



MAY 2022 NEWSLETTER

IMPORTANT DATES:

May 6

HEERF Annual Performance Report Due

May 18

DJA Webinar
Return of Title IV Funds

May 30 – DJA Closed



June 1

DJA Webinar
General Participation Requirements

May 31- June 2nd

CECU Convention

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- DJA Calendar

We had a great turnout for our second annual Virtual DJA Financial Aid Training Session last month! If you were unable to attend and are a current client, you will find the presentation on the client portal of the DJA website. As always, DJA will continue to keep you updated via our monthly newsletter and webinars, as well as with timely client memos.

For those of you who are not currently DJA clients, I hope the information in the newsletter is beneficial to you in the administration of your institution’s financial aid. Are you feeling overwhelmed and inundated with the various compliance regulations currently in effect or those pending with Negotiated Rulemaking? Or perhaps the day to day processing and challenges existing in the financial aid industry has your institution struggling? It might be time to consider utilizing a third party financial aid servicer. DJA has been essential in keeping our clients in the know and ahead of the curve. With constant communication throughout legislation passing and the minute by minute updates that have come through since the declaration of a national emergency, DJA continues to send to keep our clients current on how to proceed. Our team can ensure your continued compliance with the Department of Education as well as full service financial aid processing for each aid program you participate in with the DOE. Financial aid administration is ensured accurate and seamless with our New Leaf software program that calculates in real time and checks all the boxes to meet regulation standards.

If you would like to know more about DJA’s services please give me, or Kristi Cole, Director of Client Services, a call at 800-242-0977; or, if you know someone that would benefit from our free newsletter please send an email to djohn@gotodja.com or kcole@gotodja.com and we will add them to the distribution list.

Quick Reminder: Don’t forget the deadline for the HEERF Annual Report is this week- May 6, 2022.

As Memorial Day approaches and plans are made to celebrate the official beginning of summer with a 3-day weekend, remember to pause in honor of those who sacrificed their lives for our freedom. I would personally like to thank all veterans and active service members for their service.

Stay safe!

Deborah John, President

IN THE NEWS: DEPARTMENT OF EDUCATION ANNOUNCES ACTIONS TO FIX LONGSTANDING FAILURES IN THE STUDENT LOAN PROGRAMS

In a recent Press Release by the Department of Education, U.S. Secretary of Education Miguel Cardona stated, “Today, the Department of Education will begin to remedy years of administrative failures that effectively denied the promise of loan forgiveness to certain borrowers enrolled in IDR plans.” The Department of Education announced steps that will bring borrowers closer to public service loan and income-driven repayment (IDR) forgiveness by addressing historical failures in the administration of the federal student loan programs. Federal Student Aid (FSA) estimates that these changes will result in immediate debt cancellation for at least 40,000 borrowers under the Public Service Loan Forgiveness (PSLF) Program. Several thousand borrowers with older loans will also receive forgiveness through IDR. More than 3.6 million borrowers will also receive at least three years of additional credit toward IDR forgiveness.

The announcement shared immediate action steps FSA plans to take:

- **Ending Forbearance Steering:** A Department of Education review suggests that loan servicers placed borrowers into forbearance in violation of department rules, even when a borrower’s monthly payment under an IDR plan could have been as low as \$0.
 - **Conducting a One-Time Account Adjustment to Count Certain Long-Term Forbearances towards Income Driven Repayment (IDR) and Public Services Loan Forgiveness (PSLF) Program.**
 - **Increasing Oversight of Servicer’s Forbearance Use:** FSA will target forbearance steering by restricting servicers’ ability to enroll borrowers in forbearance by text or email, conducting an external review of patterns of forbearance use and servicers’ practices to identify other potential changes to address steering, and working in partnership with the Consumer Financial Protection Bureau to do regular audits of forbearance use
- **Tracking Progress Towards IDR Forgiveness:** IDR plans offer substantially lower monthly payments for most borrowers.
 - **Conduct a One-Time Revision of IDR Payments to Address Past Inaccuracies:** Any borrower who has made the required number of payments for IDR forgiveness based on this payment-count revision will receive loan cancellation automatically. Several thousands of borrowers will immediately see forgiveness through the IDR program after the steps outlined in this release are fully implemented, according to the Department of Education.
 - **Permanently Fix IDR Payment Counting by Reforming FSA’s IDR Tracking**

Reminder President Biden recently extended a [pandemic-related payment pause](#) for federal student loans until August 31, 2022.

