DJA
NEW LEAF

APRIL & MAY 2024 NEWSLETTER

IMPORTANT DATES:

May 27th

June 10-13
CECU Convention
Indianapolis, IN

June 17
DJA Webinar
General Participation Requirements

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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 over 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 1st 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. We also provide consulting services on demand to strengthen your existing financial aid office.

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 and we will add them to the distribution list.

Best Wishes,
Renee Ford, Vice President

IN THE NEWS: DIRECT LOAN INTEREST RATES INCREASE FOR LOANS DISBURSED BETWEEN JULY 1, 2024 AND JUNE 30, 2025

Federal Direct Loan interest rates will rise significantly for the 24/25 award year. For Direct Loans disbursed July 1, 2024, through June 30, 2025, borrowers will be subject to an interest rate more than 1 percent higher than the year prior. The interest rates for Direct Subsidized Loans, Unsubsidized Loans, and Direct PLUS Loans are determined annually based off the high yield auction of the 10-year Treasure notes. On May 8, 2024, the Treasury Department held a 10-year Treasury note auction that resulted in a high yield of 4.483%. For reference, last year's auction produced a high yield of 3.448%, which was a .5% increase from the prior year and returned loan interest rates more in line with those seen pre-COVID.

In an Electronic Announcement posted by FSA on May 14th, the chart provided explains that in addition to the high yield interest rate an add on percentage is factored in before determining the fixed interest rate for Direct Loans.

Interest Rates for Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans First Disbursed between July 1, 2024, and June 30, 2025.				
Loan Type	**Borrower Type**	**Index** **10-Year Treasury Note**	**Add-On**	**Fixed Interest Rate**
Direct Sub Loans	Undergraduate Students	4.483%	2.05%	**6.53%**
Direct Unsub Loans	Undergraduate Students	4.483%	2.05%	**6.53%**
Direct Unsub Loans	Graduate/Professional Students	4.483%	3.60%	**8.08%**
Direct PLUS Loans	Graduate/Professional Students and Parents of Dependent Undergraduate Students	4.483%	4.60%	**9.08%**

The rates have been on a continual increase since their fall in July of 2020 where they reduced to 2.75% for Direct Subsidized and Unsubsidized loans. The chart below compares the interest rates for Direct Loans over the past decade and showcases the substantial climb even in comparison with the pre-COVID rates.

EffectiveBeginDate	EffectiveEndDate	SubRate	UnsubRate	GradParentRate	GradPLUSRate
07/01/2024	06/30/2025	6.5330%	6.5330%	9.0830%	8.0830%
07/01/2023	06/30/2024	5.5000%	5.5000%	8.0500%	7.0500%
07/01/2022	06/30/2023	4.9900%	4.9900%	7.5400%	6.5400%
07/01/2021	06/30/2022	3.7300%	3.7300%	6.2800%	5.2800%
07/01/2020	06/30/2021	2.7500%	2.7500%	5.3000%	4.3000%
07/01/2019	06/30/2020	4.5300%	4.5300%	7.0800%	6.0800%
07/01/2018	06/30/2019	5.0500%	5.0500%	7.6000%	6.6000%
07/01/2017	06/30/2018	4.4500%	4.4500%	7.0000%	6.0000%
07/01/2016	06/30/2017	3.7600%	3.7600%	6.3100%	5.3100%
07/01/2015	06/30/2016	4.2900%	4.2900%	6.8400%	5.8400%
07/01/2014	06/30/2015	4.6600%	4.6600%	7.2100%	6.2100%
07/01/2013	06/30/2014	3.8600%	3.8600%	6.4100%	5.4100%

Sources: Forbes: Federal Student Loan Interest Rates Set to Rise
Electronic Announcement DL-24-03

FINAL REGULATIONS TO IMPLEMENT JULY 2024: WHAT YOU NEED TO KNOW

On Thursday, May 16th, ED published a Dear Colleague GEN-24-07 reminding schools and industry partners of the upcoming regulations set to implement July 1, 2024 related to Financial Responsibility, Administrative Capability, Certification Procedures and Ability to Benefit. We encourage you to read the DCL linked above in detail as it provides a comprehensive summary of the regulatory changes. Additionally, on May 20th, ED released the publication of Frequently Asked Questions reviewing the Financial Responsibility regulations, as well as the Certification Procedures.

While we have provided the FAQs linked above, we have highlighted several Question/Answers we feel you should pay particular attention to. **We recommend consulting with your auditor regarding any mandatory or discretionary triggers your institution may now be subject to reporting as of July 1, 2024.**

FAQ on Certification Procedures

This first question for GE programs clarifies that an institution cannot offer a GE program in any other program length besides the hours listed on the ECAR- which must now be in compliance with the state minimum hours (unless you are raising a defense to implement until Jan. 1, 2025).

GEPH-Q1: If an institution does not want to reduce the number of hours in a program to the minimum required by their State, is it permitted to only consider part of the program to be Title IV eligible? For example, if the minimum number of hours required by the State is 1,530 hours, but a program has 1,545 hours, can Title IV funds be used to cover only up to the 1,530 hours? Or are schools required to reduce the number of hours to the state's minimum number of hours in order for the program to remain Title IV eligible?

