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APRIL 2019 NEWSLETTER

IMPORTANT DATES:

April 10

DJA Webinar
Satisfactory Academic Progress
11:00 a.m. CDT

April 22

FWS Community Service
Expenditure Requirement for the
20/21 AY due

April 29

DJA Annual Client Training
Kansas City, MO

IN THIS ISSUE:

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- Reminder of Valid Signature Rules for Printed FAFSA Signature Pages
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- 2016 Borrower Defense to Repayment Regulation
- Upcoming Enhancements to FSA ID
- Report Every Breach- Cyber Security Infographic
- Compliance Corner
- DJA Calendar

The Annual DJA Financial Aid Training is this month! The event will be held at the Harrah's North Kansas City Casino and Hotel located at One Riverboat Drive, Kansas City, MO. For registration information, details and the final agenda, please see the DJA Calendar section of this newsletter.

This training session is free to DJA clients, however other interested institutions are welcome to attend for a fee of \$125 per person at the door, or \$95 per person, pre-paid in advance of the event.

In addition to this yearly training event, DJA offers free monthly webinars and training on relevant topics periodically throughout the year. We also provide our clients with prompt and detailed updates on USDE regulations via regular client memos. Training is critical to reduction of chronic staff turnover and lowering institutional costs.

DJA completes a thorough financial aid file review on every student receiving funding through your institution, ensuring accurate calculations, detailed records and clean audits. Clean audits are just one of the many benefits our clients enjoy as a result of our services. We believe you will find DJA's financial aid servicing to be an ideal solution for your institution's financial aid administration requirements.

To learn more about how DJA's services benefit Title IV schools, simply contact Kristi Cole, Director of Client Services, or myself at (800) 242-0977. I would love to hear from you!

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



ANNUAL DUNS NUMBER REGISTRATION RENEWAL WITH SYSTEM FOR AWARD MANAGEMENT DATABASE

The G5 website verifies the Data Universal Numbering System (DUNS) number in the [System for Award Management \(SAM\) website](#) before carrying out administrative actions that involve a DUNS number, such as making an award or performing DUNS number changes or reassignments. Grantees with inactive DUNS numbers in the SAM website will automatically be identified by a Route Pay Flag that requires all payment drawdown requests to be routed to the program office for approval until the SAM website registration is Active. This announcement is a reminder that all schools must complete the registration confirmation of their DUNS number **annually**.

To prevent delays in the receipt of Title IV program funds, we encourage **all** schools to complete their annual confirmation of their DUNS number with the SAM website. A 60-day and 30-day reminder email will be sent to the Point of Contact (POC) and alternate POC for your school prior to your school's renewal deadline. To complete the annual confirmation, a school should go to the SAM website and search for each DUNS number associated with programs for which the school expects to receive funds from the Department of Education (the Department). The URL for the SAM website is <https://www.sam.gov/>.

Additional information about the annual renewal requirements can be found in the Frequently Asked Questions (FAQs) located under the "HELP" tab on the SAM website.

Other Important Reminders:

1. If a school's Payee DUNS number is different than its Grantee DUNS number, it must register both numbers with the SAM website.
2. If a school has multiple Grantee and Payee DUNS numbers, it must register all of them with the SAM website.
3. If a school needs to register one or more DUNS numbers, it should allow 3-5 business days to complete the registration process.

Contact Information

If you have questions about the process change for DUNS verification or regarding the SAM website, contact the Federal Service Desk at 1-866-606-8220.

For questions related to G5, contact the G5 Hotline at 1-888-336-8930. You may also email edcaps.user@ed.gov.

<https://ifap.ed.gov/eannouncements/031819AnnualDUNSNumberRegistrationRenew.html>

REMINDER OF VALID SIGNATURE RULES FOR PRINTED FAFSA SIGNATURE PAGE

Federal Student Aid wishes to remind financial aid administrators (FAAs) of the general rules and requirements when assessing the validity of student and parent signatures on fafsa.gov paper signature pages. By providing this information, their hope is to augment the overall guidance FAAs provide for this process when assisting applicants and their parents with *Free Application for Federal Student Aid* (FAFSA[®]) form completion.

