



AUGUST 2022 NEWSLETTER

IMPORTANT DATES:

August 10

DJA Webinar
Entrance and Exit Counseling
11:00 a.m. CDT

August 15

Deadline to Submit 2020-21
Campus-Based Reallocation
Form

September 5 - DJA Closed



September 10

Corrections Deadline for 21/22
ISIRS

September 14

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

September 17

Constitution Day

September 30

Deadline to Post 21/22 Pell Disb.

October 1

FISAP Submission Deadline

October 1

Annual Security Report Deadline

IN THIS ISSUE:

- Verification Process for 23/24
- Information on the Reallocation Process
- StudentAid.Gov Updates and Modifications
- NSLDS Professional Access Launches NEW Website
- Recent Releases Made by FSA
- Compliance Corner
- DJA Calendar

In this edition of the DJA Monthly Newsletter, we discuss the recent announcement regarding the verification process for the 23/24 award year. Essentially there are no changes; however, the Department anticipates the regulations for Confined or Incarcerated Students to be effective July 2023 and will be sharing more information on that as it comes .

Additionally, this edition covers several impending deadlines that are on the horizon. The deadline to submit the Campus-Based Reallocation form is quickly approaching on August 15th. We also anticipate the FISAP Reporting Instructions will be released early this month; beware of the looming deadline of October 1st to complete your submission.

Also this past month, StudentAid.gov released several updates and modifications and reminds users that the mobile app is completely retired. On July 25th, NSLDS Professional Access launched a modernized website. We have included key features and training videos on how to navigate the new site.

In our Compliance Corner, we review the Guidance and Procedures for Institutions seeking approval of a request to change or add Accrediting Agencies. The Department has recently received an influx of inquiries on the topic and addressed it in two Electronic Announcements published in July.

As we review the calendar of impending deadlines, please note the Annual Security Report is due on October 1st of each year. Noncompliance with the Annual Security Report regulations continue to be a frequent finding in program reviews. DJA clients were privy to a webinar training on this last month as part of our Monthly Webinar Series covering important industry regulations and compliance standards. If you would be interested in taking advantage of all DJA has to offer, I invite you to reach out to our Director of Client Services, Kristi Cole to review all of the ways DJA can assist your institution with its financial aid needs.

DJA will be closed Monday, September 5th in observance of Labor Day. Have an all play, no work and very relaxing weekend!

*Thank you and until next time, stay safe!
Deborah John, President*



DEAR COLLEAGUE CONFIRMS VERIFICATION PROCESS FOR THE 23/24 AWARD YEAR WILL REMAIN THE SAME AS THOSE IN THE 22/23 AWARD YEAR

On July 8, 2022, a [Federal Register notice \(Vol. 87, No. 130 p. 40826\)](#) was published announcing the 2023–2024 *Free Application for Federal Student Aid* (FAFSA) verification items for applicants selected by the Department as well as the acceptable documentation for those items. As specified in the *Federal Register* notice, the 2023-2024 Verification Tracking Groups, FAFSA items that may be verified, and the acceptable documentation for those items are the same as those in the 2022-2023 award year. In addition, the [Electronic Announcement \(EA\)](#) published on January 15, 2021, provides the COVID-19 flexibilities and waivers relating to verification. The COVID-19 flexibilities are intended to be utilized only when necessary due to an inability of an applicant to meet normal verification requirements due to circumstances related to COVID-19. Any additional flexibilities will be announced in future publications.

FAFSA Information to be Verified 23/24 Award Year and Acceptable Documentation

Income information for tax filers: a. Adjusted Gross Income (AGI) b. U.S. Income Tax Paid c. Untaxed Portions of IRA Distributions and Pensions d. IRA Deductions and Payments e. Tax Exempt Interest Income f. Education Credits

Acceptable Documentation

- 1) 2021 tax account information of the tax filer that the Secretary has identified as having been obtained from the Internal Revenue Service (IRS) through the IRS Data Retrieval Tool and that has not been changed after the information was obtained from the IRS;
- (2) A transcript ¹ obtained at no cost from the IRS or other relevant tax authority of a U.S. territory (Guam, American Samoa, the U.S. Virgin Islands) or commonwealth (Puerto Rico and the Northern Mariana Islands), or a foreign government, that lists 2021 tax account information of the tax filer; or
- (3) A copy of the income tax return ¹ and the applicable schedules ¹ that were filed with the IRS or other relevant tax authority of a U.S. territory, or a foreign government that lists 2021 tax account information of the tax filer.