<https://www.ed.gov/news/press-releases/department-education-announces-actions-fix-longstanding-failures-student-loan-programs>

REQUIREMENTS FOR DISTRIBUTION OF VOTER REGISTRATION FORMS

On March 7, 2021, President Biden issued [Executive Order \(EO\) 14019](#) to expand access to voter registration and election information. As stated in the [EO](#), the right to vote is the foundation of American democracy; yet many Americans, especially people of color, confront significant obstacles to exercising this fundamental right. These obstacles include difficulties with voter registration, lack of election information, and barriers to access at polling places.

In a recent Dear Colleague Letter (Issued April 21, 2022), Institutions of Higher Education (IHEs) were reminded of President Biden's issuance of the EO, which expanded access to voter registration and election information.

- Under section 487(a)(23) of the Higher Education Act of 1965, as amended, eligible postsecondary institutions are required to “make a good faith effort to distribute a mail voter registration form, requested and received from the State, to each student enrolled in a degree or certificate program and physically in attendance at the institution, and to make such forms widely available to students at the institution.”

With State Elections happening in the Fall of 2022, the Dear Colleague shares the following resources that are available to help support postsecondary institution's efforts to meet the EO requirement:

1. To learn more about voter registration, including information on how to register in your State or Territory, you can visit <https://vote.gov/>.
2. To support students who are studying abroad and learn more about military, overseas, and absentee voting, you can visit <https://www.fvap.gov/>. This website also provides the Federal Post Card Application (FPCA), which allows students to register to vote and request an Absentee Ballot Request while abroad, and can be found at <https://www.fvap.gov/fpca-privacy-notice>.
3. To learn more about how faculty, staff, and students can volunteer to become a poll worker, you can visit <https://www.eac.gov/voters/become-poll-worker>.

<https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2022-04-21/requirements-distribution-voter-registration-forms>

2021-22 VERIFICATION REPORTING AND VERIFICATION STATUS CODE “W” WARNING MESSAGE

The regulations that govern the verification of *Title IV* federal student aid application information are set forth in 34 CFR Part 668 Subpart E (34 CFR 668.51-668.61). In accordance with these regulations, a school is required to complete verification of information submitted by an applicant on the *Free Application for Federal Student Aid* (FASFA[®]) form in connection with the calculation of the applicant's expected family contribution (EFC) for the *Title IV* federal student aid programs if the applicant has been selected for verification.



For each 2021-22 Federal Pell Grant (Pell Grant) award disbursed to a student who was selected for verification, a school must report the student's verification status to the Department of Education (the Department) via the Common Origination and Disbursement (COD) System. To do this, the school includes a verification status code ("W," "V," or "S") in the Common Record document it submits to the COD System via batch processing or when it creates the award online via the [COD website](#).

2020–21 Verification Status Code Reporting Reminders

As explained in the [2021–22 Federal Student Aid Handbook](#), generally, for each 2021–22 Pell Grant recipient selected for verification by the Central Processing System (CPS), a school should have reported a verification status code of "V" or "S." Below are some reminders regarding verification status code reporting for recipients selected for verification by the CPS as well as recipients not selected for verification by the CPS.

