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## MAY 2023 NEWSLETTER

### IMPORTANT DATES:

**May 17**

DJA Webinar

Return of Title IV Funds

**May 29 – DJA Closed**



**June 14**

DJA Webinar

General Participation

Requirements

**June 20-22**

CECU Convention

Kansas City, MO

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*We had a great turnout for our DJA Financial Aid Annual Conference last month! If you were unable to attend and are a current client, you will find all session materials and recordings 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.*

*As a third party financial aid servicer, DJA utilizes this publication to educate our industry partners on relevant updates and compliance requirements applicable to higher education institutions. Our goal with this resource is to summarize current announcements, upcoming deadlines and important changes affecting our industry into a monthly publication that can serve as a “one-stop-shop” for your institution. With nearly 35 years in the industry, we are well versed in regulatory guidance and have built a strong team of financial aid experts available to walk along side your school in ensuring compliance standards are not only met, but your staff have a solid understanding of the responsibilities involved in financial aid administration.*

*If you are currently feeling overwhelmed with the many compliance regulations set to implement this July 1<sup>st</sup> or are seeking efficiencies to improve day to day processing and ensure accuracies amidst the challenging hurdles facing the financial aid industry today, it might be time to consider partnering with DJA as your third party servicer. We offer full-service financial aid administration through, a dedicated support specialist and our in-house financial aid New Leaf software capable of complete customization and integration.*

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

*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: THE FTC SAFEGUARDS RULE IMPLEMENTS JUNE 9<sup>TH</sup>- WHAT DOES YOUR SCHOOL NEED TO KNOW?**

In FSA's most recent cybersecurity quarterly newsletter, they once again stressed the importance of the upcoming implementation of the remaining safeguards outlined in the updated Federal Trade Commission Safeguards Rule under the Gramm-Leach-Bliley Act. Initially revised in December of 2021, the updated safeguards were implemented in a phased approach with several effective January 10, 2022 and the remaining initially slated to be effective December 9, 2022. However, in November of last year the FTC announced a six-month extension of the remaining safeguards and indicated a new effective date of June 9, 2023. To help institutions prepare for the Safeguards Rule, the FTC released the following article, "*FTC Safeguards Rule: What Your Business Needs to Know*".

The Safeguards Rule applies to "financial institutions" and both the FTC and the Department of Education assert that educational institutions or third-party servicers provide a financial service when they, among other things, administer or aid in the administration of the Title IV programs; make institutional loans, including income share agreements; or certify or service a private education loan on behalf of a student. Most of the safeguard requirements within the Rule apply to the protection of Nonpublic Personal Information (or NPI), which encompasses Personally Identifiable Information (PII), as well as any list, description, or other grouping of consumers (and publicly available information pertaining to them) that is derived using any PII that is not publicly available (ex- student list not containing PII, but does contain aid awarded and types).

The Safeguards Rule requires covered financial institutions to develop, implement, and maintain a written information security program (WISP) with administrative, technical, and physical safeguards designed to protect customer information. The program must be appropriate to the size and complexity of your business, the nature and scope of your activities and account for the sensitivity of data you maintain.

As outlined in the rule the objectives of the WISP are:

- ensure the security and confidentiality of customer information;
- protect against any anticipated threats or hazards to the security or integrity of such information; and
- protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer.

The FTC shares in their publication, the Safeguards Rule identifies nine elements that the WISP must include and those are listed below, as well as the safeguard citations that apply. Those citations listed in **bold** are effective June 9<sup>th</sup>.

- Designate a qualified individual.
  - **13 C.F.R 314.4 (a)**
- Conduct a risk assessment.
  - **13 C.F.R 314.4 (b) (1)**
  - Exemption applicable



