

MARCH 2022 NEWSLETTER

IMPORTANT DATES:

March 1

Application for Participation in the Work Colleges Program Due

March 8

Opening of Appeals Process for FYI 2019 CDR

March 9

FSA Wednesday Webinar Series: Professional Judgment
12:00 p.m. CST

March 10

DJA Webinar: Administrative Capability
11:00 a.m. CST

March 13– Don't forget!



March 18

Deadline to Complete UEI Registration to Avoid Disruption in G5 and Title IV processing

IN THIS ISSUE:

- In the News: President Budget Extends the National Emergency Declaration
- Cohort Default Rates Released
- DL Closeout for 20/21
- Final UEI Registration and the Transition from DUNS to UEI
- Notice of the Draft 23-24 FSA Application Materials
- Compliance Corner: Cybersecurity Update on the Rise in Ransomware
- DJA Calendar

Last month, President Biden announced an extension of the national emergency declared for the COVID-19 pandemic. In this newsletter, we outline what flexibilities will be affected by this postponement.

Additionally, the FY 2019 3-year draft cohort default rates were released in late February. These draft rates are released to give you a chance to review and challenge any data that you feel is incorrect. You have 45 days from the release of the draft rates to submit a challenge. If the school does not challenge draft cohort default rate data that the school believes is incorrect, the school forfeits the right to submit certain types of adjustments and appeals when the official cohort default rates are released. Although there are no sanctions or benefits associated with a draft cohort default rate, it is important to review the data used to calculate the rate for accuracy, because this data forms the basis of a school's official cohort default rate!

Since some sanctions or benefits may be based on a school's three most recent official cohort default rates, schools will need to be aware of the prior cohort default rates to understand the consequences of their current cohort default rates. Schools can find this information on prior official cohort default rate notification letters or in National Student Loan Data System (NSLDS).

This newsletter contains information on this topic and much more, as well as resources for training. Please review our Compliance Corner as we share the newest announcement on the rise of ransomware attacks and the precautions Institutions of Higher Education should be implementing.

Please note our date changes for our Monthly Webinar Series as we work around the FSA Wednesday Webinar Series that continues this month. The topics for March are Professional Judgment and R2T4 Essentials.

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



IN THE NEWS: PRESIDENT BIDEN EXTENDS COVID-19 NATIONAL EMERGENCY

In a White House briefing, President Joe Biden penned a notice to Congress announcing the extension of the national emergency originally declared March 13, 2020, beginning March 1, 2020, concerning the COVID-19 pandemic. Originally set to expire on March 1, 2022, the President stated “There remains a need to continue this national emergency. The COVID-19 pandemic continues to cause significant risk to the public health and safety of the Nation. More than 900,000 people in this Nation have perished from the disease, and it is essential to continue to combat and respond to COVID-19 with the full capacity and capability of the Federal Government.” Per Section 202 (d) of the National Emergencies Act (50 U.S.C 1622(d)), the President also published this announcement in the *Federal Register*.

COVID-19 Title IV Flexibilities and Waivers:

The postponement of the national emergency extends the following flexibilities according to the FSA Chart detailing out the COVID-19 Title IV Flexibilities and Waivers (for the full chart click [here](#)):

- Verification Flexibilities
- Use of the Return of Title IV Funds (R2T4) waiver and withdrawal benefits
- Transferal of unused Federal Work Study funds into the Federal Supplemental Educational Opportunity Grant (FSEOG) program

White House Briefing: [Letter to the Speaker of the House of Representatives and President of the Senate on the Continuation of the National Emergency Concerning the Coronavirus Disease 2019 \(COVID-19\) Pandemic | The White House](#)

Federal Register Publication: [Federal Register :: Continuation of the National Emergency Concerning the Coronavirus Disease 2019 \(COVID-19\) Pandemic](#)

COHORT DEFAULT RATES RELEASED

On Feb. 28, 2022, the U.S. Department of Education (the Department) distributed the FY 2019 draft cohort default rate (CDR) notification packages to all eligible domestic and foreign schools only.

In this announcement, the Department provides information about the distribution of the draft rates, and the begin dates for appealing the draft rates.

Distribution of FY 2019 Draft Cohort Default Rates

For both eligible domestic and foreign schools enrolled in the Electronic Cohort Default Rate (eCDR) notification process, the Department sent FY 2019 draft cohort default rate and accompanying documentation via the Student Aid Internet Gateway (SAIG). This information was sent to the SAIG mailbox for the



destination point administrator designated by the school. Each eCDR package contained the following information:

- Cover Letter (message class SHDRLROP)
- Reader-Friendly Loan Record Detail Report (message class SHCDRROP)
- Extract-Type Loan Record Detail Report (message class SHCDREOP)

Any school not enrolled in eCDR did not receive a notification package. These schools may download their cohort default rates and accompanying Loan Record Detail Reports from the National Student Loan Data System (NSLDS®) via the [NSLDS Professional Access website](#).