GEPH-A1: No. Institutions cannot partially fund programs with Title IV funds. In order to maintain Title IV eligibility, 34 CFR 668.14(b)(26)(ii) requires institutions to reduce the number of credit or clock hours in their GE program to the State's minimum number of hours. GE programs that exceed these length restrictions by any amount are ineligible in their entirety for Title IV funds.

The final question on GE programs outlines in detail the requirements if you are using the published minimum hours from another state. If you are using this exception, you must acquire an auditor's attestation prior to enrolling and packaging students under the program using those hours (in the example they specify if your current program uses those hours you would still not enroll students after July 1st until the auditor attestation is received). In this example, they do state that if an auditor attestation cannot be obtained prior to the July 1st implementation date, this reason would be one you could substantiate to raising a defense to implement compliance until Jan. 1, 2025.

GEPH-Q5: The regulations limit the number of hours in a GE program to the greater of the minimum number of clock hours, credit hours, or the equivalent required for training in the recognized occupation for which the program prepares the student, as established by the State in which the institution is located or, in some cases, another State. My institution has been offering a program using another State's maximum hours under the provisions in effect prior to July 1, 2024 (the 150 percent rule). Under what circumstances can my institution continue to use another State's maximum hours and how can the institution receive approval to use another State's maximum hours under the new requirements effective July 1, 2024?

GEPH-A5: If an educational program offered by an institution on or after July 1, 2024 is required to prepare a student for gainful employment in a recognized occupation, the institution must establish the need for the training for the student to obtain employment in the recognized occupation for which the program prepares the student; and demonstrate a reasonable relationship between the length of the program and the entry level requirements for the recognized occupation for which the program prepares the student by limiting the number of hours in the program to the greater of—

(A) The required minimum number of clock hours, credit hours, or the equivalent required for training in the recognized occupation for which the program prepares the student, as established by the State in which the institution is located, if the State has established such a requirement or as established by any Federal agency; or

(B) Another State's required minimum number of clock hours, credit hours, or the equivalent required for training in the recognized occupation for which the program prepares the student, if the institution documents, with substantiation by a certified public accountant who prepares the institution's compliance audit report as required under § 668.23 that—

(1) A majority of students resided in that State while enrolled in the program during the most recently completed award year;

(2) A majority of students who completed the program in the most recently completed award year were employed in that State; or

(3) The other State is part of the same metropolitan statistical area as the institution's home State and a majority of students, upon enrollment in the program during the most recently completed award year, stated in writing that they intended to work in that other State.

For example, if the maximum number of hours for a program is 500 hours in the State where the institution is located, and the school would like to use a higher number of hours in another State where the maximum number of hours for the same program is 750 hours, it may do so only if it meets *any of the above three conditions and receives auditor attestation for meeting any of those conditions*. Since the regulations are effective on July 1, 2024, the most recently completed award year would be 2023-24 (which is the most recently completed award year as of July 1, 2024, when the regulations are effective). However, the Department will permit an institution to meet the exemption requirements using an attestation by the auditor for the 2022-23 award year until the institution’s next scheduled audit is performed. This may mean that the school is required to engage its auditor for a separate attestation. How the institution complies with this requirement depends upon the status of the program prior to the effective date of the new regulations. If the institution was already offering the program at the higher number of hours prior to July 1, 2024 under the prior provisions (the 150 percent rule), an otherwise-eligible student who began enrollment on or before June 30, 2024, in the higher version of the program that met the minimum program-length criteria at §668.8(d)(1) can continue to receive Pell Grants and Campus-based funds until completing, transferring, or withdrawing from the program. However, new students may not enroll in the version of the program with the higher number of hours until the institution’s auditor substantiates the use of the higher number of hours for the program in the other State. If the institution receives auditor attestation that substantiates the use of the higher number of hours in the other State, the institution may begin enrolling new students in the program with the higher number of hours.

The institution should make every effort to comply with these attestation requirements by July 1, 2024. However, given the concerns received from institutions regarding the short timeframe to receive auditor attestations during the first year after implementation, particularly between July 1, 2024, and January 1, 2025, the Department will exercise enforcement discretion with respect to an institution’s compliance with these auditor attestation requirements. The Department encourages institutions to document, prior to July 1, 2024, the circumstances that prevent their compliance with the requirement by the regulations’ effective date. The Department will review such documentation prior to taking any enforcement action related to this requirement.

The second question under Licensure and Disclosure requirements addresses the responsibilities your school must follow in regard to disclosing the appropriate State licensures to meet the updated compliance regulations. We also encourage you to visit the flow chart linked within the FAQ: flowchart.

LDR-Q2: We understand that if a school designs a program to meet educational requirements for a specific professional license or certification, or advertises that the program meets such requirements, we are required to publicly disclose all the States where the institution has determined that its program does and does not meet such requirements. But we have a question about what our responsibilities are regarding prospective students.