- Design and implement mitigation safeguards.
  - Design access control safeguards based on risk assessment: **13 C.F.R 314.4 (c)(1)**
  - Identify data, personnel, devices, systems, and facilities to utilize in the WISP: **13 C.F.R 314.4(c)(2)**
  - Employ encryption: **13 C.F.R 314.4(c)(3)**
  - Secure software development: **13 C.F.R 314.4(c)(4)**
  - Multifactor authentication: **13 C.F.R 314.4(c)(5)**
  - Secure disposal of customer information: **13 C.F.R 314.4(c)(6)**
  - Change management process: **13 C.F.R 314.4(c)(7)**
  - Monitor and log user activity: **13 C.F.R 314.4(c)(8)**
- Regularly monitor and test safeguard effectiveness
  - Regularly test or monitor the effectiveness of key controls to detect attacks or intrusions: 13 C.F.R 314.4(d)(1)
  - Continuous monitoring or periodic testing and vulnerability assessments: **13 C.F.R 314.4(d) (2)**
    - Exemption applicable
- Train your staff
  - **13 C.F.R 314.4(d)(2)**
- Monitor service providers.
  - Take reasonable steps to select and retain service providers capable of maintaining appropriate safeguards: 13 C.F.R 314.4(f)(1)
  - Require by contract that service providers implement appropriate safeguards: 13 C.F.R 314.4(f) (2)
  - Oversee and assess risks from service providers: **13 C.F.R 314.4(e)**
- Keep the WISP current.
  - Evaluate and adjust the WISP as a result of testing, monitoring, changes to business arrangements, or risk assessment: 13 C.F.R 314.4(g)
- Create a written incident response plan.
  - **13 C.F.R 314.4(h)**
  - Exemption applicable
  - Must include:
    - Goals of your plan
    - Outline internal response processes.
    - Clear roles, responsibilities, and levels of decision-making authority
    - Internal and External communication sharing
    - Procedures to fix identified weaknesses in systems.
    - Documentation and response procedures
    - FSA Breach reporting process
    - Post incident evaluation and applicable changes to the Plan and WISP
- Have Qualified Individual report to Board of Directors
  - Exemption applicable
  - **13 C.F.R 314.4(i)**



**\*\*\*Exemption:** The Safeguards Rule does list an exemption for financial institutions maintaining customer information on fewer than 5000 consumers. Those safeguards that would subsequently be exempt to these institutions are indicated above with the bullet “Exemption applicable”.

DJA has conducted several cybersecurity sessions on this topic, most recently at our DJA Financial Aid Annual Conference. If you would like access to that session, please email Renee Ford at [rford@gotodja.com](mailto:rford@gotodja.com). Additionally, as a client of DJA we provide resources and tools to assist your institution in implementing regulatory compliance standards. In our Client Portal, we offer templates to assist in preparing your WISP and Risk Assessment, PowerPoint Cybersecurity Slides to utilize for your staff training, as well as helpful checklists to keep track of your progress.

[FTC Safeguards Rule: What Your Business Needs to Know | Federal Trade Commission](#)

[FSA EA Updates to GLBA Cybersecurity Requirements](#)

[FSA Cybersecurity Quarterly Newsletter: April 2023](#)

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## **90/10 REGULATORY COMPLIANCE UPDATES AND IMPLEMENTATION ON JULY 1, 2023**

The call for change on the 90/10 calculations started back in 2019 when President Biden presented a call to action on his campaign trail indicating his belief of a 90/10 loophole that gives for profit schools the incentive to enroll veterans and service members in programs that aren’t delivering results. In 2020 the Democratic party echoed his sentiments and vowed to enact safeguards to protect veterans and service members by pushing for changes

These pushes for change were successful on March 11, 2021 when the American Rescue Plan Act (ARP) of 2021 was passed. This act amended the Higher Education Act (HEA) by modifying which Federal funds proprietary institutions must include when calculating compliance with the 90/10 rule. It stated that proprietary institutions must count all federal funds used to attend the institution as federal revenue in the 90/10 calculating, rather than only counting Title IV, HEA approved funds. In order to implement the statutory changes, the Department was required to engage in negotiated rule making. The ARP also stipulated that the changes must apply to fiscal years on or after January 1, 2023.

The negotiated rule making committee completed their proposal and on July 28, 2022 the Department published the Federal Register containing the negotiated proposed rulemaking on 90/10 regulations. In addition to the requirements of the ARP, their proposal added a further amendment to which non-Federal funds can be counted in the 90/10 determination.

After the comment period expired in August, the Department published a Federal Register containing their follow-up answers to the questions submitted and the final regulations amending the 90/10 regulations. As mentioned within the ARP Act, the final regulations state that proprietary institutions must now count all Federal funds used to attend the institution as Federal revenue in the 90/10 calculation, rather than only counting title IV, HEA program funds. In the fiscal year 2021, proprietary institutions were eligible to receive funding from at least 26 non-title IV Federal programs. The largest two non-title IV, Federal programs with documented funding provided to proprietary institutions were Post-9/11 GI Bill education benefits, which accounted for approximately \$1.3 billion, and the

Department of Defense Tuition Assistance program, which accounted for \$185 million in that year. In the Federal register on the final regulations, as the department addressed comments made during the comment period, they stated the reason for now including these non- Title IV federal programs was that some proprietary institutions have aggressively recruited service members and veterans to inflate the denominator and help offset the Title IV HEA program funds in the numerator.

