DJA

NEW LEAF

SEPTEMBER 2023 NEWSLETTER

IMPORTANT DATES:

September 8

September 9
Corrections Deadline for 22/23 ISIRS

September 12
DJA Webinar
Cash Management
11:00 a.m. CDT

September 17
Constitution Day

September 29
FISAP Submission Deadline

Deadline to Post 22/23 Pell Disbursements

September 29-Oct. 1
G5 and COD System Outage

IN THIS ISSUE:

September is a critical month in the higher education industry as it contains many critical processing and reporting deadlines. September 9th is the deadline for submitting corrections to the 22/23 ISIRs. In addition, all 22/23 Pell disbursements must be requested and posted to COD by September 29th. If your school participates in the Campus-Based Programs, this is also the last month to prepare to submit the FISAP as it is due on the 29th as well. We have provided an overview of these processing deadlines, as well as guidance issued by the Department in regards to the FISAP. If you are a DJA client, our team will ensure your institutions are on target to meet each deadline.

Perhaps one of the most promising announcements to come out of last month is the court injunction placed on the Borrower Defense Regulations. The appeal will be revisited when the court resumes in November. Be sure to also read up on the NEW Save Plan that has been early implemented as part of the final regulations updating the Income Driven Repayment Plans. Lastly, our Compliance Corner continues our series on the changes set to implement under the FAFSA Simplification Act. This month, we review some of the key roles Financial Aid Administrators will need to play in the implementation of the new 24/25 FAFSA. Be sure to tune in next month as we cover more of those responsibilities.

This September is also a momentous month here at DJA as we celebrate 35 years in business! As we reflect on this significant milestone, we want to express our heartfelt appreciation to our clients- for their unwavering support and trust over the years. When we embarked on this journey three and a half decades ago, our vision was to build a company that not only provided exceptional services but also fostered lasting relationships with our clients. Today, we stand as a testament to the power of dedication, innovation, and collaboration. We are eager to embark on the next phase of our journey, embracing the opportunities and challenges that lie ahead.

With gratitude and best wishes,
Deborah John, President

ACCREDITED IN PEACE OF MIND

IN THE NEWS: INJUNCTION PLACED ON THE BORROWER DEFENSE REGULATIONS

On August 7, 2023, the U.S. Court of Appeals for the Fifth Circuit issued an order postponing the July 1, 2023 regulations on borrower defense to repayment and closed school loan discharge. As we discussed in our industry updates on this month's August webinar, a postponement had previously been in effect, but was only applicable to educational institutions that were members of the Career Colleges and Schools of Texas (CCST). However, this most recent order provides an injunction to all higher education institutions nationwide. To read the order in its entirety- click here. To read the Federal Register on the regulations published last fall that were scheduled to take effect July 1, 2023 (we reviewed during our annual conference and most recently during our July webinar)- click here. Overall, this is great news and given the court schedule, it is anticipated this order will remain in effect for several months.

Despite the regulatory hold, the Department has begun disseminating notices regarding borrower defense claims. The email communication directs your institution to access the claims via COD where you can link to the Borrower Defense Portal. The Borrower Defense Regulations, and the email communication from the Department affirm, that institutions are able to submit a response to the borrower's allegations but are not required to do so. Your institution's response must be submitted via upload to the COD Web and be attached to the case number you are responded to within 60 days of the date of the letter emailed to your institution. If you choose to submit a response, include with the response the signed affidavit linked below certifying under penalty of perjury that the information submitted to the U.S. Department of Education in response to the borrower defense application is true and correct. https://studentaid.gov/sites/default/files/affidavit-school-certification.pdf.

Please note that despite the legislative pause on this regulation, DJA agrees with the guidance shared by the Career Education Colleges and Universities association (CECU) and legal experts at Duane Morris that institutions should abide by the time frames and frameworks included in the BDR rule to respond to noticed claims. **The risk in doing so is too great.**
https://www.duanemorris.com/alerts/fifth_circuit_halts_new_borrower_defense_repayment_rule_what_it_means_what_expect_next_0823.html

IN THE NEWS: BIDEN ADMINISTRATION LAUNCHES NEW SAVE PLAN- PROMISING THE MOST AFFORDABLE STUDENT LOAN REPAYMENT PLAN EVER

The Biden-Harris Administration closed out the month of August with a press release announcing the launch of the "most affordable repayment plan ever created- the Saving on a Valuable Education (SAVE) plan." In our July newsletter, we shared that although the U.S. Supreme Court ruled against the administration's initial loan forgiveness plan, a Plan B was already in place. The first part of this approach came with the July 10th Federal Register publication providing final regulations governing income-contingent repayment plans with an implementation date of July 1, 2024. However, as the most recent press release covers, the Federal Register announced the early implementation of several components of the new SAVE plan, which will replace the previous Revised Pay-As-You-Earn (REPAYE) plan. With an early implementation date of July 30, 2023, these regulatory changes come at an opportune time as the pandemic pause on loan payments has ended and payments will resume in October, with student loan interest having started on September 1, 2023.

Following the White House press release, Federal Student Aid (FSA) posted an Electronic Announcement providing loan servicing information to institutions as the provisions identified for early implementation have a significant impact to borrowers in the existing REPAYE Plan. With the REPAYE Plan assuming a new identity as the SAVE Plan, FSA shares that references on StudentAid.gov and other Department publications are being revised to reflect the transition to this new name. Until the revisions are complete, all mentions of the REPAYE Plan can be understood to mean the SAVE Plan. Starting with the upcoming academic year, schools should also begin updating their own publications and references to inform their students that SAVE is the new name for REPAYE.