Income information for tax filers with special circumstances: a. Adjusted Gross Income (AGI) b. U.S. Income Tax Paid c. Untaxed Portions of IRA Distributions and Pensions d. IRA Deductions and Payments e. Tax Exempt Interest Income f. Education Credits

Acceptable Documentation

- (1) For a student, or the parent(s) of a dependent student, who filed a 2021 joint income tax return and whose income is used in the calculation of the applicant's expected family contribution and who at the time the FAFSA was completed was separated, divorced, widowed, or married to someone other than



the individual included on the 2021 joint income tax return— (a) A transcript obtained from the IRS or other relevant tax authority that lists 2021 tax account information of the tax filer(s); or (b) A copy of the income tax return and the applicable schedules that were filed with the IRS or other relevant tax authority that lists 2021 tax account information of the tax filer(s); and (c) A copy of IRS Form W-2² for each source of 2021 employment income received or an equivalent document.²

(2) For an individual who is required to file a 2021 IRS income tax return and has been granted a filing extension by the IRS beyond the automatic six-month extension for tax year 2021— (a) A copy of the IRS's approval of an extension beyond the automatic six-month extension for tax year 2021;³ (b) Verification of non-filing⁴ from the IRS dated on or after October 1, 2022; (c) A copy of IRS Form W-2² for each source of 2021 employment income received or an equivalent document;² and (d) If self-employed, a signed statement certifying the amount of AGI and U.S. income tax paid for tax year 2021.

Note: An institution may require that, after the income tax return is filed, an individual granted a filing extension beyond the automatic 6-month extension submit tax information using the IRS Data Retrieval Tool, by obtaining a transcript from the IRS, or by submitting a copy of the income tax return and the applicable schedules that were filed with the IRS that lists 2021 tax account information. When an institution receives such information, it must be used to reverify the income and tax information reported on the FAFSA.

(3) For an individual who was the victim of IRS tax-related identity theft— (a) A Tax Return DataBase View (TRDBV) transcript¹ obtained from the IRS; and (b) A statement signed and dated by the tax filer indicating that he or she was a victim of IRS tax-related identity theft and that the IRS has been made aware of the tax-related identity theft.

Note: Tax filers may inform the IRS of the tax-related identity theft and obtain a TRDBV transcript by calling the IRS's Identity Protection Specialized Unit (IPSU) at 1-800-908-4490. Unless the institution has reason to suspect the authenticity of the TRDBV transcript provided by the IRS, a signature or stamp or any other validation from the IRS is not needed.

(4) For an individual who filed an amended income tax return with the IRS, a signed copy of the IRS Form 1040X that was filed with the IRS for tax year 2021 or documentation from the IRS that include the change(s) made to the tax filer's 2021 tax information, in addition to one of the following— (a) IRS Data Retrieval Tool information on an ISIR record with all tax information from the original 2021 income tax return; (b) A transcript obtained from the IRS that lists 2021 tax account information of the tax filer(s); or (c) A signed copy of the 2021 IRS Form 1040 and the applicable schedules that were filed with the IRS.



Income information for non-tax filers: Income earned from work**Acceptable Documentation**

For an individual who has not filed and, under IRS or other relevant tax authority rules (e.g., the Republic of the Marshall Islands, the Republic of Palau, the Federated States of Micronesia, a U.S. territory or commonwealth or a foreign government), is not required to file a 2021 income tax return—

- (1) A signed statement certifying— (a) That the individual has not filed and is not required to file a 2021 income tax return; and (b) The sources of 2021 income earned from work and the amount of income from each source;
- (2) A copy of IRS Form W-2² for each source of 2021 employment income received or an equivalent document²; and
- (3) Except for dependent students, verification of non-filing⁴ from the IRS or other relevant tax authority dated on or after October 1, 2022.

Number of Household Members**Acceptable Documentation**

A statement signed by the applicant and, if the applicant is a dependent student, by one of the applicant's parents, that lists the name and age of each household member for the 2023-2024 award year and the relationship of that household member to the applicant.

Note: Verification of number of household members is not required if— • For a dependent student, the household size indicated on the ISIR is two and the parent is single, separated, divorced, or widowed, or the household size indicated on the ISIR is three if the parents are married or unmarried and living together; or • For an independent student, the household size indicated on the ISIR is one and the applicant is single, separated, divorced, or widowed, or the household size indicated on the ISIR is two if the applicant is married.