Schools may request the Cohort Default Rate History Report (DRC035) which mimics the electronically transmitted eCDR Loan Record Detail Report (LRDR) in a comma-delimited, comma-separated values (CSV) format, as well as the current fixed-width format. The CSV format allows schools to import the report into an Excel spreadsheet. The report, which may be requested on the “Reports” tab, is delivered in message class CDRCOSVOP to the SAIG mailbox associated with the NSLDS User ID that requested it.

Schools that are not signed up to receive the eCDR package via the [SAIG Enrollment website](#) or schools that want a replacement copy of their CDR Cover Letter can now request it from the “Reports” tab on the [NSLDS Professional Access website](#). The new CDR Notification Letter Report (DRCNL1) allows school users to request their school’s CDR Notification Letter by entering in the Cohort Year and selecting the Rate Type. The report is sent to the SAIG mailbox associated with the NSLDS User ID that made the request under the message class SHDRLROP.

DJA CLIENTS: For those DJA clients who contract with DJA for this service, we have already uploaded the FY 2019 CDR reports to the portal.

Note: Any school that did not have a borrower in repayment, during the current or any of the past cohort default rate periods, will **not** receive a FY 2019 draft cohort default rate notification package. These schools are considered to have no cohort default rate data and no cohort default rate.

Guaranty agency FY 2019 draft cohort default rates will be provided electronically, and lender rates are available for download from the NSLDS website.

Begin Dates for Appealing FY 2019 Draft Cohort Default Rates

The time for appealing the FY 2019 draft cohort default rates under 34 C.F.R Part 668, Subpart N begins on **Tuesday, March 8, 2022**, for all schools.

All Incorrect Data Challenges (IDC) must be made through the eCDR Appeals application. Participation Rate Index Challenges (PRI) will continue to be submitted via hard copy through secured email. As a reminder, eCDR Appeals is a web-based application that allows schools to electronically submit certain challenge and adjustment requests during the specified timeframes. This application also allows data managers (guaranty



agency or federal loan servicer) and Federal Student Aid personnel to electronically view and respond to these challenge/adjustment requests. The application tracks the entire life cycle of each request from the time the case is submitted until the time a decision is made and the case is closed. **Be sure to check for access prior to the start of submitting an appeal.**

If a technical problem caused by the Department results in an inability to access the data, schools have **five business days from the receipt of the eCDR notification package** to notify Operations Performance Division at the email address given below.

To further facilitate the review of cohort default rates schools may choose to utilize the [LRDR Import Tool](#). The LRDR Import Tool can be used to easily load data generated from the LRDR into the Microsoft Excel spreadsheet application and is designed to assist schools with reviewing and analyzing their LRDR extract files.

To complete an adjustment or appeal, you may need a data manager's contact information. The [Data Manager Information](#) can be found at the Default Management website.

If the Department revises a school's cohort default rate based on its adjustment or appeal submission, the revised cohort default rate will be available on the [Default Management website](#).

Contact Information

For specific information regarding eCDR Appeals, visit the [eCDR Appeals website](#), where you will find user guides for each of the challenge and adjustment processes, as well as a user guide for the registration process. Additionally, you will find links to recordings of eCDR Appeals demonstration sessions to assist first-time users.

For additional information regarding the school cohort default rate calculation or the challenge processes, refer to the [Cohort Default Rate Guide](#).

[FY 2019 Draft Cohort Default Rates Distributed Feb. 28, 2022 | Knowledge Center](#)

DIRECT LOAN CLOSEOUT INFORMATION FOR THE 2020-21 PROGRAM YEAR

The Direct Loan established data submission (closeout) deadline for the 2020–21 Program Year is **Friday, July 29, 2022**. This is the last processing day of the program year, so all school data must be received and accepted by this date to be included in a school's final Ending Cash Balance for the year.

Note: Exceptions to the established data submission deadline may be made on a case-by-case basis if the school's processing period extends beyond the deadline. Schools falling within this category should contact the Common Origination and Disbursement (COD) School Relations Center at the number provided below for

further assistance. Once the closeout deadline has passed, a school may seek relief from the deadline via the Request Reopen/Extended Processing function on the COD website.