SAVE Plan Benefits Available Under Early Implementation

The new repayment plan, SAVE, offers more than just a name change; there are several benefits eligible borrowers will see immediately under the early implementation. These benefits that were early implemented on June 30, 2023 are as follows:

- **Increase the Income Exemption of the Applicable Poverty Guideline:** The greatest benefit for borrowers on the SAVE Plan is the way discretionary income is determined when calculating the borrower's monthly payment. The SAVE plan uses 225% of the Federal Poverty Level (FPL) based on family size and state of residence to determine a borrower's discretionary income. ***This is a significant increase over the 150% that was used under the previous REPAYE plan***. This means that a single borrower with no dependents will have a $0 payment if their adjusted gross income (AGI) is below $32,805 or will otherwise have $32,805 subtracted from their AGI to determine their discretionary income. Likewise, a married borrower filing a joint federal tax return with no dependents will have a $0 payment if their AGI is below $44,370 or will otherwise have $44,370 subtracted from their AGI to determine their discretionary income.
- **Lower the Share of Discretional Income for Monthly Payments Calculation:** The SAVE Plan continues to keep a borrower's monthly student loan payments affordable by capping the payment amount at 10% of the borrower's discretionary income. Borrowers with undergraduate loans will have their payments reduced from 10% to 5% of their discretionary income. Those who have undergraduate and graduate loans will pay a weighted average between 5% and 10% of their income based upon the original principal balances of their loans.
- **Adjust the Treatment of Spousal Income:** The SAVE Plan aligns the inclusion of spousal income with other existing IDR plans. Borrowers who file their federal tax return as married filing separate will only include the income of the borrower when determining their monthly payment.
- **Improving the Interest Benefit by Removing the Accrual:** The SAVE Plan also improves the interest benefit provided to borrowers in repayment. If a borrower's monthly payment does not exceed the amount of interest that accrued for the month, the additional interest is not charged to the borrower, regardless of the loan type and for the entirety of the repayment period. In the previous REPAYE Plan, the full benefit was only available for subsidized loans during the first three years in repayment and half the benefit for the remaining repayment period and unsubsidized loans only received half the benefit for the entirety of the repayment period. ***This means that borrowers on the SAVE Plan that make their monthly payment as***

scheduled will not see their loan balance grow over time simply because their payment is less than the interest accruing.

Additional Benefits for ALL Income Driven Repayment (IDR) Plans Available Under Early Implementation

The White House press release also highlights the provision awarding credit toward forgiveness for certain periods of loan deferment prior to the effective date of July 1, 2024, as described in § 685.209(k)(4). While the Federal Register published in July does not indicate an early implementation effective date, it instead leaves an open-ended opportunity for early implementation and a promise for a future publication announcing the timing of implementation. FSA has not yet published that date, but the benefit is listed by the administration in the August release.

Secondly, the final regulations also indicate the Secretary has designated the change to the definition of family size for Direct Loan borrowers in IBR, ICR, PAYE, and REPAYE(now SAVE) in § 685.209(a) to exclude the spouse when a borrower is married and files a separate tax return for early implementation on July 30, 2023.

To review the additional benefits slated for implementation on July 1, 2024, we invite you to read our July newsletter linked previously in this article.

Borrowers Eligible for SAVE

Borrowers who are currently enrolled in the existing REPAYE Plan will not need to take any action; they will have their monthly payment recalculated based on the AGI and family size provided when they last certified their income using the new discretionary income calculation. There is no income requirement to qualify for the SAVE Plan, and the plan is available to all Direct Loan borrowers with eligible loan types, regardless of when they took out their loans. ***All Direct Loans may be repaid under the SAVE Plan, except for Direct PLUS Loans for parents and Direct Consolidation Loans that repaid PLUS loans for parents.***

The White House press release also shares the launching of an outreach campaign to encourage borrowers to sign up for the new SAVE Plan. "…The Department of Education is partnering with grassroots organizations to launch an outreach campaign, "SAVE on Student Debt". The campaign will leverage strategic partnerships across public, private, and nonprofit sectors to help borrowers take full advantage of the benefits provided by the SAVE plan, as well as ensure borrowers know about other resources and debt forgiveness programs available from the Department. In FSA's EA, they announced to launch a communications campaign to introduce the SAVE Plan to borrowers as they reenter repayment following the payment pause. Messaging will be tailored to borrowers who can benefit from the SAVE plan, including borrowers who entered repayment while payments have been paused. The campaign aims to create an increased awareness of this new repayment plan but anticipates it may also generate many questions from borrowers. Although a borrower's loan servicer is the primary point of contact for all questions on the IDR plans, FSA provides institutions that may receive those questions with several resource links. Information about the plans is available online at:

- SAVE PLAN Announcement page
- Income-Driven Plans
- SAVE Plan Repayment Fact Sheet

Additionally, they encourage the use of this return to repayment checklist for borrowers as it highlights key information about how borrowers can prepare for student loan payments to begin again, including by enrolling in the new SAVE plan. Lastly, complete information about the SAVE Plan is available on the SAVE PLAN Announcement page of the StudentAid.gov Web site. This information includes a detailed explanation of the new features of the SAVE Plan and an overview of what's to come.