Number in College**Acceptable Documentation**

- (1) A statement signed by the applicant and, if the applicant is a dependent student, by one of the applicant's parents listing the name and age of each household member, excluding the parents, who is or will be attending an eligible postsecondary educational institution as at least a half-time student in the 2023-2024 award year in a program that leads to a degree or certificate and the name of that educational institution.



(2) If an institution has reason to believe that the signed statement provided by the applicant regarding the number of household members enrolled in eligible postsecondary institutions is inaccurate, the institution must obtain documentation from each institution named by the applicant that the household member in question is, or will be, attending on at least a half-time basis unless— (a) The applicant's institution determines that such documentation is not available because the household member in question has not yet registered at the institution the household member plans to attend; or (b) The institution has documentation indicating that the household member in question will be attending the same institution as the applicant.

Note: Verification of the number of household members in college is not required if the number in college indicated on the ISIR is “1.”

Identity/Statement of Educational Purpose

Acceptable Documentation

- (1) An applicant must appear in person and present the following documentation to an institutionally authorized individual to verify the applicant's identity: (a) An unexpired valid government-issued photo identification⁵ such as, but not limited to, a driver's license, non-driver's identification card, other State-issued identification, or U.S. passport. The institution must maintain an annotated copy of the unexpired valid government-issued photo identification that includes— i. The date the identification was presented; and ii. The name of the institutionally authorized individual who reviewed the identification; and (b) A signed statement using the exact language as follows, except that the student's identification number is optional if collected elsewhere on the same page as the statement:

Statement of Educational Purpose I certify that I _____ am(Print Student's Name),the individual signing this Statement of Educational Purpose and that the Federal student financial assistance I may receive will only be used for educational purposes and to pay the cost of attending _____ for 2023-2024.(Name of Postsecondary Educational Institution)

_____ (Student's Signature) _____ (Date) _____ (Student's ID Number)

- (2) If an institution determines that an applicant is unable to appear in person to present an unexpired valid government-issued photo identification and execute the Statement of Educational Purpose, the applicant must provide the institution with— (a) A copy of an unexpired valid government-issued photo identification,⁵ such as, but not limited to, a driver's license, non-driver's identification card, other State-issued identification, or U.S. passport that is acknowledged in a notary statement or that is presented to a notary; and (b) An original notarized statement signed by the applicant using the exact language as follows, except that the student's identification number is optional if collected elsewhere on the same page as the statement:

Statement of Educational Purpose I certify that I _____ am (Print Student's Name) the individual signing this Statement of Educational Purpose and that the Federal student financial assistance I may



receive will only be used for educational purposes and to pay the cost of attending _____ for 2023-2024. (Name of Postsecondary Educational Institution)

_____ (Student's Signature) ____ (Date) _____ (Student's ID Number)

Confined or Incarcerated Students

The Consolidated Appropriations Act, 2021 added section 484(t) to the Higher Education Act of 1965, as amended (HEA) to formally establish Pell Grant eligibility for confined or incarcerated students, as long as they are enrolled in a prison education program as defined under the HEA. The Department is currently in the process of establishing regulations to implement the statutory requirements. FSA anticipates that the regulations will be effective July 1, 2023.

For the 2023-24 award year, a confined or incarcerated student as indicated through the new incarcerated applicant flag will only be required to verify their identity and statement of educational purpose. This means incarcerated students selected for Verification Tracking Group V4 and V5 will only be required to verify their identity and submit a statement of educational purpose. In addition, institutions are not required to verify a confined or incarcerated student selected under Verification Tracking Flag “V1.”

For more information on how the Department will update systems to account for confined or incarcerated student enrollment please see the Summary of Changes to the Application System (SCAPS) Guide for the 2023-24 award year once available in the [Knowledge Center](#).

[2023–2024 Award Year: FAFSA Information to be Verified and Acceptable Documentation | Knowledge Center](#)

[Federal Register :: Free Application for Federal Student Aid \(FAFSA®\) Information to be Verified for the 2023-2024 Award Year](#)

INFORMATION ABOUT THE REALLOCATION PROCESS, THE 21-22 CAMPUS-BASED REALLOCATION FORM, AND THE PROCESS TO REQUEST SUPPLEMENTAL FWS FUNDS FOR 2022-23

The deadline date by which a school must electronically submit its 2021-22 Campus-Based Reallocation Form is Monday, August 15, 2022. With that in mind, FSA released an Electronic Announcement last month outlining the reallocation process.