The final regulations indicate that institutions must now include federal funds outside of those received through the Title IV programs- but what should we consider as “Federal funds”. Firstly, institutions need to consider federal funds received by outside federal agencies. For this component, the Department did their due diligence for you and surveyed Federal agencies to compile a comprehensive list of Federal education assistance funds.

- this list includes Federal funds that may be disbursed directly to an institution; disbursed to a student for purposes of paying tuition, fees, or other institutional charges; or comingled with non-Federal funds in a disbursement made by a non-Federal public agency, regardless of whether proprietary institutions are currently eligible.
- the Department indicated that most education assistance funds are disbursed directly to an institution for specific students, and, therefore, the institution should be aware of and able to account for these funds.
  - For the programs that disburse Federal funds directly to students, institutions are expected to determine if any students making payments to the institution are receiving Federal education funds from the listed sources and use that information to accurately calculate the percentage of their revenue derived from non-Federal sources. This might be a new element that your FAA office will need to work closely with the admin office to determine.
- To view that list visit the Federal Register: [List of Federal Education Assistance to Include as Federal Revenue](#)

Secondly, institutions must also account for federal funds distributed by non-federal agencies that students may use to pay institutional charges. These might include state grants, workforce contracts etc. Unlike the resources available to determine the federal funds from applicable federal agencies, there is little direction provided on how institutions can obtain federal percentages from non-federal grants. The Department has also followed up in stating that it will not be providing a list of fund sources that schools should expect to allocate. In respect to grant funds as a source of federal revenue, several of the FAQ’s regarding the final regulations on 90/10 address the concern that many states provide sub grants in excess of the minimum requirement and as a result there exists a co-mingling so to speak of federal and state funds together (the state grant provided may in fact be partial state funds, not federal funds and therefore may be excluded from the numerator)

As institutions try to navigate how to separate out state funds, the only guidance provided in the new rule asks that schools make a good faith attempt to reach state or location agencies to obtain the allocation of federal and non-federal funds. If the institution cannot determine the amount of the Federal portion of non-federal grant funds, then the entire amount is excluded from the 90/10 calculation. The Department has noted in its FAQ that nonfederal agencies are required to follow strict accounting procedures of federal funds and propriety institutions should be able to work with relevant agencies to obtain this breakdown.

One of the additional changes made in the final regulations outside of manipulating the 90/10 calculation is the creation of the disbursement rule. The disbursement rule was created in response to what the Department feels is the practice of some proprietary institutions to delay disbursements to students to the next fiscal year to avoid two



consecutive 90/10 failures. To prevent this practice, the new disbursement rule requires institutions request funds and make disbursements by the end of the fiscal year. The Department has stated that if your institution delays disbursements for all terms (e.g., through end of drop/add period), it should be deemed to be making timely disbursements. The final rule also stipulates that the department will evaluate disbursements, deviations from standing policy, or created policies, as well as factors outside of the institution's control.

The final rule adds new requirements regarding income share agreements (ISAs) and any other alternative financing agreements issued by the institution or related entity if they are to be included in the 90/10 calculation. Those requirements are:

- Must identify what institutional charges the agreement covers, and those charges cannot be more than the stated institutional charges at the time the student signs the agreements;
- Must disclose the maximum time and amount a student would be required to repay, including the implied or imputed interest rate and any fees and revenue generated for a third-party; and
- All payments are applied with a portion allocated to the return of capital and a portion allocated to profit.
- Revenue, interest, and fees not included in the 90/10 calculation.

Lastly, the final rule maintains the five categories to be considered a non-Title IV eligible programs:

- Licensed or approved
- Accredited
- Provide an industry-recognized credential
- Provide training needed to maintain state licensing requirements
- Providing training to meet additional licensing requirements for specialized training for those having already met the general licensing requirements in that field

The final regulations have also pulled the reins in a bit and have provided stipulations that had not previously existed. These additional requirements state that A non-eligible program must be for the purpose of education or training. This would exclude simply providing the facility for test preparation courses, as the regulations take the position that these activities are not for education or training. The program must be provided by the institution and not include any courses offered in a Title IV eligible program. Additionally, it must be taught by one of the institution's instructors (not an instructor under independent contractor status) and be taught at the institution's main campus or one of its approved additional locations, at another school facility approved by the appropriate State agency or accrediting agency, or at an employer facility. Lastly, the final regulations are clear that the program must not be offered through distance education.