Returning from the Labor Day holiday weekend, the Department of Education Press Office announced that within just weeks of launching the SAVE campaign, "more than 4 million student loan borrowers are enrolled in the Biden-Harris Administration's new Saving on A Valuable Education (SAVE) income-driven repayment (IDR) plan, including those who were transitioned from the previous Revised-Pay-As-You-Earn (REPAYE) plan. Additionally, the Department has received more than 1.6 million IDR applications through StudentAid.gov since July 30, and nearly one million of those applications are for the SAVE plan, the most affordable IDR plan ever."

FSA Provides Additional Changes As a Result of the Final Regulations

NSLDS Updates Related to the SAVE Plan

Federal loan servicers will continue reporting the code "I5" to the National Student Loan Data System (NSLDS) when a borrower is repaying a Direct Loan under the SAVE Plan. School users will see the code when they access the Loan Detail Page on the NSLDS Professional Access Web site. The repayment plan name associated with this code may continue to display as REPAYE in NSLDS and NSLDS generated reports but should be understood to mean SAVE until the NSLDS systems are updated with the new name.

Changes Affecting ALL IDR Plans

Many of the provisions being implemented early are specific to the SAVE Plan, however as mentioned above, there are some provisions that are being implemented along with these changes that will affect all IDR plans.

Consent to Use Federal Tax Information

As part of the FUTURE ACT, borrowers paying under an IDR plan will be able to consent to the use of their federal tax information to calculate their income and family size for the purpose of determining their monthly payment. Borrowers who consent to this disclosure when using the updated Online IDR Plan Request will authorize the use of this information for as long as they remain in an IDR plan. This allows the annual recertification of a borrower's IDR plan to occur automatically. ***This is a benefit for borrowers who had previously needed to reapply manually every year to provide this information, which would often lead to loss of eligibility to remain in the IDR program because the information was not received in a timely manner***. Borrowers will still have the opportunity to provide their income information directly to their servicer if they believe their most recent tax information is not correctly reflecting their current income or family size.

Important: the authorization to use federal tax information that is provided for use in the FAFSA is not the same as the authorization provided for IDR; they are not interchangeable. A borrower's consent to use tax information on the FAFSA is only valid for the year associated with the FAFSA and needs to be provided each year. Consent provided for IDR remains in place as long as the loan is in repayment, unless the borrower revokes consent by logging in at StudentAid.gov and changing the consent status in "Financial Information Access" under settings.

Additionally, as a result of this new interface with the Internal Revenue Service (IRS) to authorize the use of federal tax information, the former Data Retrieval Tool (DRT) will be retired.

Because the federal tax information received through borrower consent would include family size information based on tax filing status to calculate their monthly payment, borrowers who file their taxes as married filing separately will not have their spouse included in their family size. Since this could affect their monthly payment calculation, they will be given a choice during this transitionary year to instead have their payment calculated by their servicer, which allows them to include their spouse in their family size. They will be presented with this choice when they use the updated Online IDR Plan Request (explained below).

Changes to Interest Capitalization

As part of the final rule issued on November 1, 2022 (87 FR 65904), interest will no longer capitalize when a borrower leaves an IDR plan (other than the IBR Plan), when it is determined the borrower no longer has a partial financial hardship in the PAYE plan, or when there is negative amortization in the PAYE or ICR plans.

Loan Simulator

FSA is updating the Loan Simulator to reflect these new IDR changes. This update will include the early implemented changes to the SAVE Plan, which enables borrowers to compare their monthly payment amount under the repayment plans available to them based on their actual loan types and balances.

Online Income-Driven Repayment (IDR) Plan Request

To help borrowers apply for the SAVE Plan, as well as the three other IDR plans—PAYE, IBR, ICR—FSA has also updated the Online IDR Plan Request.

The updated Online IDR Plan Request continues to interface with NSLDS to gather the personalized loan information for the borrower and, with the borrower's consent, to interface with the IRS to obtain the federal tax information. ***This will streamline the application process for the majority of borrowers who choose to repay their eligible Direct Loans under SAVE, PAYE, IBR, and/or ICR plans and, when consent is provided, eliminate the need to reapply every year.***

Borrowers with FFEL Program loans will continue to use the updated Online IDR Plan Request, but they will not be able to provide the consent necessary to use IRS tax information and will be asked to provide income documentation to their servicer.

A borrower will use the updated Online IDR Plan Request to complete the following actions that will ultimately be shared with the borrower's servicer:

- Initially apply to participate in an IDR plan and provide consent if they are a Direct Loan borrower.
- Recertify their participation in an IDR plan if consent has not previously been provided.
- Request the recalculation of their monthly payment amount due to a change in circumstances.
- Switch from one IDR plan to another.

For the first six months following return to repayment, the updated Online IDR Plan Request will also permit borrowers to self-certify their income and family size.

Sources:
White House Press Release: The Biden-Harris Administration Launches the SAVE Plan
Final Regulations Federal Register July 10, 2023: Improving Income Driven Repayment
Electronic Announcement: Loan Servicing Information- Availability of SAVE and Updates to IDR
Department of Education Press Release: More than 4 Million Borrowers Enroll under SAVE

REMINDER- FISAP DUE SEPTEMBER 29, 2023

FSA recently released an Electronic Announcement reminding schools of the upcoming deadline for submitting the Fiscal Operations Report for 2022–23 and the Application to Participate for 2024–25 (FISAP) for the Campus-Based Programs. As announced in the "2023–24 Award Year Deadline Dates for Federal Perkins Loan, Federal Work-Study, and Federal Supplemental Educational Opportunity Grant Programs" published in the *Federal Register* on Jan. 18, 2023 (88 FR 2901), the date by which a school must submit the FISAP and the required signature is **Friday, Sept. 29, 2023**.