Background

Applicants and parents of dependent applicants can sign the FAFSA form by printing, signing, and mailing a signature page. The student signature should match the student name printed on the signature page. The parent



signature should be from one of the individuals whose information was provided in parental FAFSA data fields. Signature pages must also contain an original signature (no photocopies of signatures are acceptable). For the 2019–20 school year, signature pages should be mailed to:

Federal Student Aid Programs
P.O. Box 7656
London, KY 40742-7656

When FSA receives a paper signature page via U.S. mail, the signature page is evaluated to determine if signatures are valid before they are designated as received in the system. Signature pages are rejected if they do not contain applicant or parent signatures OR if the signatures on the page do not meet specific rules and guidelines.

The next two sections provide more information on what is considered a valid or invalid signature.

Valid Signatures on the Signature Page

A valid signature requires a minimum of a title, first name or initial, and a last name. Acceptable signature examples for an applicant or parent named “June H. Brown” include Mrs. Brown, June Brown, J.H. Brown, J. Brown, or J.H.A. Brown. The only exception is when the student or parent only has a first name or last name and indicates this in writing on the signature page.

Additional acceptable and valid signature types include the following:

- An X, thumbprint, fingerprint, or mark will be construed as a legal signature if noted as such on the document, as long as it is also noted and supported by one witness.
- Printed (non-cursive) signatures are accepted.
- Signatures that run together with no spaces (i.e., “JaneSueDoe”) are accepted.
- Signature accompanied by a power of attorney document is acceptable, provided power of attorney is not limited. If power of attorney is questionable, the signature page is referred to Federal Student Aid for further evaluation.
- A signature from an FAA or a high school counselor is an acceptable substitute for a parental signature if due to one or more of the following:
 - Parent(s) is not currently in the U.S., and unable to be contacted by normal means of communication.
 - The whereabouts of the parent(s) is unknown.
 - Parent(s) is mentally or physically unable to sign.

Note: A parenthetical or attached note indicating why the FAA or counselor has signed on behalf of the parent is required for this to be considered a valid signature.

Do not include any other documentation with the mailed signature page unless noted above.

Invalid Signatures on the Signature Page

The following types of applicant or parent signatures will result in a rejected signature page:

- Last name or first name only, unless student or parent has indicated he/she has only one name (i.e., signature page only shows one name for student or parent and there is a notation on the form by student or parent that indicates they only have one name);



- Initials only (i.e., “JHS”);
- Typed or stamped name;
- Photocopied signature;
- The words “father,” “mother,” or “dead” instead of signature;
- Comments like “none” or “not applicable”; and
- Signature of a legal guardian.

Additional Signature Options

The FAFSA form can also be signed electronically by the applicant and/or parent using an FSA ID during the completion of the application process. This is the most common means of conveying applicant and/or parent signatures associated with fafsa.gov submissions.

Alternatively, if the FAFSA form is rejected due to missing signatures, the applicant can contact the Federal Student Aid Information Center (FSAIC) at **1-800-4-FED-AID (1-800-433-3243)** to request a copy of the *Student Aid Report* (SAR), which can be signed, as needed, and mailed back to process the required signatures.

Contact Information

If your students or their parents have questions regarding the 2019–20 fafsa.gov website or the signature page process, they can contact FSAIC 1-800-4-FED-AID (1-800-433-3243) or by email at

FederalStudentAidCustomerService@ed.gov. TDD/TTY service is also available at 1-800-730-8913.

<https://ifap.ed.gov/eannouncements/031819RemindValidSigntreRulesPrintedFAFSASigntrePages.html>

2019-2020 FEDERAL WORK STUDY PROGRAM COMMUNITY SERVICE WAIVER REQUESTS

Section 443(b)(2)(A) of the Higher Education Act of 1965, as amended (HEA) and the corresponding regulations at 34 CFR 675.18(g) set forth the Federal Work Study (FWS) community service expenditure requirements that a school must meet unless the school is granted a waiver from the Secretary. The following information explains how a school requests a waiver of the community service expenditure requirements under the FWS Program for the 2019–20 Award Year.

FWS Community Service Expenditure Requirements

A school that participates in the FWS Program is required to expend at least seven percent (7%) of its FWS federal allocation to pay the federal share of wages to students employed in community service jobs in an award year. A school is also expected to provide the institutional share of wages to students employed in community service jobs. In addition, one or more of the school's FWS students must be employed as a reading tutor for children in a reading tutoring project or performing family literacy activities in a family literacy project [34 CFR 675.18(g)(1)].