Schools use the reallocation process to release unexpended portions of their 2021–22 allocations in the Federal Work-Study (FWS) and/or Federal Supplemental Educational Opportunity Grant (FSEOG) programs or to request supplemental 2022–23 FWS funds that will be used to employ students in community service jobs.



Each school should carefully examine its current expenditures under the FWS and FSEOG programs to determine whether there will be any unexpended funds available from 2021–22 allocations. As a reminder, per the guidance issued in a [Jan. 15, 2021 Electronic Announcement](#) (Publication in the *Federal Register* of updated waivers and modifications of statutory and regulatory provisions under the *HEROES Act*), schools may continue to transfer up to 100% of any unexpended FWS allocation to FSEOG through the end of the payment period that includes the last date the national emergency is in effect.

Schools that will have unspent funds should complete the Campus-Based Reallocation Form as described below. Unexpended 2021–22 funds will be used to provide supplemental FWS and/or FSEOG funds in 2022–23 to other eligible schools, but only if unexpended funds are reported by the deadline.

Completing the Campus-Based Reallocation Form

The Campus-Based Reallocation Form must be completed if

- A school does not intend to spend its entire **2021–22 FWS or FSEOG** allocation; or
- A school wants to request supplemental **2022-23 FWS** funds that will be used only for the purpose of employing students in community service jobs **and** the school had an FWS fair share shortfall as shown on line 28 of the school's 2022–23 final funding worksheet.

The Campus-Based Reallocation Form must be submitted electronically via the COD website once it becomes available. To submit the Campus-Based Reallocation Form:

1. Log into the [COD website](#).
2. From the “School” tab, select “Campus-Based Syst” from the left navigation menu.
3. Select “Forms and Waivers” from the left navigation menu, then click on “Manage Application.”
4. Click on the “Create” button next to the Campus-Based Reallocation Form to begin to edit and submit.

The 2021–22 Campus-Based Reallocation Form will become available on Aug. 1, 2022.

Reallocation Process and Impact to Minimum 7% Community Service Expenditure of the FWS Federal Funds

Generally, FWS federal funds released on the Campus-Based Reallocation Form by the deadline date are not included in the calculation of the requirement to spend at least 7% of the FWS allocation to pay the federal share of compensation to students employed in community service positions. However, per the guidance issued in the [Jan. 15, 2021 Electronic Announcement](#), the FWS community service requirements have been waived for all participating schools for the 2021–22 award year.

[Information about the Reallocation Process, the 2021-22 Campus-Based Reallocation Form, and the Process to Request Supplemental Federal Work-Study Funds for 2022–23 | Knowledge Center](#)

STUDENTAID.GOV ENHANCEMENTS AND MODIFICATIONS STARTING JULY 2022

On July 10, 2022, FSA released an Electronic Announcement sharing additional updates to [StudentAid.gov](https://studentaid.gov). The new features are designed to improve the information and self-service tools available to customers. These updates continue Federal Student Aid's (FSA's) commitment to improve customer experiences and outcomes through ongoing modernization of our technology, tools, and resources.

Updated Features on StudentAid.gov

These features were added or updated with this release.

- **Two-Step Verification** – This process requires customers to provide two or more pieces of information to verify their identity when logging in to StudentAid.gov. Customers will use their username and password (FSA ID) and will also need to provide a secure code that is provided to the user by text, email, or through an authenticator app.

As of July 10, all new customers (users creating an account for the first time) were required to set up one or more two-step verification methods (text, email, or authenticator app) as part of the “Create an Account” process. Existing customers will have the option to add two-step verification to their account in “Settings.” Once one or more two-step verification methods are set up, the customer will receive a secure code each time he or she logs in to StudentAid.gov.

Beginning in November 2022, existing customers will be required to set up two-step verification during the log-in process if they have not already done so. This requirement will be implemented on a rolling basis to minimize impacts to customers and contact centers. Additional information will be provided in the fall.

Federal Student Aid contact centers are prepared to assist users with questions about the new process. In addition, the Aidan® virtual assistant has been updated to include information about two-step verification.

- **Public Service Loan Forgiveness (PSLF) Employer Search** – a new PSLF Employer Search was added which allows customers to search for qualifying PSLF employers without logging in to the PSLF Help Tool. The PSLF Employer Search provides easy-to-follow prompts and guides users through the process to determine if their employer qualifies for PSLF. Users will receive a message about next steps if their employer qualifies for PSLF, does not qualify for PSLF, or isn't listed in the database.