As a reminder, all cash management, disbursement reporting, and monthly reconciliation regulatory requirements supersede the closeout deadline. If a school is meeting these regulatory requirements, the final closeout stage should begin no later than the last award end date (also known as the loan period end date) at the school for a given program and year. In other words, a school should be able to reconcile to a zero Ending Cash Balance and close out soon after its final disbursements and should not wait until the closeout deadline.

To be considered successfully closed out, a school must—

- Have an Ending Cash Balance of \$0 and Total Net Unbooked Disbursements of \$0 internally, and as reflected on the School Account Statement (SAS), and
- Complete the School Balance Confirmation form on the [COD website](#).

As part of the closeout process, ongoing notices will be sent via Zero Balance or Remaining Balance emails. In addition, schools will receive a Notification/Warning Letter via email in early May 2022. This letter will be sent to the Financial Aid Administrator and President at each school that has not confirmed closeout on the [COD website](#) (including any schools with a zero balance that have not confirmed closeout). It will serve as a reminder to finish processing and confirm closeout before the established data submission deadline. After the closeout deadline, the school will be notified of its remaining balance through a Demand Letter or Negative Balance Letter. Any remaining positive balance will result in a final liability for the school.

A school must be aware of its closeout status even if its Direct Loan processing is handled by a third-party servicer. We encourage each school to communicate regularly with its third-party servicer to ensure closeout is completed. **It is the school's responsibility to ensure that it finishes processing and confirms closeout on time.**

A key factor to an easy reconciliation and closeout is staying on top of the process. Schools are encouraged to review the following information:

- Complete required monthly reconciliation. This should include:
 - Internal reconciliation - compare internal student accounts and Business Office/Bursar records with Financial Aid Office records. Also, a part of the reconciliation should include ensuring that the school's internal records match the third-party servicer's records as well as what is in the COD System.
 - External reconciliation - compare internal records to your Direct Loan School Account Statement sent via your SAIG mailbox.
 - Resolution of any discrepancies and documentation of any outstanding timing issues.
- Ensure that all drawdowns and refunds of cash are accounted for and applied to the correct program and award year.



- Ensure that all batches have been sent to and accepted by the COD System, all disbursements and adjustments are accurately reflected on the COD System, and all responses are imported into the school's system.
- Review all pending disbursements and determine whether the disbursements need to be reported as actuals (Disbursement Release Indicator (DRI) = TRUE) or, if not, reduce them to \$0 and make changes to loan period dates and loan amounts, if needed. This will ensure that all disbursement data has been correctly reported to the COD System and will ensure subsidized usage limit calculations are correct for your borrowers. For more information on Subsidized Usage Limit Applies (SULA) reductions (See Attachment Q6).
- Ensure that all unbooked loans are booked or inactivated (reduced to \$0).
- Resolve all outstanding rejected records.
- Return all refunds of cash. All refunds for the Direct Loan Program must be returned electronically via G5.
- Request any remaining funds owed to the school based on actual disbursements accepted by the COD System.

***For those schools contracting with DJA for Direct Loan Processing, the closeout process is included in our service offering. If you have any questions please contact Melissa Solf at msolf@gotodja.com.

To view the announcement in its entirety and review Frequently Asked Questions about the DL Closeout for 2020-2021 visit [Direct Loan Closeout Information for 2020–21 Program Year | Knowledge Center](#)

FINAL DUNS NUMBER REGISTRATION REQUIRED BEFORE APRIL 4, 2022- TRANSITION TO NEW UNIQUE ENTITY IDENTIFIER

On April 4, 2022, the General Services Administration (GSA) will begin using the Unique Entity Identifier (UEI) as the authoritative identifier for all entities doing business with the federal government and will discontinue using the Data Universal Numbering System (DUNS) number. The U.S. Department of Education (the Department) will also implement the UEI across all its systems on April 4, 2022.

An institution will automatically receive a UEI if it has an “active” registration status for its DUNS numbers in the GSA’s [System for Award Management \(SAM\) website](#). Institutions that do not have a UEI by April 4, 2022, will not be able to process disbursements in the Common Origination and Disbursement (COD) System or draw or return funds in G5 (the Department’s delivery system for program award and payment administration).

To ensure timely processing of your institution’s UEI before the transition, and to allow for continued access to G5 and limit disruption to *Title IV* aid processing in general, all institutions must complete the registration process of their grantee and payee DUNS numbers as soon as possible, but no later than **March 18, 2022**.



DUNS Number to UEI – Registration Reminders

Because an institution may use DUNS numbers for different purposes, it is likely an institution will need to register multiple DUNS numbers in SAM. Some considerations when completing the registration process are provided below.