For access to the final regulations and the FAQ on 90/10 published by the Department, visit the Federal Register and FAQ below:

Federal register: <https://www.federalregister.gov/documents/2022/10/28/2022-23078/pell-grants-for-prison-education-programs-determining-the-amount-of-federal-education-assistance>

90/10 FAQ: <https://www2.ed.gov/policy/highered/reg/hearulemaking/2009/90-10-q-and-a.html#90/10>

## **BETTER FAFSA BETTER FUTURE FSA LETTER TO THE PRESIDENT AND FSA WEBINAR SERIES**

As we begin to approach the start of the 2023/24 Award Year, so begins phased implementation of the *FAFSA Simplification Act* and the *FUTURE Act*. Additionally, now is the time for institutions to begin preparation steps for the upcoming changes for the 2024/24 Award Year.

To assist schools with this transition, FSA, in accordance with the *Better FAFSA Better Future Roadmap* released last month, sent a letter to Postsecondary Presidents, Chancellors and CEO's detailing out what the upcoming changes may mean for their institution. The letter was also released in a [Dear Colleague](#) and outlines that the major aspects of the *FAFSA Simplification Act* include:

- New Pell Grant and Federal Aid Eligibility Determination
- Expanding Access to Federal Aid
- Streamlining the FAFSA Form

Additionally, the correspondence communicates that the implementation of both laws will greatly alter the current systems and procedures schools use to award federal student aid. FSA shares that while it is difficult to estimate specific institutional impacts of these changes, they offered insights into what the changes could mean for schools:

- The potential need for more institutional resources to provide adequate training for your team, including financial aid leaders and staff, student financial services, bursars, and others.
- A thorough review of your current admissions and financial aid deadlines and practices as the 2024-25 FAFSA form will be available in December 2023.
- An increased number of students determined to be eligible for federal financial aid programs may require more staffing.
- Potential changes to your current enrollment and/or retention strategies for utilizing institutional student aid programs and/or funds.
- More resources may be needed for software, security, and systems updates, as well as training to implement those changes.
- Insufficient financial resources for items like staffing, software updates, and training may increase risks of non-compliance, which could lead to audit findings, fines, and/or liabilities.

The letter shares the FSA's plan to assist schools with this transition by delivering specific outreach and training to institutional student financial aid administrators across the country. FSA strongly encouraged school leaders to take advantage of the training being provided as they will be the key to their success during this transition.

In conjunction with the Dear Colleague and letter sent to institution leaders, FSA released their Better FAFSA Better Future Webinar Series beginning in June of this year. For links to join the webinars via Microsoft Teams, visit the Electronic Announcement here: [LIVE FSA Webinar Series](#).

Better FAFSA Better Future FSA Webinar Series:

Tuesday June 6<sup>th</sup>, 1-2pm ET: Better FAFSA Better Future Overview and Timeline

Thursday June 8<sup>th</sup>, 1-2pm ET: Protecting Federal Tax Information at Your Institution



Tuesday June 13<sup>th</sup>, 1-2pm ET: ISIR vs. ISIR  
Thursday June 15<sup>th</sup>, 1-2pm ET: Professional Judgment, Dependency Status and Verification  
Tuesday June 20<sup>th</sup>, 1-2pm ET: Better FAFSA Better Future Q&A- Session 1  
Thursday June 22<sup>nd</sup>, 1-2pm ET: Student Aid Index (SAI)- Part 1  
Tuesday June 27<sup>th</sup>, 1-2pm ET: Student Aid Index (SAI)- Part 2  
Thursday July 6<sup>th</sup>, 1-2pm ET: Pell Grant Minimums, Maximums and In Between  
Tuesday June 11<sup>th</sup>, 1-2pm ET: The FAA's Role in FAFSA Simplification  
Thursday June 13<sup>th</sup>, 1-2pm ET: Better FAFSA Better Future Q&A- Session 2

A PDF handout will be available for download the day before the live webinar in the “Upcoming Webinars” section of the [FSA Training Center](#). Leave behinds, if any, will also be available for download. Once you log in, select the “Upcoming Webinars” icon on the home page and locate the webinar in the table to download the presentation materials.