The employer search functionality is accessible to any user on StudentAid.gov, regardless of whether the user is logged in to the site or not. The link for the PSLF Employer Search is [StudentAid.gov/pslf/employer-search](https://studentaid.gov/pslf/employer-search).

- **Additional Website Updates** – Modifications and improvements were made to several features across the website including:
 - Aidan® virtual assistant
 - Borrower defense application experience
 - Income-driven repayment (IDR) plan landing page
 - *Master Promissory Note (MPN)*



- *PLUS Application*
- Status Center
- StudentAid.gov home page and search functionality
- “Submit a Complaint”
- Total and Permanent Disability forms

As shared in last month’s newsletter, the myStudentAid mobile app was retired on June 30, 2022 (see a [separate announcement posted on June 28, 2022](#)). As of July 10, 2022, the myStudentAid mobile app is no longer available in the app stores.

Additional Features and Enhancements Continuing in 2022

Throughout 2022, FSA will continue to add tools and enhance current features to improve customers’ understanding of and interactions with the *Title IV* programs. Details about new tools and features will be provided in forthcoming Electronic Announcements posted on the FSA Partner Connect Knowledge Center.

[StudentAid.gov Enhancements and Modifications Starting July 2022 | Knowledge Center](#)

NSLDS PROFESSIONAL ACCESS LAUNCHES MODERNIZED WEBSITE

On July 25, 2022, National Student Loan Data System (NSLDS®) Professional Access launched a modernized website, available for Federal Student Aid’s (FSA’s) professional partners.

The updated NSLDS Professional Access features a user interface that includes the following:

- An enhanced look and feel that makes it easier for users to navigate the most used functionality.
- An improved user experience that provides a comprehensive overview of a recipient’s total financial aid history in one central location.
- A simple, easy-to-read breakdown of a borrower’s aggregate loan amounts.
- Enhanced access to a student's current and future grant information that is synchronized with information from the Common Origination and Disbursement (COD) System. This feature eliminates the need to toggle between the two systems to access complete grant information.
- A simplified process for most reports that allows users to download reports directly to their desktop without using their Student Aid Internet Gateway (SAIG) mailbox.

NSLDS Professional Access Training Videos

A library of brief training videos has been made available to provide users with a high-level review of key features of the NSLDS Professional Access website. A narrated walk-through of frequently used functionality is available for such topics as the Aid Recipient tab, the Financial Aid Dashboard, the Enrollment tab, and Reports. Viewers may pause, rewind, or replay each video to better understand the website’s new look and feel and menu presentation.



To view the complete list of topics and to access the library of training videos, follow the instructions below:

- 1) Log into the FSA Training Center (fsatraining.ed.gov).
Note: If you do not have a username and password for the FSA Training Center, select "Create new account" at the bottom of the login page and follow the instructions to create a username and password.
- 2) From the main menu bar, choose "Systems Training."
- 3) Select "NSLDS Training."
- 4) Training videos are grouped based on the intended audience or functionality (e.g., Schools, Servicers and/or Guaranty Agencies, and Schedules and Reports).
- 5) Select the title of the video you want to view and then the play button to watch the video.
- 6) If you have questions about accessing the training, please contact helpdesk.fsatraining@ed.gov.

NSLDS Online Reporting Tools—Spreadsheet Submittal Templates

A spreadsheet submittal template is one of the online reporting methods that schools and other partners use to supply data (such as enrollment or loan discharge information) to NSLDS. Each submittal template is designed to be used with a columnar spreadsheet application and allows a user to upload and submit a large amount of data at one time. After the user adds the information to the spreadsheet, it is then uploaded and transferred to the NSLDS Professional Access website.

With the modernized NSLDS Professional Access website, updated spreadsheet submittal templates are available on the new website. These updated spreadsheets must be used going forward. Earlier versions or user-created versions of the spreadsheets will not work with the updated website.

If you use one of the spreadsheet submittal templates to report to NSLDS, please review the updated tools on the NSLDS Professional Access website under the Template Downloads section of the home page. If you have questions, please contact the NSLDS Customer Support Center.

NSLDS Professional Access Reports and New Guide for Schools

The [NSLDS Reports for Schools Guide](#) provides detailed information to help school users better understand the reports that are available, the various report formats, and how to request each type of report.