- If an institution processes disbursement records in the COD System using a different grantee or payee DUNS numbers than the ones used for cash activity in G5, it must register both DUNS numbers.
- If an institution used a different DUNS number for any Higher Education Emergency Relief Fund Grants (HEERF I, HEERF II, and/or HEERF III) than the one(s) used to process “regular” *Title IV* aid, it must register both numbers.
- If an institution has multiple DUNS numbers, it must register each of them individually. This includes DUNS numbers for any approved additional locations.

In short, institutions must review the SAM website and validate the registration status for **all** grantee and payee DUNS numbers used at the institution and complete the registration as soon as possible. To complete the registration, an institution must first create a SAM user account. Once the SAM user account is created, the institution can log in to register **every** DUNS number associated with programs for which it expects to receive funds from, or repay funds to, the Department. Additional information about the UEI transition and registering a DUNS number can be found in the [“Learn More” link](#) in the “Register Your Entity or Get a Unique Entity ID” box on the SAM website.

Institutions should allow 10-12 business days after completing the process for the registration to be active in SAM.

Note: Once the institution’s UEI is assigned, it will be viewable in SAM as the system of record for UEIs; it will be listed below the DUNS number on the entity registration record. Although the UEI will be viewable in SAM, it will not be viewable in the Department’s Electronic Application for Approval to Participate in Federal Student Financial Aid Programs (e-App). Because there is no field in the e-App for entering a UEI, no action is currently required on the institution’s part. However, an institution can indicate their UEI in question 69 of the e-App. The Department will provide further information in a future Electronic Announcement.

*****It is important you send your UEI number to DJA immediately and before the April deadline. You may submit this information in 2 ways:**

- Send an encrypted email to our Vice President of Operations, Melissa Solf at msolf@gotodja.com
- Upload the information to the Portal under *Accounting Records*

Contact Information

If you still have questions about the SAM website or the DUNS number registration process, 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.

Important Information: It has come to our attention, some of our clients have been approached from other companies offering to help switch from the DUNS to UEI for a fee. As this Electronic Announcement indicates, schools can easily obtain this information for free by following the steps provided. Please do not fall victim to these solicitors.

[REMINDER – Final DUNS Number Registration Required Before April 4, 2022 Transition to New Unique Entity Identifier | Knowledge Center](#)

NOTICE OF THE DRAFT 2023-24 FEDERAL STUDENT AID APPLICATION MATERIALS

Draft versions of the proposed 2023–24 *Free Application for Federal Student Aid* (FAFSA®) form, the *Student Aid Report* (SAR) and the SAR Acknowledgement are available for public comment. These forms are used by individuals applying for federal student aid. **Only comments regarding the FAFSA form and related forms should be submitted during this comment period. Federal Student Aid (FSA) will only be responding to comments related to the FAFSA form, the SAR, or the SAR Acknowledgement.** Comments related to topics such as the FSA ID or the verification process should not be submitted using this process. The comment period was announced in a [Federal Register Notice published on Feb. 24, 2022](#). The federal student aid application process is required to collect and process the data necessary to determine a student’s eligibility to receive *Title IV, HEA* program assistance. The process begins with an applicant submitting a FAFSA form to the Department of Education. After submitting the FAFSA form, the applicant receives a *Student Aid Report* (SAR), which is a summary of the data provided on the FAFSA form. The applicant reviews the SAR for accuracy and if necessary, makes corrections or updates to the submitted FAFSA data.

The community is invited to review the updated draft documents and submit comments on or before April 25, 2022. The drafts of the 2023–24 FAFSA form, SAR and SAR Acknowledgement can be viewed by clicking this link: <https://www.regulations.gov/docket/ED-2022-SCC-0024/document>. Once the Web page opens, click on the link to either the documents or the “Supporting Statement”, and then click the “Download” button to open each document.

Comments submitted in response to this notice can be submitted electronically through the Federal eRulemaking Portal at [regulations.gov](https://www.regulations.gov) by searching Docket ID number ED-2022-SCC-0024 or by linking directly to the site here: <https://www.regulations.gov/docket/ED-2022-SCC-0024/document>. Click on the “Comment” button to submit a comment. Comments may also be submitted via postal mail, commercial delivery, or hand delivery. Please note that comments submitted by fax or email and those submitted after the comment period will not be accepted.

Several changes have been made to the application; these changes are explained in the FAFSA Enhancements Summary documents. The 2023–24 Paper Summary of Enhancements and 2023–24 Student Electronic Entry



Summary of Enhancements documents can be found here: <https://www.regulations.gov/document/ED-2022-SCC-0024-0003>. Click on the “Download” button next to the document you wish to review in order to open the document.