A school that fails to meet one or both of the FWS community service requirements may be:

- 1) required to return FWS federal funds in an amount that represents the difference between the amount the school should have spent for community service and the amount it actually spent
- 2) subject to a substantial fine, and/or



- 3) subject to other sanctions, including a Limitation, Suspension, and Termination (L, S, & T) proceeding, through which the school could be denied future participation in the FWS Program, and possibly other Title IV, HEA programs.

FWS Community Service Waiver Request

The Secretary may waive one or both of the community service requirements for a school if the school has demonstrated that enforcing the requirement(s) would cause a hardship for the students at that school. The fact that it may be difficult for the school to comply with the requirement(s) is not in and of itself a basis for granting a waiver [34 CFR 675.18(g)(2)]. In the past, the Secretary has approved a limited number of waivers for schools that were able to demonstrate an exceptional circumstance. Some exceptional circumstances include, but are not limited to:

Small FWS Allocation - The school had a very small FWS allocation. The supporting information submitted by the school noted that seven percent (7%) of the school's allocation only provided enough funds for a student to work in a community service job for a short period of time. Therefore, the school was unable to find placement for a student in a community service job.

Rural Area - The school is in a rural area that is located far from the type of organizations that would normally provide community service jobs. The school provided information that showed that its students lacked the means of transportation to get to the location of the community service jobs. In a similar waiver request in which transportation did exist, a school provided documentation that showed that the transportation costs were extremely high for the students.

Specialized Program - The school offered only a single program of specialized study that required its students to spend extensive amounts of time in classroom and non-classroom academic activities. The school provided information that demonstrated that this specialized educational program did not allow its students to have time for performing community service jobs at the time those work opportunities were available.

Note: As explained in [Dear Colleague Letter 17-08](#), if a school is unable to meet the community service requirements due to the impact of a Federal Emergency Management Agency (FEMA)-declared disaster, it should complete a waiver request using the submission process described below.

Submission Requirements for a 2019–20 FWS Community Service Waiver Request

A school must submit its waiver request to the Department of Education (the Department) electronically via the Common Origination and Disbursement (COD) Web Site. To submit the request:

1. Log into the [COD Web Site](#)
2. Select the “School” link from the top of navigation bar
3. Select “Campus-Based” from the left navigation menu
4. Select “Forms and Waivers” from the left navigation menu, then click “Manage Application”
5. From the Manage Application page, locate the Community Service Waiver and click “Create”

The school's waiver request must specify whether the school is requesting a waiver of the seven percent (7%) community service requirement, the reading tutors of children or family literacy project requirement, or both. It must also include detailed information to demonstrate that complying with the requirement(s) would cause hardship for the school's students.

The deadline for electronic submission of a school's 2019–20 FWS Community Service waiver request is 11:59 p.m. Eastern time (ET) on Monday, April 22, 2019.



Completed submissions must be accepted by the COD system by midnight ET.

A waiver request that is received after April 22, 2019 will not be considered.

Determination Notification of the FWS Community Service Waiver Request

The Department plans to notify, via email, each school that submitted a 2019–20 FWS Community Service waiver request that a determination has been made regarding its waiver request no later than June 29, 2019. Emails are sent to the school’s Financial Aid Administrator, as provided in the school’s most recently submitted Fiscal Operations Report and Application to Participate (FISAP).

In the email, we will inform the school that the Secretary's determination regarding the school's waiver request has been posted to the COD Web Site.

To review the Secretary’s determination:

1. Log into the [COD Web Site](#)
2. Select the “School” tab from the top navigation bar
3. Select “Campus-Based” from the left navigation menu
4. Click "Self-Service" on the left navigation menu
5. Select “Notifications” to view a copy of your school’s FWS Community Service Waiver letter

Contact Information

If you have additional questions about the FWS community service expenditure requirements or the procedures for requesting a waiver, contact the COD School Relations Center by phone at 1-800-848-0978 or by email at CODSupport@ed.gov.

<https://ifap.ed.gov/eannouncements/031819FWSProgCommWaiverRequest201920.html>

COD SYSTEM IMPLEMENTATION FOR THE 2019-2020 AWARD YEAR

During the period April 5-7, 2019, the Department of Education plans to implement Common Origination and Disbursement (COD) System functionality that supports the Campus-Based programs and the processing of Federal Pell Grant (Pell Grant), Iraq and Afghanistan Service Grant, Teacher Education Assistance for College and Higher Education (TEACH) Grant, and William D. Ford Federal Direct Loan (Direct Loan) awards for the 2019–20 Award Year.