Recipients Selected for Verification by the CPS

Your school is required to *verify* all recipients selected for verification by the CPS, as described below, unless a recipient is exempt from verification in accordance with the exclusions from verification provided for in the regulations at 34 CFR 668.54(b). These exclusions are outlined in Chapter 4 of the "Application and Verification Guide" of the [2021–22 Federal Student Aid Handbook](#).

Even if your school does not need to verify a student under the exemptions referenced above, it is required to *report* a verification status code for every student selected for verification by the CPS. Your school should ensure that it:

- has provided a verification status code for all recipients selected for verification by the CPS. If your school previously did not report a verification status code, (that is, the field was left blank), it must report a "V" or an "S." Blank is not an acceptable verification status code, except in the case when a student is selected after he or she is no longer enrolled at your school.
- has reported an "S" only if the student is selected for verification but is exempt under the allowable exclusions.

If verification was not completed and the student is not exempt from verification, the Pell Grant must be adjusted to a zero dollar amount (\$0.00).

Recipients Not Selected for Verification by the CPS

A school may choose to verify recipients not selected for verification by the CPS.

- A school should ensure that it has 1) reported a verification status code of "V" if it chose to verify or 2) has left the field blank if it did not choose to verify.
- A school should ensure that it has not reported a verification status code of "S" for recipients in this category.



2021-22 Verification Status Code “W” Warning Message Were Processed on April 12, 2022

A school that has made an interim Pell Grant disbursement to a student selected for verification should be concluding verification activities and changing a student's verification status code from “W” to “V” or “S,” as appropriate. In the following two cases, it is acceptable for the verification status code field to be blank:

- If the student was not selected for verification or if a selected transaction was received by the school after the student was no longer enrolled and the school has reported the verification status code as “W,” the school should change the “W” to blank (nil = “True”).
- If the student was not selected for verification or if a selected transaction was received by the school after the student was no longer enrolled and the school has reported no verification status code to date, the school does not need to submit a verification status code and should leave the field blank (nil = “True”).

On April 12, 2022, a message was sent to schools that have one or more 2021–22 student records still reported with a verification status code of “W.” The message is a warning that disbursements to all students with a verification status code of “W” will be considered overawards and reduced to a zero dollar amount (\$0.00), even though the disbursements were previously accepted in the COD System. The reduction of the affected disbursements occurred on April 26, 2022.

Note Regarding Verification Deadline:

Some of the student records included in the Reconciliation Report may be for students who are still within the allowable timeframe for submitting verification documentation/completing the verification process by the deadlines specified in the “2021-2022 Award Year Deadline Dates” published in the Federal Register on June 24, 2021.

Following the April 26, 2022 reduction, for schools that need additional time to complete verification for an individual student in accordance with the allowable timeframe in the Federal Register notice, the school may resubmit a disbursement record with a value greater than zero (\$0.00) until September 27, 2022. **After this date, the COD System will no longer accept “W” as a valid verification status code for 2021-22 Pell Grant awards.**

Contact Information

If you have questions about the warning message or about reporting verification status codes to the COD System, contact the COD School Relations Center at 1-800-848-0978. You may also email CODSupport@ed.gov.

[2021–22 Verification Reporting and Verification Status Code “W” Warning Message | Knowledge Center](#)



2022-23 FAFSA SPRING RENEWAL CAMPAIGN

In an Electronic Announcement posted April 8, 2022, FSA shared that it began sending emails and SMS message to 2022–23 *Free Application for Federal Student Aid* (FAFSA®) filers (and parents of dependent 2022–23 FAFSA filers) who have not yet submitted a 2022–23 FAFSA form.

The goal of the campaign is to remind customers that the 2022–23 FAFSA form is available and should be completed soon for those going to school between July 1, 2022, and June 30, 2023. Students and parents can complete and submit the 2022–23 FAFSA form electronically via fafsa.gov.

Eligible students and parents who have a valid email address in the Central Processing System received an email sometime between April 19, 2022, and early May 2022. Students and parents may receive different messages based on certain factors. The specific email text is in the notice linked below for your reference.

