programs.

It is important to note that the 50 percent Federal share limitation for FWS wages paid to students employed by a private, for-profit organization and the 80 percent Federal share limitation for the administration of the Job Location and Development (JLD) Program are not waived under the Title III or Title V designations.

Designation as an Eligible Institution for Title III or Title V Programs

OPE/IS has automated its designation process by using existing data from the Integrated Postsecondary Education Data System (IPEDS) to determine an institution's eligibility for Title III and Title V programs.

Once the 2019 OPE/IS process is complete, institutions may check their eligibility status by going to the Application for Designation as an Eligible Institution on the OPE/IS website (<https://hepis.ed.gov/title3and5/>).

Institutions that are determined eligible for a Title III or Title V program automatically receive the waiver of the non-Federal share requirement for the Campus-Based Programs for the 2019–20 Award Year. No further action is required.

Institutions that are *not* designated as eligible for a Title III and Title V program have the option to complete the Application for Designation as an Eligible Institution by the deadline.

A notice announcing the availability of the 2019 Application for Designation as an Eligible Institution and the application deadline will be published in the Federal Register in January 2019.



Note: Historically Black Colleges and Universities (HBCUs), Tribally Controlled Colleges and Universities (TCCUs), and institutions with an active Title III or Title V grant (current throughout Federal Fiscal Year 2019) automatically qualify for the waiver of the Campus-Based non-Federal share requirement. These waivers are granted unless Federal Student Aid's Grants and Campus-Based Programs Division receives information from OPE/IS that the institution has lost its grant funding and/or HBCU or TCCU status. Institutions with a current Title III or Title V grant should still check their eligibility should they wish to apply for an additional Title III or Title V grant in 2019.

Single Institutional Applications

To qualify for a Title III or Title V waiver of the Campus-Based programs' non-Federal share requirement, an institution (one having a unique six-digit OPEID with a two-digit extension of "00") must submit its own annual Fiscal Operations Report and Application to Participate (FISAP). Its FISAP cannot be submitted as part of an affiliated institution's FISAP.

Please click on the link below for contact information if you have questions about Title III or Title V eligibility or about the Title III or Title V waiver of the non-Federal share requirement for the FWS and FSEOG programs.

<https://ifap.ed.gov/eannouncements/120418InfoDesigTitleIIWaiverReqCBProg1920AY.html>

PUBLIC SERVICE LOAN FORGIVENESS (PSLF) HELP TOOL NOW AVAILABLE

FSA has announced the availability of a Public Service Loan Forgiveness (PSLF) Help Tool at [StudentLoans.gov/pslf](https://studentloans.gov/pslf). The tool was moved into production on Dec. 9, 2018 and the tools functioning was validated shortly after.

The PSLF Help Tool will

- help borrowers understand more about the PSLF Program and what is needed to participate and possibly have their loans forgiven;
- help borrowers assess whether their employer qualifies for PSLF;
- help borrowers assess whether their loans qualify for PSLF;
- help borrowers decide which PSLF form to submit; and
- use the information we have about borrowers' federal student loans to explain other actions borrowers should or must take if they want to receive PSLF.



At this time, the PSLF Help Tool will not allow a borrower or a borrower’s employer to electronically sign the forms that the tool will generate for the borrower. Therefore, to complete the PSLF Help Tool process, the borrower will need to print the PDF document that the tool generates, sign it, have the employer sign it, and then submit the form to FedLoan Servicing as instructed on the printed PDF document.

The following three resources are available to assist a borrower who uses the PSLF Help Tool:

- What You Need at <https://studentloans.gov/myDirectLoan/whatYouNeed.action> (click on "Use Public Service Loan Forgiveness (PSLF) Help Tool" on left)
- Frequently Asked Questions at <https://studentloans.gov/myDirectLoan/faqs.action> (click on "Public Service Loan Forgiveness (PSLF) Help Tool" on left)
- PSLF information page at StudentAid.gov/publicservice

Contact Information

We appreciate the financial aid community’s support as we implement the PSLF Help Tool.