With this implementation, the Return of Title IV (R2T4) on the Web application will transition to the COD System. For more information about this transition, refer to R2T4 Transition announcements [#1](#), [#2](#), and [#3](#).

In this announcement, the following important information related to the implementation is provided:

- COD System Outage Information
- Additional 2019–20 COD System Implementation Information
- Contact Information
- Attachments/Enclosures

COD System Outage Information



To implement the COD System functionality, COD batch processing will be suspended beginning at 11 p.m. Eastern Time (ET) on Friday, April 5, 2019. Records submitted after this time will be held and processed after 11 a.m. ET on Sunday, April 7, 2019.

Note: All actual disbursements with a disbursement date from April 5, 2019 through April 7, 2019 must be received, and subsequently accepted, by the COD System *no later than 9 a.m. ET on Friday, April 5, 2019*, in order to generate the appropriate funding level increase prior to the outage. Disbursements submitted by the deadline but not subsequently accepted or disbursements submitted after the deadline will be processed and funded after the outage.

In addition, between 11 p.m. ET on Friday, April 5, 2019 and 11 a.m. ET on Sunday, April 7, 2019—

- Users will not be able to submit or retrieve data via the [COD Web Site](#).
- Users will not be able to access the COD Reports area of the [COD Web Site](#).
- An individual will not be able to complete any actions or view loan correspondence via the [StudentLoans.gov website](#).

Additional 2019–20 COD System Implementation Information

The attachment titled “Reminders and 2019–20 Funding Authorization and Disbursement Information,” provides reminders for the 2019–20 Award Year and 2019–20 funding authorization and disbursement information.

The attachment titled “COD System Processing Function Modifications for 2019–20,” highlights the processing function modifications we will implement during the April 5-7, 2019 period.

Contact Information

If you have questions about this announcement or its attachments, contact the COD School Relations Center at 1-800-848-0978. You may also email CODSupport@ed.gov.

<https://ifap.ed.gov/eannouncements/031319CODSysImplementationfor1920AwardYr.html>

DETERMINING THE PRORATED AMOUNT OF CHARGES IN A PAYMENT PERIOD

The Department of Education (Department) has received several requests for clarification of the provisions found in 34 CFR 668.164(c) related to crediting a student’s ledger account with Title IV funds to pay for allowable charges associated with a payment period, particularly where an institution debits that account at the beginning of the student’s enrollment for the entire cost of books, supplies, and equipment (including the cost for kits) to be used throughout the program. Additionally, specific guidance has been sought on determining whether a charge for books and supplies is an institutional or non-institutional charge. This electronic announcement explains the relevant provisions, places those provisions in context relative to the ways in which institutions charge for books, supplies, and equipment, and responds to questions we have received regarding this matter.

Background

With the implementation of the cash management final regulations on July 1, 2016, the Department clarified its policy with respect to the proration of charges for books and supplies when a student does not have a real and reasonable opportunity to obtain those books and supplies, and equipment from a source other than the institution. Previously, institutions were permitted to include the full cost of books and supplies as charges for the first payment of a student's attendance when determining the amount of a Title IV aid to credit to the student's account and the amount of any Title IV credit balance to be refunded. However, on or after July 1, 2016, if an institution charges a student for some or all of the student's books and supplies at the beginning of the student's enrollment and the student does not have a real and reasonable opportunity to obtain those materials elsewhere, the institution is required to prorate the cost of those materials under the requirements in 34 CFR 668.164(c)(5) when determining the amount of Title IV aid to provide to the student as a credit balance during each payment period.

Institutional Charges vs. Non-Institutional Charges

The Department's longstanding guidance has been that a charge for books and supplies must be considered an institutional charge if a student does not have a real and reasonable opportunity to purchase the required course materials from any other source but the school. A student has a "real and reasonable" opportunity to obtain required course materials from another source if:

1. The required course materials are available for purchase at a relatively convenient location unaffiliated in any way with the institution; and
2. The institution does not restrict the availability of financial aid funds, so the student can exercise the option to purchase the required course materials from alternative sources in a timely manner.