All schools requesting Federal Supplemental Educational Opportunity Grant (FSEOG) or Federal Work-Study (FWS) program funds for the 2024–25 award year and/or that had FSEOG or FWS expenditures or Federal Perkins Loan (Perkins Loan) activity for the 2022–23 award year are required to electronically submit a FISAP via the Common Origination and Disbursement (COD) website. Schools that closed during the 2022–23 award year are required to complete and submit a final FISAP to report any 2022–23 Campus-Based expenditures.

The COD website allows a school to complete and submit its FISAP online, receive real-time validation edits, and access prior-year data to assist in completing the FISAP. Schools should review all validation edits and ensure accuracy of the information reported. For information about accessing the FISAP on the COD website and to review important reporting reminders and supplemental instructions related to the *CARES Act*, refer to our DJA July Newsletter where we share the Final Forms Released for the 24/25 FISAP.
The deadline for electronic submission of the FISAP is 11:59 p.m. Eastern time (ET) on Sept. 29, 2023. Transmissions must be completed prior to midnight. Additionally, the signature page must be printed, signed, and mailed by the Sept. 29, 2023, deadline. Signature requirements and instructions can be found in the 2024–25 FISAP Instructions.

REMINDER: As explained in the FSA July 25, 2022 Electronic Announcement, there is a new address for the FSA Partner and School Relations Center located in Fairfax, VA. Note the updated address for mailing signature pages on the 2024–25 FISAP form and instructions.

To review FISAP reminders and links to helpful resources as you complete your FISAP, view the announcement in its entirety linked below in "Sources".

**Please note if you are a DJA Client and contracted for the Campus Based Programs, our team prepares your FISAP and has been diligently working on this. If you have a specific question on your FISAP or its anticipated completion, please reach out to Deborah John at djohn@gotodja.com or Renee Ford at rford@gotodja.com.

Another resource you may find valuable is the newly released online training course available on the FSA Training Center to assist with completing the FISAP. For more information, access the Dear Colleague for all the details.

Sources:
Electronic Announcement: Reminder- FISAP Due Sept. 29, 2023

ADMINISTRATIVE COST ALLOWANCE PAYMENTS FOR 21/22 and 22/23

The Federal Pell Grant (Pell Grant) regulations at 34 CFR 690.10 provide for an Administrative Cost Allowance (ACA) payment of $5.00 to each participating school for each student who receives a Pell Grant at that school for an award year. These funds may be used only to defray the costs of administering the Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work-Study, and Federal Perkins Loan programs.

ACA payment amounts are not included in a school's Current Funding Level (CFL), but are direct payments made to a school based on its unduplicated student recipient information. A school's total number of Pell Grant unduplicated recipients, used in the calculation of the ACA payment, includes students with at least one reported and accepted actual disbursement (Disbursement Release Indicator or DRI value equal to "true") in the Common Origination and Disbursement (COD) System. A student will be included in the calculation even if there is a full recovery of the entire Pell Grant award.

A school's total unduplicated recipient count **excludes** the following students:

- Those who have been determined ineligible for a Pell Grant or rejected by the Central Processing System
- Those for whom origination records were accepted in the COD System but for whom accepted actual disbursements (Disbursement Release Indicator or DRI value equal to "true") have not been received.
- Those for whom all actual disbursements have been rejected.

In late August, FSA updated the community in an Electronic Announcement of the release of the third ACA payment for the 21-22 AY and the second ACA payment for the 23-24 AY. The information within those announcements are shared below:

<u>**Third Pell Grant Administrative Cost Allowance Payments for 2021-22 Award Year**</u>

The third and final ACA payment for the 2021–22 award year is based on records that the COD System has processed from the date the second ACA payments for the 2021–22 award year (Aug. 17, 2022) was processed for your institution up to the date that FSA process the third and final ACA payments for the 2020–21 award year, which was August 16, 2023.

A school's calculated Pell Grant ACA payment will be posted in G5 as an Available Balance in the school's ACA G5 Award Number, P063Q21####. Once posted, a school must sign in to the G5 website and process a drawdown transaction in G5 to receive the funds.

ACA payment amount notifications will be sent to reporting schools. Specifically, we will send an Electronic Statement of Account (ESOA) (Message Class PGAS21OP) that reflects the ACA payment amount to the reporting school's Student Aid Internet Gateway (SAIG) mailbox. Additionally, the ACA payment amount and other ACA-related information will be displayed on the COD website's School Funding Information screen. This information is as follows:

- "Total Unduplicated Recipients" Field – Count of unduplicated recipients for the 2021–22 award year for the school.
- "Total Unduplicated Recipients Paid" Field – Count of unduplicated recipients for the 2021–22 award year for whom ACA has been paid.
- "Total ACA" Field – Dollar amount paid to the school to date for the 2021–22 award year.
- "Last ACA Payment Date" Field – Most current date for which an ACA payment was made for the 2021–22 award year.
- "ACA Payment History" Link – "Number of Recipients," "Date ACA Paid" and "Amount" for the first, second, and third/final ACA payments for the award year.