If borrowers have questions about the PSLF Help Tool that are not addressed through the resources provided above, direct them to contact our PSLF servicer, FedLoan Servicing, at 1-855-265-4038 from 8 a.m.–9 p.m. Eastern time, Monday through Friday.

<https://ifap.ed.gov/eannouncements/121218PublicServLoanForgivenessPSLFHelpToolAvail.html>

FISCAL YEAR (FY) 2016 COHORT DEFAULT RATE CALCULATIONS

NSLDS will calculate the cohort default rates according to the following schedule:

Cohort Default Rate

DRAFT FY 2016 3-YEAR	Calculation:	January 26, 2019
	Release:	February 25, 2019

OFFICIAL FY 2016 3-YEAR	Calculation:	August 3, 2019
	Release:	September 23, 2019

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

For questions, please contact the NSLDS Customer Support Center at 1-800-999-8219 or by email at NSLDS@ed.gov.

19/20 myFAFSA PREVIEW PRESENTATION

The purpose of the presentation is to provide financial aid administrators (FAAs), mentors and counselors with screen shots that can be used as a reference tool for the 2019-20 myFAFSA component of the myStudentAid mobile app. We encourage you to use this information for internal staff training or other outreach activities.

Note the following items:

- The presentation screen shots include only the student role, with the exception of the signature process, where we show both student and parent roles.
- The screen shots in this presentation are intended to show a majority of the questions in myFAFSA; however, most students and/or parents will likely not need to answer all of these questions when completing their application.
- All data used to create this presentation is test data and is intended to show examples of what myFAFSA looks like.

With more than 295,000 downloads since Oct. 1, we also urge our partners in the financial aid community to encourage applicants and parents to download and use the myStudentAid mobile app. Highlighted features of myFAFSA for the 2019-20 processing cycle include:

- Students and parents may begin, complete, and submit a new or renewal FAFSA form for the 2019–20 FAFSA processing cycle.
- Students and parents may use the IRS Data Retrieval Tool (IRS DRT) to electronically transfer federal tax return information into a FAFSA form.

For additional information about other key elements of myFAFSA, see the [electronic announcement dated October 2, 2018](#).

To access the presentation visit the electronic announcement at:

<https://ifap.ed.gov/eannouncements/121918my201920FAFSAPreviewPresentation.html>

R2T4 TRANSITION #1- PRELIMINARY INFORMATION: R2T4 FUNCTIONS TO MOVE TO COD SYSTEM IN 2019

As part of our ongoing effort to improve efficiency and simplify our Title IV systems and processes, Federal Student Aid has identified an opportunity to remove Return of Title IV (R2T4) on the Web from FAA Access to CPS Online and implement a new solution within the Common Origination and Disbursement (COD) System. The transition will begin in spring 2019.

In this announcement, we provide the community with information about our high-level implementation plans for the R2T4 transition. **Most importantly, we want to make clear that schools will experience no change in R2T4 processing until 2019.** Schools will continue to use the current R2T4 on the Web application until the new solution is implemented in the COD System. **Note:** R2T4 on the Web will eventually be removed from FAA Access to CPS Online in a future release. Accordingly, schools should begin using the R2T4 module in the COD System once it is implemented.

- There will be no change to the current methodology for performing an R2T4 calculation.
- The transition will not require a schema change or change student-level origination and disbursement reporting in the COD System.
- Schools will not be required to use the new R2T4 module to perform R2T4 calculations. Use of the Department of Education's R2T4 application has always been, and will continue to be, optional.

R2T4 to COD System – Transition Plan Summary

We plan to transition R2T4 processing functions to the COD System in the spring of 2019.

Authorized users will log in to the COD System and navigate to a new R2T4 module of the COD Web Site. The new R2T4 module will allow users to perform the functions that are in the current R2T4 on the Web application. While the website and platform for R2T4 processing functions will change, we plan to keep the methodology of those functions as similar as possible to current processes.