If students do not have a real and reasonable opportunity to obtain the required books, supplies, and equipment from another source, the institution must ensure that it meets the requirements found in 34 CFR 668.164(c)(2) for including those items in tuition and fees, e.g., having an arrangement with a book publisher or other entity that enables it to make those books or supplies available to students below competitive market rates.

Prorating Institutional Charges

If an institution routinely debits students' ledger accounts for the amount of the charge for books, supplies, and equipment along with tuition and fees, it is an institutional charge. The Department considers all institutional charges to be part of a student's tuition and fees for the purposes of implementing the regulations found in 34 CFR 668.164(c)(1)(i) relating to the crediting of a student's account. The regulations provide a specific formula for prorating charges if an institution assesses charges for more than a payment period at a time. For programs with substantially equal payment periods where the institution charges up-front for the whole program, total institutional charges, including any books, supplies or equipment charges, must be divided by the number of payment periods in the program. For other programs, the institution must divide the number of credit or clock hours in the payment period by the number of hours in the program and multiply the result by the total institutional charges for the program.



Regardless of whether the institution charges for other types of tuition and fees by the payment period, the cost of books, supplies, and equipment (including kits) must be prorated when determining the amount of Title IV aid to credit for a given payment period if students do not have a real and reasonable opportunity to purchase the books, supplies, and equipment elsewhere and those items are intended for use over a greater timeframe than a payment period. In cases where an institution charges tuition and fees by payment period, but is required to prorate the cost of books, supplies, and equipment over more than one payment period, the institution should add the cost of the books and supplies prorated under the regulatory formula to the tuition and fees it charges for the payment period when determining the amount of Title IV aid to credit to the student's account for that payment period and the amount to provide to the student as a credit balance.

Return of Title IV Funds Considerations

Unless an institution receives funds under the reimbursement or heightened cash management monitoring payment methods, a student or parent may provide an optional authorization for the institution to hold his or her Title IV credit balance refund under 34 CFR 668.165(b)(1)(ii). Under that authorization, the institution may retain Title IV funds in excess of the prorated amount. If this occurs and the student subsequently withdraws from a non-term program measured in either clock or credit hours, under 34 CFR 668.22(g)(3) the institution must use as "institutional charges" in Step 5 of the Return of Title IV Funds calculation, the greater of:

1. The prorated amount of the student's institutional charges as determined under 34 CFR 668.164(c)(5);
or
2. The amount of Title IV funds that the institution retained as of the student's withdrawal date, which may exceed the prorated amount as a result of the student or parent's authorization for the institution to retain those funds.

Additionally, when a student withdraws, the Department's longstanding guidance limits the amount of the Title IV aid that an institution must return to the Department for aid credited for certain types of unreturnable equipment, even if charges for such equipment would otherwise be considered an institutional charge under 34 CFR 668.164(c)(1)(i). When performing a Return of Title IV Funds calculation, an institution may exclude from institutional charges the total documented cost of unreturnable equipment and the documented cost of returnable equipment if not returned in good condition within 20 days of withdrawal. Note that the amount that may be excluded is the amount that the institution actually paid for the materials, not necessarily what it charged students to purchase them.

For a complete list of commonly asked questions, refer to the electronic announcement in its entirety at the following link: <https://ifap.ed.gov/eannouncements/030519Determiningproratedamtchgsasstwapytperiod.html>

For questions about the content of this announcement, the Department advises you to please contact Anthony Gargano by email at anthony.gargano@ed.gov. If you are a client of DJA, you may also contact your account representative and we will be happy to assist.



GUIDANCE CONCERNING SOME PROVISIONS OF THE 2016 BORROWER DEFENSE TO REPAYMENT REGULATION

On November 1, 2016, the Department of Education published [final regulations](#) concerning borrower defense to repayment and other related matters in the *Federal Register* (81 Fed. Reg. 75,926). The original effective date (July 1, 2017) of these regulations was delayed by the Department, but by order of the U.S. District Court for the District of Columbia in the case *Bauer et al. v. DeVos*, Civil Action No. 17-1330 (RDM) the 2016 Final Regulations took effect.