Eligible students and parents who have opted in to receive SMS messages may receive a notification in addition to an email. SMS notification text is also in the linked notice below.

FSA encourages IHE's to use language from the linked messages in their own communications.

[2022–23 FAFSA® Spring Renewal Campaign | Knowledge Center](#)

ELECTRONIC STATEMENT OF ACCOUNT FOR UEI CHANGE IN ADDITIONAL COD SYSTEM IMPLEMENTATION FOR 2022-23 AWARD YEAR

On May 1, 2022, FSA implemented 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 2022–23 award year.

2022–23 COD System Implementation Information

With this release, two significant changes were made to the COD System, including a new file layout for the Electronic Statement of Account (ESOA) and the implementation of the 2022–23 Federal Pell Grant Payment and Disbursement Schedules as announced in GEN-22-04 on March 24, 2022. In the Electronic Announcement released April 28, 2022, guidance was provided about the ESOA change. Information about the COD System update with the Federal Pell Grant schedules is outlined in the following article.

ESOA File Layout Change for All Award Years, 2022–23 and Prior

As a result of the transition to the Unique Entity Identifier (UEI), the UEI was added as a new field to several reports, including the ESOA (for both the Federal Pell Grant and Iraq and Afghanistan Service Grant programs), and on the COD website. The UEI is specific to a school not an award year, so as part of the initial COD

System release on March 27, 2022, the field was added to the ESOA layout for all award years; however, most software vendors and schools were only expecting the ESOA layout change to apply to the 2022–23 award year and forward. As a result, schools were not able to import the ESOAs for 2021–22 and prior.

In the short term, on March 31, 2022, changes made were reversed to the ESOA layout, so that it matched the version for the 2021–22 award year and prior. With the May 1, 2022, COD System implementation, the original change was implemented and the ESOA using the new file layout was sent; it will be the same for all award years, 2022–23 and prior.

Software vendors and schools will need to determine the award years to update in their systems and software.

Option 1 – Implement the new layout across all open award years. In this case, the ESOAs will be imported regardless of the award year of the file. Note: If a software vendor or school plans to update the ESOA layout for any previous award year (2021–22 and prior), you must use the file layout provided in Volume VII of the 2022–23 COD Technical Reference because we will not be updating the ESOA layout in any of the prior year versions of the COD Technical Reference.

Option 2 – Implement the new layout for 2022–23 and forward only. In this case, ESOAs for 2021–22 and prior will not be able to be imported after May 1, 2022. However, schools can manually update the ESOA file to be able to import it; see instructions provided on the COD Resources page of the COD website.

[Electronic Statement of Account for UEI Change in Additional COD System Implementation for 2022–23 Award Year | Knowledge Center](#)

OPERATIONAL IMPLEMENTATION GUIDANCE #2- COD SYSTEM IMPLEMENTATION OF THE REVISED 22-23 FEDERAL PELL GRANT PAYMENT AND DISBURSEMENT SCHEDULE

In [Dear Colleague Letter GEN-22-04](#), FSA provided schools with revised 2022–23 Federal Pell Grant (Pell Grant) payment and disbursement schedules for determining Pell Grant awards for the 2022–23 award year. The revised schedules must be used for all 2022–23 Pell Grant award calculations, including those for students who may have already been awarded and or disbursed based on the original Jan. 31, 2022, schedules.

In addition, preliminary operational guidance for the revised payment and disbursement schedules was shared in an [April 11, 2022 Electronic Announcement](#). FSA released in an Electronic Announcement on April 28, 2022, the finalized implementation plans and provided schools with specific operational guidance for the changes implemented in the Common Origination and Disbursement (COD) System.

The revised 2022–23 Pell Grant payment and disbursement schedules were updated in the COD System on May 1, 2022. Schools that have already awarded students based on the Jan. 31, 2022; Pell Grant schedules must re-evaluate how the latest revised Pell Grant schedule may impact those awards. This is particularly important for students who have a Pell Grant Cost of Attendance (COA) less than \$6,895 or attend school less than full-time.