The *NSLDS Reports for Schools Guide* is now available on the [Knowledge Center](#), in the NSLDS User Resources area.



Several key points to highlight about NSLDS reports with the modernized NSLDS Professional Access website are:

- NSLDS users with existing scheduled reports will not need to reestablish these schedules, as they will be carried over to the new system.
- NSLDS users will access their available reports and may update their report schedules using the Cognos Reporting Tool. This tool is accessed directly from the Reports tab on the NSLDS Professional Access website. For more information, refer to Section 3: Cognos Reporting in the [NSLDS Reports for Schools Guide](#).
- In the current system, NSLDS reports have a Report ID for each version of the same report, based on what type of user requests the report. In the new system, all versions will be under one Report ID. Users looking for the “02” version of a report will find it under the “01” version.
- There are no changes to record layouts for NSLDS reports or to Student Aid Internet Gateway (SAIG) message classes.

Important Information for NSLDS Enrollment Functionality

The enrollment functionality in NSLDS Professional Access is still being finalized. A few key pieces of information to highlight for users:

- FSA continues to convert NSLDS Enrollment History and users may temporarily see incomplete data on the website. This conversion will be resolved within the coming week.
- As of 07/25, enrollment reporting is currently on hold, including online reporting. If users submit enrollment information to NSLDS before enrollment functionality is fully operational, those submissions will be held. When enrollment functionality is operational, users will receive responses from NSLDS to their enrollment reporting submissions.
- NSLDS reports related to enrollment are currently unavailable. The enrollment reports targeted to be available on July 25, as described in the July 22, 2022 Electronic Announcement, are anticipated to be available in the near future.
- Until NSLDS enrollment functionality is fully operational, all NSLDS enrollment reporting compliance notifications are suspended. Once ready to resume notifications, a forthcoming announcement will be made.
- Refer to the “Additional Resources” section below for information about the forthcoming availability of the NSLDS Enrollment Reporting Guide.

Additional Resources

As this was a new announcement at the time of this newsletter publication, we anticipate FSA will provide additional user resources for the enhanced NSLDS Professional Access, including an updated NSLDS Enrollment Reporting Guide. This guide, published annually on the Knowledge Center website, provides step-by-step instructions for NSLDS enrollment reporting. The updated guide will include visuals to assist users with the website’s new look and feel.



Monitor the Knowledge Center website for announcements of the availability of the NSLDS Enrollment Reporting Guide and other resources.

Note: FSA will continue to update NSLDS user resources, including user guides and documentation. For a period, some resources will contain images and instructions that do not correspond to the updated website. However, in most cases users may continue to refer to the guide or reference until an updated version is available because the resource describes an existing process that has not changed. Please contact the NSLDS Customer Support Center using the contact information below if you have questions about a particular user resource.

Contact Information

If you have questions, please contact the NSLDS Customer Support Center at 1-800-999-8219 or nsls@ed.gov.

[NSLDS Professional Access – Modernized Website Now Available \(Updated July 27, 2022\) | Knowledge Center](#)

[NSLDS Professional Access – Additional Information to Prepare for Upcoming Launch of Modernized Website | Knowledge Center](#)

[NSLDS Professional Access – Information About NSLDS Reports and Other Reminders for Launch of Modernized Website \(Updated July 25, 2022\) | Knowledge Center](#)

COMPLIANCE CORNER

GUIDANCE AND PROCEDURES FOR INSTITUTIONS SEEKING TO CHANGE OR ADD ACCREDITING AGENCIES

The Department has recently received several inquiries regarding the standards and procedures for an institution seeking to change its primary accrediting agency or obtain multiple accreditations. As a result, they released an Dear Colleague Letter to reiterate the statutory and regulatory standards and to provide examples of factors Federal Student Aid (FSA) may consider in determining whether an institution has provided sufficient materials demonstrating reasonable cause for changing or adding an accrediting agency.

Guidance

Under section 496(h) of the Higher Education Act of 1965, as amended, (HEA) (20 U.S.C. 1099b(h)), an institution seeking to change its accrediting agency must submit to FSA all materials relating to the prior



accreditation and materials demonstrating reasonable cause for changing the accrediting agency. This requirement helps prevent an erosion of accrediting agency standards and provides critical protections for students and taxpayers by ensuring that institutions do not switch accrediting agencies simply to evade accountability, avoid open inquiries, or seek approval from an agency with less rigorous or easier-to-meet standards.