Second Pell Grant Administrative Cost Allowance Payments for 2022-23 Award Year

The second ACA payment for the 2022–23 award year is based on records that the COD System has processed from the date the first ACA payments for the 2022–23 award year was processed (February 23, 2023) up to the date that the date the second ACA payments for the 2022–23 award year (Aug. 16, 2023).

Just as with the Third Pell ACA for 21-22AY, a school's calculated Pell Grant ACA payment will be posted in G5 as an Available Balance in the school's ACA G5. However, the Award Number for the second ACA payment for 23-24 is P063Q22####. Once posted, **a school must sign in to the G5 website and process a drawdown transaction in G5 to receive the funds**.

ACA payment amount notifications will be sent to reporting schools. Specifically, we will send an Electronic Statement of Account (ESOA) (Message Class PGAS22OP) that reflects the ACA payment amount to the reporting school's Student Aid Internet Gateway (SAIG) mailbox. Additionally, an ACA payment amount and other ACA-related information will be displayed on the COD website's School Funding Information screen. This information is as follows:

- **"Total Unduplicated Recipients" Field –** Count of unduplicated recipients for the 2022–23 award year for the school

- **"Total Unduplicated Recipients Paid" Field –** Count of unduplicated recipients for the 2022–23 award year for whom ACA has been paid
- **"Total ACA" Field –** Dollar amount paid to the school to date for the 2022–23 award year
- **"Last ACA Payment Date" Field –** Most current date for which an ACA payment was made for the 2022–23 award year
- **"ACA Payment History" Link –** "Number of Recipients," "Date ACA Paid" and "Amount" for the first and second ACA payments for the award year

If your school has questions about the Pell Grant ACA payments, contact the FSA Partner and School Relations Center at 1-800-848-0978. You may also email CODSupport@ed.gov.

For questions related to G5, contact the G5 Hotline at 1-888-336-8930. You may also email obssed@servicenowservices.com.

Sources:
Electronic Announcement: Third Pell Grant ACA Payment for 21-22 AY
Electronic Announcement: Second Pell Grant ACA Payment for 22-23 AY

23-24 SUPPLEMENTAL CAMPUS-BASED FUNDS

In a recent Electronic Announcement, FSA explains how 2023-24 supplemental award funds for each of the Campus-Based programs will be distributed and how schools will be notified if allocated supplemental awards. Other than funds distributed through the supplemental process described in this announcement, it is not anticipated that any additional Campus-Based funds will become available for the 2023-24 award year.

The Department uses information collected on the Campus-Based Reallocation Forms (that were due Monday, Aug. 14, 2023) to reallocate unexpended Federal Supplemental Educational Opportunity Grant (FSEOG) and the Federal Work-Study (FWS) program funds from the previous award year as supplemental allocations for the current award year. (See a July 18, 2023 Electronic Announcement for more information about the reallocation form and process.)

Distribution of Supplemental Campus-Based Funds: Supplemental Campus-Based funds are distributed in accordance with section 413D(d) for FSEOG and section 442(d) for FWS of the *Higher Education Act of 1965*, as amended, and the regulations at 34 CFR 673.4.

While FSA intends to award supplemental funds as described within those regulations, if there is a FEMA-declared disaster that impacts schools, they may award funds to those schools to assist students impacted by the disaster. Should that occur, a subsequent Electronic Announcement will be posted that will supersede the information provided within their August 23, 2023 EA.

- **FSEOG:** Available FSEOG funds are reallocated to schools that show a shortfall in their fair share calculation (final funding worksheet for FSEOG, line 25). The allocation is distributed using the same formula as final awards. Depending on the funding available, supplemental FSEOG awards may be very small and not all schools may receive supplemental FSEOG funds.

- **FWS:** FSA will award 100% of the available FWS funds to schools that (1) have a 2023–24 fair share shortfall (final funding worksheet for FWS, line 28); and (2) requested a supplemental 2023–24 FWS allocation on line 5 of the Campus-Based Reallocation Form.

School Notification: Schools will be notified by email by the end of September 2023, if they received supplemental Campus-Based funds. This email is sent to the Financial Aid Administrator identified on the most recently submitted FISAP, or as updated on the "Demographics" page on the COD website.

In the email, schools will be referred to their Campus-Based Statement of Account which will reflect the supplemental award amount for each program.

To access the Statement of Account, schools should follow these steps:

1. Log in to the COD website.
2. From the School tab, select the "Campus-Based System" link from the left navigation menu.
3. Select "Self-Service," then "Notifications" from the left navigation menu.

Contact Information: Institutions needing additional information about the supplemental Campus-Based award process should contact the FSA Partner and School Relations Center at 1-800-848-0978. You may also email CODSupport@ed.gov.

Sources:
Electronic Announcement**:** 2023-24 Supplemental Campus Based Funds

TOP TEN SCHOOL AUDIT AND PROGRAM REVIEW FINDINGS

As part of ongoing transparency initiatives, FSA annually publishes a summary report identifying the top ten school audit findings and top ten school program review findings. FSA recently posted these reports on its FSA Data Center. The Top Ten School Audit Findings and the Top Ten School Program Review Findings are cumulative starting from FY2015. FSA also publishes a School Fine Report showing cumulative fines imposed since FY2010. The FY2022 School Fine Report identifies 18 IHEs that were assessed fines totaling $2,564,528. The two largest fines imposed in FY2022 were $670,000 (assessed against University of Texas at San Antonio) and $475,000 (assessed against University of North Georgia), which were imposed as a result of findings identified in two audits of IHEs conducted by the Department's Office of Inspector General concerning violations of campus security requirements of the *Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act*. As part of our DJA Webinar Series to provide ongoing education to our clients, DJA conducted a webinar on these campus crime regulations this past July. If you would like a copy of those handouts to review your institution's regulatory commitment, please email our Vice President, Renee Ford at rford@gotodja.com.