The Borrower Defense to Repayment Standard

The 2016 Final Regulations established a federal standard for borrower defense to repayment applications based upon judgments against institutions, breaches of contract by institutions, and substantial misrepresentations by institutions, in 34 C.F.R. § 685.222. This standard will be applied for borrower defense to repayment claims asserted as to loans first disbursed on or after July 1, 2017.

The Financial Responsibility Events, Actions, and Conditions

Among other things, the 2016 Final Regulations included revisions to the Department's regulations in 34 CFR 668.171, specifying the standards institutions must meet to be deemed financially responsible. The 2016 Final Regulations, in 34 CFR 668.171(h), require institutions to notify the Secretary within specified timeframes for any of the following events, actions, or conditions that occur on or after July 1, 2017. Cites below refer to the locations of the definitions of each event, condition, or action, which you may see in the [2016 Final Regulations](#), at 81 Fed. Reg. 76,073 to 76,074 (pages 148-149 of the linked pdf):

- *Debts, liabilities, and losses* (34 CFR 668.171(c)):
 - The institution has a debt or liability arising from a final judgment/determination (judicial or administrative proceeding) or from settlement.
 - A lawsuit against the institution is brought by a Federal or State authority after July 1, 2017, on claims related to the making of a Direct Loan or the provision of educational services, which has been pending for more than 120 days.
 - A lawsuit (other than the type already noted) against the institution is brought after July 1, 2017, where summary judgment motions have not been filed under certain circumstances or the institution's summary judgment motion has been denied.
 - The institution is required by its accrediting agency to submit a teach-out plan.
 - For an institution with a composite score less than 1.5, any withdrawal of owner's equity from the institution, unless the transfer is to an entity included in the affiliated entity group on whose basis the institution's composite score was calculated.
- *Non-Title IV revenue* (violation of the 90/10 requirement)(34 CFR 668.171(d)): If the institution did not derive at least 10 percent of its revenue from non-Title IV programs.
- *For publicly-traded institutions* (34 CFR 668.171(e)): Certain actions by the U.S. Securities and Exchange Commission ("SEC") or stock exchange on which the institution's stock is listed.
- *Discretionary factors or events* (34 CFR 668.171(g)):



- The institution has received a citation by a state licensing or authorizing agency for failing state or agency requirements.
- The institution has been placed on probation or issued a show-cause order by an accrediting agency for a failure to meet an agency standard.
- The institution has violated a provision or requirement in a loan agreement and there has been a default or delinquency under the agreement enabling the creditor to require an increase in collateral, a change in the contract, an increase in interest rates or payments, or other sanctions, penalties, or fees.

Notifications of Financial Responsibility Actions, Events, or Conditions Occurring Between July 1, 2017, and the Present

We recognize that some institutions may have had one or more of the events, actions, or conditions occur between July 1, 2017, and the date of this announcement and, in light of the delays and court orders, are uncertain about how to comply with these financial responsibility requirements.

For the majority of the financial responsibility standards addressing the debts, liabilities, and losses under 34 CFR 668.171(c), we recognize that the impact of such events will have been reflected in the institution's most recent financial statement submitted after July 1, 2017. As a result, an institution needs to submit a separate notification to the Department of the following events occurring after the fiscal year end for the most recent annual audit submission submitted to the Department:

- *Debts, liabilities, and losses*
 - The institution has a debt or liability arising from a final judgment/determination (judicial or administrative proceeding) or from settlement.
 - The institution is required by its accrediting agency to submit a teach-out plan.
 - For an institution with a composite score less than 1.5, any withdrawal of owner's equity from the institution.

For lawsuits, we will require institutions to notify the Department of:

- A lawsuit against the institution brought by a federal or state authority after July 1, 2017, on claims related to the making of a Direct Loan or the provision of educational services, which has been pending for more than 120 days and which is still pending as of the date of this announcement.
- A lawsuit (other than the type already noted) that is still pending as of the date of this announcement against the institution and was brought after July 1, 2017, where summary judgment motions have not been filed under certain circumstances or an institution's summary judgment motion has been denied.

For non-Title IV revenue (violations of the 90/10 requirement), an institution must notify the Department 45 days after the end of the institution's first fiscal year beginning on or after July 1, 2017.

For certain actions by the SEC or stock exchange on which the institution's stock is listed for publicly-traded institutions, institutions must notify the Department of all such events occurring after July 1, 2017.