As we move through the transition project, we will provide operational guidance and updates through Electronic Announcements posted to the [Information for Financial Aid Professionals \(IFAP\) website](#).

High-Level Transition Timeline

February–March 2019 – R2T4 users who do not already have COD System access should begin the process to gain access to the COD System. Following implementation, current COD System users will be automatically granted R2T4 access based on existing COD user roles. Specific instructions about user access and how and when users will transition to the COD System will be provided in early 2019.



April 2019 – R2T4 module added to COD System.

Additional Information

We understand that schools will have questions about this transition and, as noted above, more information will be posted as we finalize our transition plans. Schools should continue to monitor the [IFAP website](https://ifap.ed.gov/eannouncements/122018R2T4TransPreInfoFuncMoveCODSys2019.html) for additional R2T4 transition information in 2019.

<https://ifap.ed.gov/eannouncements/122018R2T4TransPreInfoFuncMoveCODSys2019.html>

COMPLIANCE CORNER

HIGHER EDUCATION RELIEF OPPORTUNITIES FOR STUDENTS ACT (HEROES ACT)

The Higher Education Relief Opportunities For Students (**HEROES**) Act of 2003 (Public Law 108-76) is intended to ensure that service members who are receiving Federal student aid are not adversely affected because of their military status and to minimize the administrative burden placed on such individuals.

The HEROES Act of 2003 requires the Department to publish waivers or modifications to statutory or regulatory provisions applicable to the Title IV federal student aid programs to assist “affected individuals” who are also federal student aid applicants and recipients. The Secretary has updated the waivers and modifications to reflect statutory and regulatory changes that have occurred since the September 27, 2012, document was published. *The waivers and modifications in this document will expire on September 30, 2022.*

Groups of Affected Individuals

“Affected individuals” refers to individuals who meet any of the following criteria:

- Is currently serving on active duty during a war or other military operation or national emergency;
- Is performing qualifying National Guard duty during a war or other military operation or national emergency;
- Resides or is employed in an area that is declared a disaster area by any federal, state or local official in connection with a national emergency;
- Suffered direct economic hardship as a direct result of a war or other military operation or national emergency, as determined by the Department of Education.

HEROES Act modifications

The Higher Education Relief Opportunities for Students (HEROES) Act provides for the modification and waiving of some statutory and regulatory provisions related to students who receive financial aid and who are on active duty during a war or other military operation or who reside or are employed in a declared disaster area. These adjustments apply to return of funds and signature requirements for verification and application, among other things. The most recent update to the HEROES Act authorized its provisions through September 30, 2017. See pages 59311–59318 of the *Federal Register* dated September 27, 2012, for the details on the act and a list of the eligible students.



Please note that these waivers and modifications do not apply to an individual who resides or is employed in an area declared a disaster area by any Federal, State, or local official unless that declaration has been made in connection with a national emergency.

With a few limited exceptions, the waivers and modifications in this document are the same waivers and modifications published in the September 27, 2012, Federal Register document.

The 2012 waivers and modifications have been updated in the following areas:

(1) The Secretary updated the need analysis modification to reflect the change in which tax year's information is collected on the Free Application for Federal Student Aid (FAFSA) and used to calculate the applicant's expected family contribution (EFC). Previously when completing a FAFSA, a student provided income information from the most recently completed tax year prior to the beginning of the financial aid application cycle (e.g., 2015 income information for the 2016-2017 FAFSA). Beginning with the 2017-2018 FAFSA, income information is collected from one tax year earlier—referred to as the “prior-prior year.” This change was made under the authority of section 480(a) (1) (B) of the HEA. This modification was also updated to make it consistent with the modification to professional judgment included in this document, which provides three options that a financial aid administrator (FAA) may use to make adjustments to the values of the items used to calculate the EFC to reflect a student's special circumstances.

(2) For the professional judgment modification, the Secretary clarified that in addition to using income information from the first or second calendar year of the award year, an institution may use another annual income that more accurately reflects the family's current financial circumstances.