The Top 10 Audit Findings for Fiscal Year 2022 are as follows:

Top Ten Domestic School Audit Findings by Number of Findings for Fiscal Year 2022		
Finding Code Description	**Number of Findings**	**Percent**
STUDENT STATUS - INACCURATE/UNTIMELY REPORTING	885	16.8%
REPEAT FINDING - FAILURE TO TAKE CORRECTIVE ACTION	716	13.6%
RETURN TO TITLE IV (R2T4) CALCULATION ERRORS	415	7.9%
RETURN OF TITLE IV FUNDS MADE LATE	356	6.7%
STUDENT CREDIT BALANCE DEFICIENCIES	258	4.9%
QUALIFIED AUDITOR'S OPINION CITED IN AUDIT	251	4.8%
CARES ACT - HIGHER EDUCATION EMERGENCY RELIEF FUND (HEERF) NON-COMPLIANCE	219	4.1%
VERIFICATION VIOLATIONS	208	3.9%
ENTRANCE/EXIT COUNSELING DEFICIENCIES	189	3.6%
INACCURATE DISBURSEMENT DATES/AMOUNTS REPORTED TO COD	174	3.3%
Total Top Ten Deficiencies	**3,671**	**69.5%**
Total 2022 Deficiencies	**5,281**	**100.0%**

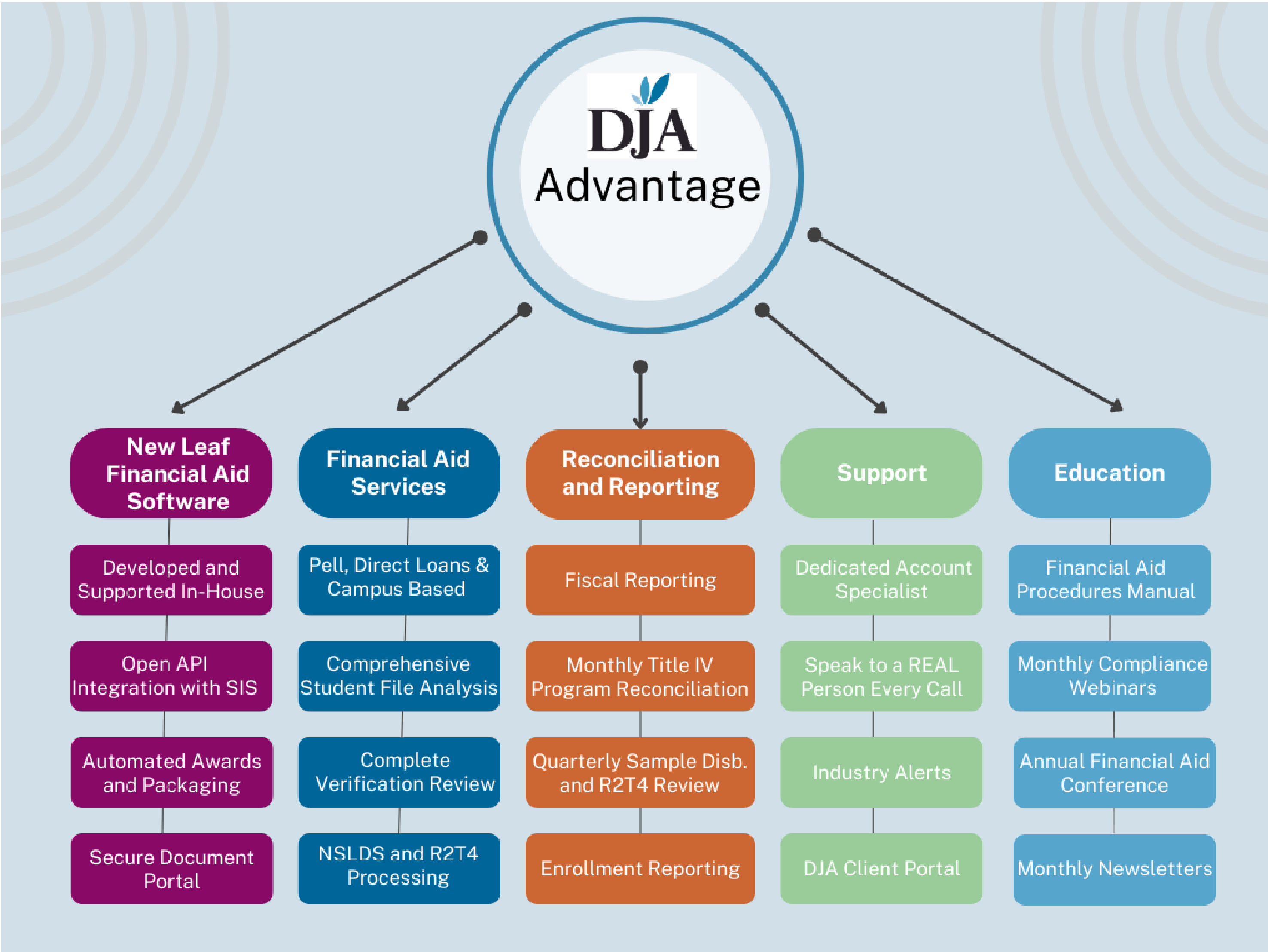
Note: The Missing Closeout Audit finding was excluded from these totals.