The 2023–24 FAFSA form includes some changes resulting from the implementation of the *FAFSA Simplification Act*, which passed on Dec. 27, 2020 as part of the *Consolidated Appropriations Act, 2021*. In a [June 11, 2021 Electronic Announcement](#) we published additional information on the phased implementation of the FAFSA Simplification Act.

[Notice of the Draft 2023–24 Federal Student Aid Application Materials | Knowledge Center](#)

COMPLIANCE CORNER

JOINT CYBERSECURITY ADVISORY- 2021 TRENDS SHOW INCREASED GLOBALIZED THREAT OF RANSOMWARE

Last month we shared in our newsletter, the announcement of the recently launched U.S. Government website, [StopRansomware.gov](#). The website was created to help public and private organizations defend against the rise in ransomware cases. In a Electronic Announcement just released, FSA shared an announcement from an international authority on these increased ransomware attacks.

A recent [Joint Cybersecurity Advisory](#) authored by cybersecurity professionals in the U.S., U.K., and Australia, announced an increase in sophisticated ransomware incidents against critical infrastructure, including government facilities, education, defense, emergency services, and IT sectors.

The three biggest infection vectors for ransomware in 2021 were phishing emails, remote desktop protocol (RDP) exploitation, and the exploitation of software vulnerabilities. The market for ransomware became increasingly “professional” in 2021, with criminals using ransomware-as-a-service (RaaS) to perform attacks and using other independent services to maximize payments from victims. In the U.S., there was a shift away from targeting high-value organizations toward mid-sized victims to reduce scrutiny. Ransomware groups have increased their impact by targeting cloud infrastructures, managed service providers, industrial processes, the software supply chain, and by launching their attacks on holidays and weekends.

The Joint Cybersecurity Advisory noted that if the ransomware criminal business model continues to yield financial returns, ransomware incidents will become more frequent. Authorities strongly discourage paying a ransom to criminal actors.

Immediate actions you can take now to protect against ransomware:

- Update your operating system and software.



- Implement user training and phishing exercises to raise awareness about the risks of suspicious links and attachments.
- If you use Remote Desktop Protocol (RDP), secure and monitor it.
- Make an offline backup of your data.
- Use multifactor authentication (MFA).

For more information and resources on protecting against and responding to ransomware, visit StopRansomware.gov.

Contact Information

FSA is committed to working with schools to combat cybersecurity attacks. If you have any questions about the information included in this announcement, please contact FSASchoolCyberSafety@ed.gov

[Joint Cybersecurity Advisory - 2021 Trends Show Increased Globalized Threat of Ransomware | Knowledge Center](#)

DJA CALENDAR

DJA MONTHLY WEBINARS

Administrative Capability – Thursday, March 10, 2022: 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 of \$45 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 WEBINAR SCHEDULE

Please Note the March, April and May webinars were pushed back a week due to interference with the FSA Wednesday Webinar Series

MAR 10	Administrative Capabilities
APR 13	Satisfactory Academic Progress
MAY 11	Return of Title IV Funds (Including LOA)
JUN 1	General Participation Requirements
JUL 6	Campus Crime Report



AUG 3	Entrance and Exit Counseling
SEPT 7	Cash Management
OCT 5	Enrollment Reporting Using NSLDS
NOV 2	Program Integrity (Audits, Program Review)
DEC 7	1098-T Reporting

2022 FSA WEDNESDAY WEBINAR SERIES

MAR 9	Professional Judgment
MAR 23	R2T4 Essentials
APR 6	R2T4 Modules
APR 20	Conflicting Information
MAY 4	May Federal Update

For further descriptions of each session and links to attend, please visit the complete Electronic Announcement here: <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2022-01-14/live-internet-webinars-wednesday-webinar-series-february-may-2022>

ANNUAL DJA FINANCIAL AID TRAINING COMING IN APRIL 2022

We had a much higher attendance during our virtual annual training than in person. This year we weighed the ongoing pandemic along with previous attendance numbers and decided to continue the path of virtual. With that being said, we will conduct our annual training over a period of 2 days. Those dates and times are as follows:

- Monday April 25th, 9am- 1pm CST
- Thursday April 28th, 9am- 1pm CST

All training will be provided on a Zoom webinar that will be recorded and posted to our DJA Client Login on the DJA website should you or team be unavailable to attend. We are currently working on the agenda for each day; however, we will be covering current Regulatory Updates and Cybersecurity Compliance.

These sessions are free to DJA clients. All other interested institutions are welcome to attend. The cost is \$95 per person for both sessions, prepaid in advance. All attendees will need to register in advance by contacting Renee Ford via email at rford@gotodja.com.

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.