Important: If a school sent Pell Grant records to the COD System before May 1, 2022, those records were evaluated by the COD System using the Jan. 31, 2022, Pell Grant schedules. Schools will need to resubmit those records to be corrected after May 1, 2022, using the guidance provided below.

Also, in determining 150% of a student's Federal Pell Grant Scheduled Award for an award year for Year-Round Pell, if a school does not package or disburse using cents, 150% of the revised 2022–23 maximum award is \$10,342.00.

Reminder for EDExpress Schools: As described in the April 11, 2022, Electronic Announcement, EDExpress 2022–23, Release 1.0 and Release 2.0 do not include the revised 2022–23 Pell Grant payment and disbursement schedules. Release 3.0, planned for June 2022, will include the revised 2022–23 schedules. Monitor the Knowledge Center for an announcement of the software's availability.

Correction of 2022-23 Pell Grant Records Submitted to the COD System Between March 27, 2022, and May 1, 2022

For Pell-eligible students who already have a 2022–23 Pell Grant award in the COD System and whose Pell Grant award amount increased due to the revised 2022–23 Pell Grant schedules, schools must take the following actions:

1. Submit the increased Pell Grant award amount correction based on the new schedules. Because the May 24, 2022, CPS reprocessing will not include students who were already Pell-eligible, the CPS transaction number corresponding to the award will not change.
2. If there are processed disbursements associated with the incorrect award amount, these disbursements will also need to be corrected, or disbursements may need to be added to reflect the increased eligibility.

Note: The COD System will not systematically correct any increased Pell Grant award or disbursement amounts. All increased amounts must be corrected by the school.

Records Submitted to the COD System On or After May 1, 2022, for Newly Pell-Eligible Students

For students who are newly Pell-eligible for a 2022–23 Pell Grant award based on the revised Pell Grant schedules, schools **must** send a Pell Grant origination record to the COD System referencing the new, Pell-eligible, CPS transaction number that results from the May 24, 2022, CPS reprocessing. This is true **even if the student's EFC on the reprocessed transaction is the same** as on the previous transaction. Otherwise, the COD System will reject the Pell Grant origination record.

Records Submitted to the COD System On or After May 1, 2022, for Students With Decreased Awards

For Pell-eligible students who already have a 2022–23 Pell Grant award in the COD System but whose Pell Grant award amount **decreased** due to the revised 2022–23 Pell Grant schedules, schools must take one of the following actions:

1. Submit the decreased Pell Grant award amount based on the new schedules. Because the May 24, 2022, CPS reprocessing will not include students who were already Pell-eligible, the CPS transaction number corresponding to the award will not change.

OR

2. Let the current award stand without changes; the COD System will correct the disbursement amount to match the revised 2022–23 Full-Time Pell Grant scheduled award amount when a school submits a disbursement record. **Note:** This option only applies to “correcting” schools.

[Operational Implementation Guidance #2 – COD System Implementation of the Revised 2022–23 Federal Pell Grant Payment and Disbursement Schedules | Knowledge Center](#)

COMPLIANCE CORNER

RECORD SUBMISSION DUE DATE FOR THE 2020-21 DIRECT LOAN PROGRAM YEAR CLOSEOUT

We previously informed you in our March Newsletter that the closeout deadline for the 2020-21 Direct Loan Program Year is Friday, July 29, 2022. This is the last processing day before the end of the program year. 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.

To be considered successfully closed out, the school must—

- Reconcile to an Ending Cash Balance of \$0 and Total Net Unbooked Disbursements of \$0, as reflected on your monthly School Account Statement (SAS) Report and in your school's internal records; and
- Complete the School Balance Confirmation form on the Common Origination and Disbursement (COD) website. The School Balance Confirmation form can be completed after the school has reconciled to a \$0 balance both internally and externally. Once the school has completed their final reconciliation, the school should log in to the COD website. From the School options menu, click on the Balance Confirmation link on the left-hand side of the page and follow the instructions on the School Balance Confirmation screen.