(3) The Secretary updated the modifications related to verification of adjusted gross income (AGI) and U.S. income tax paid so that affected individuals under this category are no longer required to provide a signature on the statement certifying that he or she has not filed an income tax return or a request for a filing extension because he or she was called up for active duty or for qualifying National Guard duty during a war or other military operation or national emergency; or certifying the amount of AGI and U.S. income tax paid for the specified year.

(4) The Secretary extended the waiver assisting affected individuals with regard to the annual reevaluation requirements for FFEL and Direct Loan borrowers who are repaying loans under the Income-Based Repayment (IBR) plan, and Direct Loan borrowers who are repaying loans under the Income-Contingent Repayment (ICR) plan to include borrowers who are repaying Direct Loans under the Pay As You Earn (PAYE) or Revised Pay As You Earn (REPAYE) repayment plans.

(5) For the fourth category of affected individuals to which waivers and modifications apply, as described later in this document, the Secretary removed the reference to spouses of affected individuals who are serving on active duty or performing qualifying National Guard duty during a war or other military operation or national emergency, since the waivers under this category only pertain to the dependent student of such affected individuals.



(6) The Secretary updated the waiver related to verification signature requirements to waive the requirement for a parental signature on any verification documentation required for title IV eligibility for a dependent student because of the parent's status as an affected individual.

(7) The Secretary made a technical change to the waiver related to the section on required signatures on the FAFSA, the Student Aid Report (SAR), and the Institutional Student Information Record (ISIR), replacing the reference to "ISIR" with "or submitting corrections electronically". The Secretary also changed the reference to "responsible parent" to "relevant parent" to mean the parent whose information is reported on the FAFSA.

The following is a link to the Federal Register Notice:

<https://ifap.ed.gov/fregisters/FR092917UpdatedWaiversAuthoUnderHERReliefOpportforStudentsAct2003HEROESAct.html>

DJA has created a HEROS ACT CHART outlining the information in the Federal Register that you may download from our website at: <http://gotodja.com/wp-content/assets/HEROS-ACT-CHART.pdf>

DJA CALENDAR

DJA JANUARY WEBINARS

 **Cohort Default Rates – Wednesday, January 9, 2018: 11 a.m. CST**

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 Andrew Packard at apackard@gotodja.com. After registering, you will receive the log-in information. Questions can be directed to Andrew by email or by calling toll free at 1-800-242-0977.

2019 DJA WEBINAR SCHEDULE

JAN 9	Cohort Default Rate
FEB 6	Consumer Information, Record Keeping and Disclosures
MAR 6	Administrative Capabilities
APR 3	Satisfactory Academic Progress
MAY 1	Return of Title IV Funds (Including LOA)
JUN 5	General Participation Requirements
JUL 3	Campus Crime Report
AUG 7	Entrance and Exit Counseling
SEPT 4	Cash Management
OCT 2	Enrollment Reporting Using NSLDS
NOV 6	Program Integrity (Audits, Program Review)



DEC 4 1098-T Reporting

Region VII PCCS Conference – Kansas City, Mo. January 27-28, 2018

As in previous years, this upcoming event will be in Kansas City at the KC Airport Embassy Suites Hotel. This PCCS Workshop is open to all postsecondary schools in the Region VII area. DJA will be in at this conference. We would love to visit with you!

ANNUAL DJA FINANCIAL AID TRAINING COMING IN APRIL 2019

Be sure to mark your calendar for the Spring DJA Financial Aid Training Session, scheduled for Monday, April 29, 2018 at Harrah's North Kansas City Casino and Hotel located at One Riverboat Drive, Kansas City, MO.

Registration will begin at 7:30 a.m. with complimentary coffee and pastries. This session is free to DJA clients. All other interested institutions are welcome to attend. The cost is \$125 per person at the door, or \$95 per person, prepaid in advance of the seminar. All attendees will need to register in advance by contacting Andrew Packard at DJA at (800) 242-0977 or via email at apackard@gotodja.com.

More information will be provided in the near future. Please begin making plans to join us in April.
We are looking forward to seeing all of you again!

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.