The Department has implemented this statutory requirement via [34 CFR § 600.11\(a\)](#), which requires an institution to provide all materials related to its prior accreditation or pre-accreditation, to provide materials demonstrating reasonable cause for changing its accrediting agency, and to receive the Department's approval prior to switching accrediting agencies. In this announcement, the Department is further detailing its expectations and requirements to ensure that institutions are aware of the standards to which they will be held if they seek to change their accrediting agency-of-record with FSA and/or maintain accreditation with multiple institutional agencies. Institutions are reminded that, in evaluating an institution's demonstration of reasonable cause for doing so, the Department will consider the institution's history of compliance, past accrediting agency actions, open inquiries, and the rationale provided, as described further in this guidance.

Reasonable Cause

To carry out its responsibilities under [34 CFR § 600.11](#), FSA must make a reasonable cause determination. Under [§ 600.11](#)(a) and (b), except in the circumstances described in the following paragraph, FSA will **not** determine an institution's cause to be reasonable if the institution:

- Has had its accreditation withdrawn, revoked, or otherwise terminated for cause during the preceding 24 months, unless such withdrawal, revocation, or termination has been rescinded by the same accrediting agency.
- Has been subject to a probation or equivalent, show cause order, or suspension order during the preceding 24 months.

Notwithstanding the foregoing, under [34 CFR § 600.11](#), FSA may determine the institution's cause for changing its accrediting agency to be reasonable under such circumstances if the existing agency did not provide the institution its due process rights as defined in [34 CFR § 602.25](#), the agency applied its standards and criteria inconsistently, or if the adverse action or show cause or suspension order was the result of an agency's failure to respect an institution's stated mission, including religious mission. Further, FSA may determine the institution's cause for seeking multiple accreditations to be reasonable if the institution's primary interest in seeking multiple accreditations is based on its geographic area, program area focus, or mission.

In all other cases, in making a reasonable cause determination, FSA must review the specific circumstances of the institution, which may include the institution's past history of compliance with the requirements of its accrediting agency, the Department, or other oversight agencies; the institution's financial stability; and other information about the institution available to FSA. FSA may consider factors such as the following when evaluating a proposed change in accrediting agencies (or an application to have more than one institutional accrediting agency):

1. The institution's stated reason for the proposed change or multiple accreditations.



2. Whether the institution is seeking to change accrediting agencies or multiple accreditations to lessen oversight or rigor, evade inquiries or sanctions, or the risk of inquiries or sanctions by its existing accrediting agency.
3. Whether the proposed change of agencies or multiple accreditations would strengthen institutional quality.
4. Whether the institution is seeking to change agencies or seeking multiple accreditations because the new agency and its standards are more closely aligned with the institution's mission than the current accrediting agency.
5. Whether the proposed change or addition involves an accrediting agency that has been subject to Department action.
6. Whether, if ultimately approved by the Department and the accrediting agency, the institution's membership in the accrediting agency would be voluntary, as required for recognition of the accrediting agency under [34 CFR § 602.14\(a\)](#).

The Department sent a letter to federally recognized institutional accrediting agencies further detailing the significance of voluntary membership in accrediting decisions as required under [34 CFR § 602.14\(a\)](#). That letter is available at the Office of Postsecondary Education's [website](#).

As part of its reasonable cause determination, FSA may request records from the institution's current accrediting agency. In all cases, it is incumbent on the institution to provide sufficient evidence to demonstrate the reasonableness of the requested change.

Procedures

In a previous [Electronic Announcement](#) published Aug. 5, 2016, the Department reminded institutions of the requirements for seeking FSA approval of a change of primary accrediting agency, including the documentation an institution must submit to FSA in support of a request to change a primary accrediting agency. The Department also specified the procedures for submitting such documentation. This communication updates the procedures for submitting documentation to change or add an accrediting agency by requiring an institution to submit the required documentation to the Department **prior to** submitting an application to a new accrediting agency.

Accordingly, this communication revokes and supersedes the Aug. 5, 2016, announcement. To the extent institutions have begun the process of changing or adding an accrediting agency and relied on the 2016 EA, they must immediately inform the Department consistent with the procedures described below.