For state licensing or authorizing agency citations and accreditor show-cause orders or accreditor-imposed probation status, institutions must notify the Department of all such events occurring after July 1, 2017, unless they have been resolved as of the date of this announcement.

For violations of a requirement in a loan agreement, institutions must notify the Department of all such events occurring after July 1, 2017.

Notifications should be sent to FSAFRN@ed.gov within 60 days of this electronic announcement.

Contact Information

We appreciate your diligence in maintaining compliance with the Title IV regulations. For help with notifications, please contact Tiffany Hill at Tiffany.Hill@ed.gov.

For additional provisions and guidance, please read the electronic announcement in its entirety at <https://ifap.ed.gov/eannouncements/030719GuidConcernProv2016BorrowerDefensetoRypmtRegs.html>.

UPCOMING ENHANCEMENTS TO FSA ID

On March 31, 2019, the Department will implement several enhancements to improve the FSA ID experience. These enhancements are part of the continuous improvement of Federal Student Aid (FSA) systems and are an important step toward realizing the vision for the Next Generation (Next Gen) Financial Services Environment.

The FSA ID—a user-created username and password—is required for students, parents, and borrowers to authenticate their identity and access their federal student aid information online. The websites and applications that use an FSA ID to log in are fafsa.gov, the myStudentAid mobile app, StudentLoans.gov, NSLDS Student Access, StudentAid.gov, the Application for Borrower Defense to Loan Repayment, and the Federal Student Aid Feedback System.

Refer to the sections below for more information about the FSA ID enhancements that will be implemented later this month.

Note: There is one exception to the March 31st implementation date. Implementation of these changes on the StudentLoans.gov website will occur during the period of April 5-7, 2019.

Log In with Verified Mobile Phone Number



Following implementation of this enhancement, FSA ID users will be able to log in with a verified mobile phone number as an alternative to a username. Currently, FSA ID users may log in with a username or verified email address. This enhancement recognizes that some FSA ID users may prefer the use of a mobile phone over email and provides greater flexibility for students, parents, and borrowers.

To take advantage of this new option, the user must first register his or her mobile phone number on the [FSA ID website](#) if he or she has not already done so. Approximately one third of all FSA ID accounts already include a verified mobile phone number.

The process to register a mobile phone number is as follows:

- When creating or updating an FSA ID account, the user will be asked if he or she wants to register a mobile phone number. If the user agrees, he or she will enter the mobile phone number. Note that for security purposes, a mobile phone number can only be associated with *one* FSA ID.
- To verify the number, a secure code will be texted to the mobile phone. The text may take a few minutes to arrive.
- The user must then enter the secure code within 30 minutes on the verification page on the FSA ID website and select “Submit.”
- Once the mobile phone number has been verified, it can be used to reset a password, retrieve a username, or unlock an FSA ID account. After implementation of this enhancement on the websites and applications that require an FSA ID, the verified mobile phone number can also be used to log in.

A user may choose to change the mobile phone number at any time by logging in to the [“Manage My FSA ID” page on the FSA ID website](#).

Additional Enhancements

Several other changes to the FSA ID website will be implemented to allow users to manage their FSA ID account more effectively, provide enhanced navigation, and strengthen security:

- Warn users who enter an email address domain type of .edu, .k12, .pvt, .tec, or .cc that they should include an email address to which they will not lose access (after graduation, etc.).
- Remove the 18-month password update requirement. A password change will be required only after a security event.
- Remove the requirement for special characters in an FSA ID password. However, we will allow additional special characters in the password field for users who wish to use special characters.
- Warn users when their account is about to be locked. The warning will indicate how many log-in attempts remain.

Additional, minor changes will be made to further improve the FSA ID user experience by streamlining processes and improving flow.

Contact Information



FSA ID information, tips, and a link to create an FSA ID are available at [StudentAid.gov/fsaid](https://studentaid.gov/fsaid). Please direct students, parents, and borrowers who have questions about the FSA ID to that page.

If additional help is needed, the user should contact the customer service center for the Federal Student Aid system he or she is trying to access. Each Federal Student Aid website that requires the FSA ID has a link to service center support, typically under “Help” or “Contact Us.”

<https://ifap.ed.gov/eannouncements/032019UpcomingEnhancementstotheFSAID.html>.