A video recording and a transcript of the Q&A portion of the webinar will be posted the week following each session. Once you log in to the [FSA Training Center](#), select the “FAFSA® Simplification Training and Resources” icon on the home page to locate the recordings and transcripts.

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## **REMINDER: ANNUAL UEI REGISTRATION RENEWAL WITH THE SAM WEBSITE**

Last year, the switch was made for schools to register for the Unique Entity ID (UEI). G5 verifies the UEI in the General Services Administration (GSA) [System for Award Management \(SAM.gov\) website](#) before carrying out administrative actions that involve a UEI. These actions could include making an award and performing UEI changes or reassignments. To ensure that administrative actions can be completed for *Title IV* recipients, schools must have “active” UEIs by registering their grantee and payee UEIs in the SAM website (<https://www.sam.gov>). Schools must complete the registration confirmation of their UEIs annually.

To limit impacts to processing of *Title IV* funds, FSA recommends that all schools regularly renew their UEI registration. To complete the registration, a school must first create a SAM user account. Once the SAM user account is created, the school can log in to update or renew the registration of each UEI associated with programs for which the school expects to receive funds from the U.S. Department of Education.

### **Other Reminders:**

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

- If an institution processes disbursement records in the Common Origination and Disbursement (COD) System using a different grantee or payee UEIs than the ones used for cash activity in G5, it must register both UEIs.





- If an institution has multiple UEIs, it must register each of them individually. This includes UEIs for any approved additional locations.
- Schools should allow at least 10 business days after completing the process for the registration to be active in SAM.
- After completing the registration process, schools will receive reminder emails as they approach their annual renewal deadline. Reminder emails are sent at 60 days and 30 days before a school's renewal deadline and are sent to the Point of Contact (POC) and alternate POC on file.

### Contact Information

Additional information about registering a UEI can be found in the user guides located under the “HELP” tab on the SAM website. If you still have questions about the SAM website or the UEI registration process, contact the Federal Service Desk at 1-866-606-8220.

### [REMINDER- Annual UEI Registration Renewal with SAM Website](#)

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## STUDENTAID.GOV ENHANCEMENTS AND MODIFICATIONS STARTED APRIL 2023

Last month, FSA began making additional updates to [StudentAid.gov](#) features designed to improve the information and self-service tools available to the customers. These updates continue FSA's efforts to improve the customer experience and modernize the website.

FSA's Electronic announcement last month summarized the updated features:

### Updated Features on StudentAid.gov

These features were added or updated with this release.

- **Public Service Loan Forgiveness (PSLF) Help Tool: Digital Signature and Submission** – With the April 2023 release, borrowers can, for the first time, fully complete the PSLF application process digitally with the help of the new digital signature and submission components of the PSLF Help Tool. The redesigned tool allows borrowers to
  - sign and submit the *PSLF Form* digitally on StudentAid.gov,
  - identify employers that need to sign their *PSLF Form* and send requests for e-signature via DocuSign, and
  - track the status of their *PSLF Form* in their account's Status Center.

### Important note about DocuSign

While these enhancements to the PSLF Help Tool will improve the process, many employers may be unfamiliar with this new technology. For the process to run smoothly, it is important that borrowers contact their employer **before** submitting the *PSLF Form* to notify the employer that they will 1) receive an email from DocuSign ([dse\\_na4@docusign.net](mailto:dse_na4@docusign.net)) on behalf of Federal Student Aid letting them know that their confirmation is requested, and 2) be able, via a link in the DocuSign email, to view the



borrower's *PSLF Form* to verify periods of employment and apply an electronic signature to certify employment.

Each borrower also will need to obtain the correct email address for their employer to receive the email from DocuSign. Without this step, employers may overlook DocuSign emails or assume they are spam.