Under [34 CFR § 600.11\(a\)](#) and [\(b\)](#), respectively, the Secretary does "not recognize the accreditation or pre-accreditation" of an institution "that is *in the process* of changing accrediting agencies" or that is accredited or pre-accredited "by more than one accrediting agency" unless the institution provides the Department information demonstrating "reasonable cause" for changing or adding accrediting agencies and receives Department approval. Therefore, to ensure that an institution maintains recognition of its accreditation or pre-accreditation under 34 CFR § 600.11, an institution must provide the required information and obtain the Department's approval **prior to** submitting an application to a new accrediting agency. The Department believes that these procedures are in better alignment with the requirements of 34 CFR § 600.11, will provide

clarity to institutions and afford them earlier information about Department approval, and will help protect institutions from an inadvertent loss of Title IV eligibility.

Accordingly, an institution must take the following steps to change its primary accrediting agency or add a new accrediting agency:

1. **Prior to submitting an application to the new accrediting agency**, the institution must notify FSA in writing of its intent to change its primary accrediting agency or add a new accrediting agency. With its notification, the institution must submit to FSA documentation of its current accreditation and materials demonstrating reasonable cause for changing or adding an accrediting agency. Institutions should submit this notification and related documentation via email to CaseTeams@ed.gov with a subject line that reads “Notification Regarding Accreditation.” An institution should include with this notification the materials required by 34 CFR § 600.11(a)(1), for a change of primary accrediting agencies, or 600.11(b)(1) through (3), for multiple accrediting agencies, including:
 - a. The name of the institution’s current primary accrediting agency;
 - b. The status of the institution’s current recognition over the last 24 months;
 - c. The new agency from which the institution is seeking accreditation; and
 - d. The reason the institution is seeking the change.
2. Prior to submitting its application to the new accrediting agency, an institution must receive notification from FSA that the institution (a) has provided all the required documentation, (b) has demonstrated reasonable cause for changing its primary accrediting agency or for maintaining accreditation by multiple agencies, and (c) has the Department’s approval under 34 CFR § 600.11.
3. Once the institution has received the notification from FSA described in Step 2 **and has secured new accreditation** (or, for nonprofit or public institutions, preaccreditation by an agency that is recognized by the Department to grant preaccreditation status), it must formally notify FSA of the new accreditation in the online electronic application (E-App) and update the “primary accretor” indicator if it is changing. The institution should include documentation of its accreditation or preaccreditation by the new agency as part of the supporting information it provides to FSA through the E-App process.

An institution should not drop its association with its current accrediting agency until after (a) the Department has approved the institution’s request to change its primary accrediting agency or add an accrediting agency, (b) the new agency has granted accreditation to the institution, and (3) the Department has provided written notice that it acknowledges the new accrediting agency as the institution’s primary accrediting agency or the multiple accreditations. Failure to comply with these procedures may result in the institution’s accreditation status not being recognized by the Secretary and could result in a loss of Title IV eligibility.

Contact Information

For more information, please contact the Department at CaseTeams@ed.gov.

[Guidance for Institutions Seeking to Change or Add Accrediting Agencies | Knowledge Center](#)

[Procedures for Institutions Seeking Approval of a Request to Change or Add Accrediting Agencies | Knowledge Center](#)

CONSTITUTION DAY - FRIDAY, SEPTEMBER 17, 2022

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.

The U.S. Department of Education does not mandate or prescribe particular curricula or lesson plans. Check out these links for valuable information as well as fun unique ideas for programs. These examples of resources contain links to learning resources created and maintained by other public and private organizations. This information is provided for your convenience and as examples of resources on Constitution Day that you might find helpful.



<https://www.constitutionfacts.com/index.cfm>
<https://www.constitutionday.cc/>



<http://www.aascu.org/programs/adp/constitutionday/>

AMERICAN DEMOCRACY PROJECT

Constitution Day Planning Guide

<http://www.nytimes.com/ref/college/collegespecial2/coll-constitutionday.html?mcubz=1>



<http://www.constitutionday.com/>

DJA CALENDAR

Monthly DJA Webinar: *Entrance and Exit Counseling* —Wednesday, August 10, 2022 at 10 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 \$45 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 Renee Ford at rford@gotodja.com. After registering, you will receive the log-in information. Questions can be directed to Renee by email or by calling toll free at 1-800-242-0977.



2022 DJA MONTHLY WEBINAR SCHEDULE

AUG 10	Entrance and Exit Counseling
SEPT 14	Cash Management
OCT 6	Enrollment Reporting Using NSLDS
NOV 3	Program Integrity (Audits, Program Review)
DEC 1	1098-T Reporting

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.