The Top 10 Program Review Findings for the Fiscal Year 2022 are as follows:

Top Ten Domestic School Program Review Findings by Number of Findings for Fiscal Year 2022		
Finding Code Description	**Number of Findings**	**Percent**
STUDENT STATUS - INACCURATE/UNTIMELY REPORTING	64	8.8%
LOAN DISCHARGE	50	6.8%
RETURN TO TITLE IV (R2T4) CALCULATION ERRORS	44	6.0%
STUDENT CREDIT BALANCE DEFICIENCIES	38	5.2%
VERIFICATION VIOLATIONS	34	4.7%
ENTRANCE/EXIT COUNSELING DEFICIENCIES	33	4.5%
INACCURATE RECORDKEEPING	26	3.6%
SATISFACTORY ACADEMIC PROGRESS POLICY NOT ADEQUATELY	25	3.4%
LACK OF ADMINISTRATIVE CAPABILITY	19	2.6%
INELIGIBLE STUDENT - HIGH SCHOOL STUDENT	17	2.3%
Total Top Ten Deficiencies	**350**	**47.9%**
Total 2022 Deficiencies	**730**	**100.0%**

Note: The Missing Closeout Audit finding was excluded from these totals.

Many of these top findings are reflected in both lists. Partnering with DJA as your third-party financial aid servicer addresses MANY of these findings through our DJA Advantage offering:



If your institution is interested in hearing more about how partnering with DJA can improve your audit and program review experience by addressing common compliance findings, please contact Renee Ford at rford@gotodja.com.

COMPLIANCE CORNER

FAFSA SIMPLIFICATION ACT: THE FAA ROLE IN FAFSA SIMPLIFICATION

Over the past several months, we have dedicated the *Compliance Corner* to preparing for the significant changes scheduled for implementation under the FAFSA Simplification Act. If you missed out on our previous articles in this series, we have summarized the key points and provided links below:

- June 2023 *Compliance Corner*: Reviews the steps your institution will need to take to secure and handle the Federal Tax Information (FTI) that will be disclosed directly from the IRS through the FUTURE Act Direct Data Exchange (FA-DDX). Starting with the 24/25 FAFSA, contributors will be provided the opportunity to consent to have their FTI released from the IRS to populate their application.
- July 2023 *Compliance Corner*: Focuses on the phased implementation that has been implemented for the 23/24 Award Year and strategies to stay in compliance with these new regulatory standards.
- August 2023 *Compliance Corner*: Summarizes the recently published Dear Colleague GEN-23-11 by reviewing how aid will be awarded using the Student Aid Index (SAI) in the 24/25 Award Year. While the formula for determining need remains the same, the elements within that formula have been replaced, notably the Expected Family Contribution (EFC) has been replaced with SAI and then Estimated Financial Assistance (EFA) has been replaced with Other Financial Assistance (OFA).

In today's edition, we will walk through the role Financial Aid Administrator's (FAA's) will need to play throughout the FAFSA Simplification process to ensure successful implementation. With this being the most comprehensive redesign of the FAFSA form in 40 years, the changes are many and financial aid offices must understand and plan effectively for the impact these changes will bring. As we recommended last month, if your institution and financial aid office have not already, we suggest appointing an Implementation Team to oversea these forthcoming changes.

Collaboration will be key as we move closer to the release of the 24/25 FAFSA and the system changes scheduled to occur as well. FSA has provided valuable training resources through their Better FAFSA Better Future Webinar Series. The recorded sessions from this training are available on the FSA Training Site. To supplement the guidance provided in this *Compliance Corner*, DJA encourages your team to listen to the replay of the webinar "The FAA's Role in FAFSA Simplification." FSA's key contributions throughout implementation are:

- To deliver technical solutions and re-engineered backend systems
- To offer policy guidance and training to clarify legislative provisions.
- To provide education, outreach, and communication to students and their families

To support FSA's efforts, the FAA role needs to be:

- To assist applicants with the re-designed FAFSA process
- To update the institution's policies, procedures, and operations to reflect regulatory and system changes.
- To foster a collaborative approach by engaging with internal and external partners

FAFSA Re-design and Updates

Not only has the FAFSA itself been re-designed, but the process of completing the FAFSA has also changed significantly. Prior to the 24/25 changes, the FAFSA has previously asked a dependent student to complete the application with parental guidance (and signature), as well as required an independent student provide spousal income information. Beginning with 24/25, students, parent(s) and spouses will all be considered separate contributors to the FAFSA. Each contributor will need to complete their portion of the FAFSA, as they will be required to provide consent to utilize their FTI from the IRS on the form. Be sure to inform students of this change. When meeting with potential students on the FAFSA process, keep in mind the following 24/25 changes and how they might be relevant to your student's situation:

- Once student's have completed the FAFSA, they will be prompted to invite other contributors (parent(s), spouse) to enter their own information.
    - Dependent students will be prompted through a parent wizard to complete a couple of questions regarding their parent(s) circumstances.
    - The Department can no longer collect parental information from independent students. ***If your school uses parental information for any of its aid programs you will need to find another method.***
- FSA ID now has the following requirements:
    - Two-step verification
    - All FAFSA contributors must have a FAFSA ID to log into the online form
    - There is a new process to obtain an FSA ID for parents and spouses without a Social Security Number
- Encourage all contributors to complete the FAFSA utilizing the online process, but communicate the alternate options of:
    - All contributors complete and mail PDF FAFSA form.
    - The student applicant completes the online process and the contributor(s) provides consent and signature on the FAFSA Submission Summary
- The added demographic questions prior to the signature and submission. It is notated to the student that these questions do not affect eligibility.
- If a dependent student has divorced parents, legislative provisions have updated that only the income and assets of the parent providing the greatest portion of the student's financial support will be considered.
- If a family is required to report assets, the value of family farms and small businesses will no longer be excluded.
- Assets are to include child support received, investments, vacation homes and derivatives
    - Assets will no longer include education savings accounts for other children
- Income Earned from Work will only be required from U.S. tax filers
    - If not required to file, independent students and parents of dependent students will be given an automatic -1500 SAI
- Untaxed Income and Benefits now includes Foreign Income of U.S. citizens and permanent residents if that income was exempt from U.S. taxation or foreign income for which the individual received a foreign tax credit.

    - Items now removed from Untaxed Income and Benefits include payments to tax-deferred pensions and retirement savings plans, cash support, workman's compensation, housing/food allowance for military/clergy, veteran's noneducation benefits and child support received is now considered an asset as shown above.
- Excludable Income Items now only include Education Credits, Taxable college grant and scholarship aid reported to the IRS as income and Income earned from work under the FWS program.
    - The FAFSA form is not allowed to ask for the income earned under the FWS program. Therefore, the Department will collect it from schools via the COD system. Schools will need to report on an annual basis in late summer/early fall for the prior calendar year the student level gross FWS earnings for the prior-prior calendar year (so in year 2023, you will report 2021 wages).
- The Department is no longer allowed to ask about a student's housing situation on the FAFSA form. Schools will need to gather this information otherwise as the housing component is factored into the Cost of Attendance calculation as you must determine whether the student lives on-campus, off-campus or with a parent.
- Family size is pulled in from the contributors FTI. It can be adjusted if the information has changed or does not reflect the applicant's current family size.
    - Although the number in college is no longer used in the needs analysis, this question will still remain on the FAFSA form.

Understanding the changes to the FAFSA will be integral in ensuring your students have a seamless transition to the updated FAFSA process. For the most up to date information on implementation and outreach, FSA recommends connecting to the Knowledge Center, under the Topics section- "FAFSA Simplification Information" or it is linked here. Walking your students through the FAFSA process is only one component of the FAA role in implementation, to learn more about the key responsibilities FAA's need to deploy, come back for next month's edition of our *Compliance Corner*.

CALENDAR and RESOURCES

Training Resources

DJA MONTHLY WEBINARS

Cash Management- Thursday, September 12, 2023 11 a.m. CST (Please note the date change)

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, as well as our newsletter recipients. Invitations are automatically sent to all clients, however if you do not receive an invitation, email Lynessa Roberts at lroberts@gotodja.com. After registering, you will receive the log-in information. If you would like to attend a webinar and are not a DJA client, please email

Lynessa and she will ensure you receive an invite to register. Questions can be directed to Lynessa by email or by calling toll free at 1-800-242-0977.

2023 DJA WEBINAR SCHEDULE

SEPT 12	Cash Management
OCT 4	Enrollment Reporting Using NSLDS
NOV 1	Program Integrity (Audits, Program Review)
DEC 6	1098-T Reporting

FSA FALL WEBINAR SERIES

FSA has announced the extension of their Wednesday Webinar Series beginning this month and continuing through November. You do not need to register for these webinars. Participation will be available on a first come, first-served basis and FSA can accommodate up to 10,000 attendees in each session.

Refer to the Dear Colleague for more information about each webinar, including instructions to add reminders to your calendar for the sessions that you would like to attend. These webinars will be scheduled Wednesdays from 1-3 pm ET.

SEPT 13	Federal Update
OCT 4	Cash Management and Reconciliation Essentials
NOV 8	Topic to Be Announced

Conference Schedule

2023 AMERICAN ASSOCIATION OF COSMETOLOGY SCHOOLS
OCTOBER 13-14, 2023

The 2023 AACS Annual Conference kicks off in Houston with a welcome reception on Thursday, October 12, at 6:00 PM and continues through the final keynote speaker on Saturday, October 14, at 5:00 PM. It is a challenging year for this regulated industry with the final gainful employment rule looming on the horizon, so this year’s Annual Conference is a must attend event. From business networking to industry best practices, to the most recent updates regarding gainful employment and BDR litigation, there will be sessions of interest for everyone on your school’s leadership team. DJA will be an exhibitor at this conference and would love to connect your team to discuss the advantages of partnering with our team on financial aid processing.

2023 FEDERAL STUDENT AID (FSA) TRAINING CONFERENCE GOING VIRTUAL
November 28- December 1, 2023

There will be keynote addresses from U.S. Department of Education leadership, five general sessions, 23 breakout sessions (covering the latest in financial aid policy and operational updates), and nine Virtual Exhibit Hall stations.

The 2023 Virtual Federal Student Aid Training Conference agendas and session descriptions are located on the FSA Training portion of the FSA Partners website. Registration will open in October 2023.

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.