REPORT EVERY BREACH- CYBER SECURITY INFOGRAPHIC

As DJA has stressed in previous newsletters, it is imperative to follow the rules and regulations regarding Cyber Security that the DOE has published. In a most recent electronic announcement, FSA released an infographic designed to encourage financial aid professionals to report each and every breach.

Postsecondary institutions (PSI) that administer Title IV funds have a responsibility, per the Program Participation Agreement (PPA) and the Student Internet Gateway (SAIG) Agreement, to report each data breach that involves FSA data. This infographic reviews what constitutes a breach and where to report breaches when they occur.

PSI staff are encouraged to print the released infographic and post it in the institution work area and common areas in the financial aid office and the school’s information security office.

To access the infographic, review the electronic announcement at:
<https://ifap.ed.gov/eannouncements/032619ReportEachDataBreach.html>.

COMPLIANCE CORNER

STUDENT’S RIGHTS IN THE THIRD STEP VERIFICATION PROCESS FOR CITIZENSHIP STATUS

If the student’s immigration documentation appears to demonstrate that he is an eligible noncitizen, you must complete a third step verification request. You must allow the student at least 30 days from the time you receive the output document to provide documentation of his immigration status. During this period and until the results of the third step verification are received, you can’t deny, reduce, or terminate aid to him. Unless you can determine that the documentation doesn’t support an eligible noncitizen status, you must submit the student’s immigration documents within ten business days of receipt. If the documentation supports the student’s status as an eligible noncitizen, and if at least 15 business days passed since the date on which the



documentation was submitted to the USCIS, you can disburse aid to an otherwise eligible student pending the USCIS response.

Your school isn't liable if you erroneously conclude that a student is an eligible noncitizen, provided that you had no conflicting data on file and you relied on:

- A SAR or ISIR indicating that the student meets the requirements for federal student aid;
- A USCIS determination of an eligible immigration status in response to a request for third step verification; or
- Immigration status documents submitted by the student, if the USCIS did not respond in a timely fashion.

The student (or parent borrower of a PLUS loan) is liable for any FSA funds received if he is ineligible. If you made your decision without having one of the documents above, your school is held responsible for repaying FSA funds to the Department. Your school should establish procedures to ensure due process for the student if FSA funds are disbursed but the aid office later determines (using third step verification) that the student isn't an eligible noncitizen. The student must be notified of his ineligibility and given an opportunity to contest the decision by submitting to your school any additional documents that support his claim to be an eligible noncitizen. If the documents appear to support the student's claim, you should submit them to USCIS using third step verification. You must notify the student of your office's final decision based on the third step verification results.

For every student required to undergo third step verification, you must furnish written instructions providing:

- An explanation of the documentation the student must submit as evidence of eligible noncitizen status;
- Your school's deadline for submitting documentation (which must be at least 30 days from the date your office receives the results of the primary confirmation);
- Notification that if the student misses the deadline, he may not receive FSA funds for the award period or period of enrollment; and
- A statement that you won't decide the student's eligibility until he has a chance to submit immigration status documents.

For more information on the DHS SAVE System Third Step Verification Process read Volume 1 of the Handbook, pages 44-47 <https://ifap.ed.gov/fsahandbook/attachments/1819FSAHbkVol1Master.pdf>.



DJA CALENDAR

DJA MONTHLY WEBINARS

Satisfactory Academic Progress - Wednesday, April 10, 2019: 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

APR 10	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

ANNUAL DJA FINANCIAL AID TRAINING APRIL 2019

Be sure to mark your calendar for the Spring DJA Financial Aid Training Session, tentatively scheduled for Monday, April 29, 2019! We are in the process of working out the details with 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.

Here is a sneak peak of the agenda:



- Preview – DJA Financial Aid Management Software
- Regulation Updates
- 2019/2020 FAFSA Changes & Verification
 - Reviewing Tax Returns/ Tax Transcripts/ Non-filing
- R2T4 and Documented Costs
- NSLDS and ERR Reporting
- Cybersecurity
- Misrepresentation
- Eligibility and Certification Approval Report (ECAR)

Upon returning from lunch, DJA will be hosting a special guest speaker, Eileen Keller, Partner with Salmon, Sims, Thomas & Associates, PLLC. Eileen is an expert in her field and will present information on the new accounting regulations (lease payments), financial ratios and the 90/10 calculation. We are very excited to have Eileen share her knowledge in these areas.

***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.