- **Aidan® Virtual Assistant** – Aidan can answer common questions about federal student aid and guide customers to the correct information and resources. With this release, enhanced information and responses to questions about the PSLF program and two-step verification have been added. Additional information about the [Fresh Start Initiative](#) has also been added.
- **Direct PLUS Loan Application** – Several improvements have been made to the Direct PLUS Loan application, including reorganizing the material for improved flow and reduced page length. Also clarifying language was added to the "next steps" for each credit check decision, making it easier for applicants to understand action steps after completing the application. Additional changes were made to input labels for the Direct PLUS Loans for parents flow, making it clearer whose information is needed for the appropriate entry fields.
- **Loan Simulator** – Loan Simulator was updated with additional content and functionality including graphic representations of repayment options and monthly payment amounts across plans.
- **Additional Website Updates** – Modifications and improvements were made to several features across the website including:
  - Entrance Counseling and Exit Counseling
  - My FAFSA page
  - System security during log-in process

### Important

**Note:** While there have been updates to the Direct PLUS Loan application, Entrance Counseling, and Exit Counseling, there are no operational impact to schools; information received by schools from the Common Origination and Disbursement (COD) System is unchanged in responses, on the COD website, and on reports.

<https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2023-05-08/studentaidgov-enhancements-and-modifications-starting-april-2023>

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## COMPLIANCE CORNER

### RECORD SUBMISSION DUE DATE FOR 2021-22 DIRECT LOAN CLOSEOUT

We previously informed you in our March Newsletter that the closeout deadline for the 2021-22 Direct Loan Program Year is Monday, July 31, 2023. 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. In this month's *Compliance Corner*, let's review what institutions must complete in order to be successfully closed out. The following steps must be completed:



- 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.

**Important:** When completing the closeout, a school should verify that it has selected the correct program and award year from the dropdown menus.

To meet the closeout deadline, all records must be submitted to the COD System no later than 8 p.m. Eastern time (ET) on Monday, July 31, 2023. 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 2021–22 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.

**Note:** 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 be 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, the system will update the SULA Indicator for that borrower from "N" to "Y."

In a recent Electronic Announcement, FSA reviewed several other items institutions should consider in completing the close out process. Those elements include:

1. Though the closeout deadline is July 31, 2023, 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 2021–22. 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.

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.



- 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 FSA Partner and School Relations Center at the number for further assistance.

Extended processing is not needed to submit decreases to award or disbursement amounts or any non-financial changes. If you need to submit increases to award or disbursement amounts or new award or disbursements after the data submission (closeout) deadline, you will need to request an extension to the deadline via the COD website Request Reopen/Extended Processing page. However, you should not submit a request until after you have completed reconciliation of all program records and are ready to submit increases or new award or disbursement data to the COD System.

For additional Direct Loan Closeout information for the 2021–22 program year, schools can refer to the [Feb. 9, 2023 Electronic Announcement](#).

<https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2023-04-25/record-submission-due-date-2021-22-direct-loan-program-year-closeout>

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## DJA CALENDAR

### DJA MONTHLY WEBINARS

***Return of Title IV Funds (Including LOA) – Wednesday, May 17, 2023 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 \$95 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](mailto: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.

### 2023 DJA WEBINAR SCHEDULE

MAY 17	Return of Title IV Funds (Including LOA)
JUN 14	General Participation Requirements
JUL 12	Campus Crime Report
AUG 2	Entrance and Exit Counseling
SEPT 6	Cash Management
OCT 4	Enrollment Reporting Using NSLDS
NOV 1	Program Integrity (Audits, Program Review)
DEC 6	1098-T Reporting



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## FSA WEDNESDAY WEBINAR SERIES

Earlier this year, FSA resumed their Wednesday Webinar Series, a series of live, two-hour webinars (from 1-3 p.m. ET) which cover a variety of topics related to the *Title IV* programs. The webinars provide the most recent guidance from the U.S. Department of Education (the Department) and the office of Federal Student Aid, including statutory and regulatory updates. Operational information and reminders are also shared. Participants are encouraged to ask questions by typing them into the chat during the webinar and a live Q&A session follows each presentation.

You do not need to register for these webinars. Participation will be available on a first come, first-served basis and each session can accommodate up to 10,000 attendees in each session. For the links to each webinar session, see the electronic announcement: [Live Internet Webinars – Wednesday Webinar Series, Winter–Spring 2023 | Knowledge Center](#)

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Please see the calendar above for those webinars upcoming for June and July under the FSA Webinar Series for Better FAFSA Better Future. These webinars will be scheduled on Tuesdays and Thursdays from 1-2pm ET.

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## 2023 CECU CONVENTION AND EXPOSITION

The Annual North American Career Education Convention is scheduled for June 20-22, 2023 in Kansas City, Missouri.

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](mailto:kcole@gotodja.com), as well as our owners Deborah John, Renee Ford, and Tom John, who is also the developer of New Leaf. 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.*