Note: A school should verify that it has selected the correct program and award year to close out from the dropdown menu.

After June 27, 2021, the COD System will no longer include Direct Subsidized Loans with an earliest disbursement date on or after July 1, 2021, in subsidized usage calculations. In addition, new borrowers (for COD System purposes, this means borrowers who do not have any Direct Loans on file with a positive balance) will not be flagged with the SULA Indicator if their first Direct Loan has an earliest disbursement date on or after July 1, 2021.



If a school submits a Direct Loan with an earliest disbursement date before July 1, 2021, the COD System will continue to calculate subsidized usage. Subsidized usage calculations will also occur if a school changes the earliest disbursement date of a Direct Loan from on or after July 1, 2021, to before July 1, 2021. In addition, if there is a change in earliest disbursement date from on or after July 1, 2021, to before July 1, 2021, and it is a borrower's first Direct Loan, we will update the SULA Indicator for that borrower from "N" to "Y."

To meet the closeout deadline, all records must be submitted to the COD System no later than 8 p.m. Eastern time (ET) on Friday, July 29, 2022. After this deadline, Direct Loan records will not be accepted by the COD System and schools will no longer have Direct Loan funds available to draw down for the 2020–21 award year. In other words, the Department will reduce the school's Current Funding Level (CFL) to the greater of Net Drawdowns or Net Accepted & Posted Disbursements.

Notes:

1. Though the closeout deadline is July 29, 2022, all cash management, disbursement reporting, and monthly reconciliation regulatory requirements supersede this closeout deadline. If a school is meeting these regulatory requirements, the final closeout stage should begin no later than the last award end date at the school for a given program and year. 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.
2. All records submitted prior to the closeout deadline must be accepted by the COD System to be included in a school's final Ending Cash Balance for 2020–21. Also, refunds of cash transactions can take 7-9 days to process from G5 to the COD System to be included in your school's balance. Plan accordingly to allow ample time for refunds of cash to be included in your final Ending Cash Balance prior to the deadline.

Note: Schools **should not** use G5 Drawdown Adjustment Transactions to move funds from one program, award year or school to reconcile another program, award year or school.

3. Exceptions to the last processing day of the program year may be made on a case-by-case basis, if the school's processing period extends beyond the closeout deadline. Schools falling within this category must contact the COD School Relations Center at the number provided below for further assistance. Once the closeout deadline has passed, requests for extensions may be made via the COD website.

For additional Direct Loan Closeout information for the 2020–21 program year, schools can refer to the [Feb. 16, 2022 Electronic Announcement](#).

DJA Clients: If you are a DJA Client, this is a process we assist you with and we have sent a Client Memo regarding what DJA needs to complete your Direct Loan closeout. Should you have any questions, please contact our Vice President of Operations, Melissa Self at msolf@gotodja.com.

[Record Submission Due Date for 2020–21 Direct Loan Program Year Closeout | Knowledge Center](#)



DJA CALENDAR

DJA MONTHLY WEBINARS

RESCHEDULED: Return of Title IV Funds (including LOA) - Wednesday, May 18, 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

MAY 18	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 CECU Convention and Exposition

The Annual CECU Convention is scheduled for May 31-June 2, 2022 in Las Vegas, NV.

DJA will be attending as an exhibitor and we are excited to see attendees in person! We would love to visit with you should you have any questions on our third party financial aid servicing and consulting options, in addition to our New Leaf financial aid administration software we now provide. Please visit our booth and chat with our Director of Client Services, Kristi Cole at kcole@gotodja.com! To learn more about the CECU Convention schedule exhibitors visit <https://www.career.org/convention.html>.

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.