Are institutions required to make this determination for every State/territory for all licensure-related programs? Or are they only required to make these determinations for States/territories where prospective distance education students are located? If the latter, could an institution wait and make a determination when they have a prospective student interested in the program?

LDR-A2: The requirements differ for on-campus and distance education or correspondence programs.

Before a school enrolls a student from a particular State into an on-campus program, the school must ensure that the program meets all licensure requirements in the State(s) in which the institution is located. The school must also disclose to that student whether it has made a determination regarding whether the program meets licensure/certification requirements in the State where the student is located at the time of initial enrollment in the program. For a student attending a face-to-face program, the institution must disclose a list of all States where the institution has determined that the program does and does not meet such requirements.

However, as mentioned in the October 31 final regulations, the Department is concerned that institutions enrolling out-of-State students into online programs may not be ensuring their programs have the necessary approvals for licensure or certification the way a school with a physical location would. Therefore, for a program offered through distance education or correspondence courses to a student in a State different than where the institution is located, the institution must determine that the program meets the licensure/certification requirements in the State where each student is located at the time of initial enrollment in the program. If such determination is not made or if the institution has determined the program does not meet such requirements, it cannot enroll students located in that State into the program and it should not be advertising the program. If an educational program is designed to meet educational requirements for a specific professional license or certification that is required for employment in an occupation only in certain States, it would be a best practice to highlight those States when advertising the program. Please see the flowchart linked above.

Another one we wanted to call out under the Licensure/Disclosure requirements is the student attestation they will become employed in another state as it is addressed in Question 7.

LDR-Q7: If the student is attesting that they plan to become employed in a State other than the one in which they are located, must the attestation be for one single State or territory? What about scenarios where a prospective student has multiple States as possibilities for employment after graduating, for example, for students in the military? What about prospective students that just don’t know?

> ***LDR-A7:*** The attestation must be for ***one specific State***. As stated in the preamble to the October 31 final regulations, the intent of this exception is to provide for specific situations where a student located in one State has concrete plans to move to another. The exception added in 34 CFR 668.14(b)(32) is not meant to cover the general possibility that a student may, at some point, move to one of any number of States where licensure and certification requirements are met. If a student indicates that they are considering multiple States, for this purpose the institution is permitted to direct the student to indicate the State where they have the greatest likelihood of becoming employed; the program would then need to meet licensure requirements in that State.

The final section within the FAQ on Certification Procedures addresses the update to transcript withholding. The final regulations, 34 CFR 668.14(b)(33) prevent institutions from withholding transcripts or taking any negative action against a student for balances owed due to school error. 34 CFR 668.14(b)(34) prevents institutions from withholding transcripts for any credits funded, in whole or in part, with Title IV funds. **However,** the first question in the FAQ addresses the ability to withhold from the transcript credits where the student has not paid all the institutional charges. See below:

> ***TW-Q1:*** The regulations under 34 CFR 668.14(b)(34) provide that an institution must provide an official transcript that includes all the credit or clock hours for payment periods in which a student received Title IV funds and for which all institutional charges were paid or included in an agreement to pay at the time the request is made. Does this mean that there are some cases in which a school is required to provide a student with an official transcript, but the transcript may not include all classes that the student completed if the student has not fully paid for them?
>
> ***TW-A1:*** Yes. A school is required to release an official transcript to a student that includes all the credits or clock hours for payment periods in which the student received Title IV, HEA program funds as long as all institutional charges were paid or included in an agreement to pay at the time the request is made. In other words, the institution must provide a student with an official transcript if they received Title IV, HEA funds for a payment period and all charges have been paid for that period. However, the school is not required to include on that transcript credits for periods where a student received non-Title IV funds, unless the student has fully paid the institutional charges, or credits where a student received Title IV funds and has not paid all the institutional charges (and does not have a signed agreement to pay).

There is a LOT of great information within this FAQ, and we have only highlighted the few questions in which we routinely communicate with clients. **Please read the FAQ in its entirety to ensure your school maintains compliance.**

<u>FAQ on Financial Responsibility</u>

Under the final regulations, Section 668.23(d)(1) requires that, “For fiscal years beginning on or after July 1, 2024, financial statements submitted to the Department must match the fiscal year end of the entity's annual return(s) filed with the IRS.” The first two questions of the FAQ address the potential need to re-define your school’s fiscal year to match the school’s IRS tax returns or to change the IRS tax year to match the Title IV FY.

FR-Q1 Must an institution change its fiscal year (FY) to match its year used for Internal Revenue Service (IRS) tax returns or can an institution change its IRS tax year to match its Title IV FY?

FR-A1 An institution may pursue either avenue so long as both years are aligned in accordance with 668.23(d)(1).

FR-Q2 Section 668.23(d)(1) requires that, "For fiscal years beginning on or after July 1, 2024, financial statements submitted to the Department must match the fiscal year end of the entity's annual return(s) filed with the IRS." How will the submission of audited financial statements be impacted by this rule while the institution/entity makes the choice to change its Title IV fiscal year (FY) transitions to a new FY?

FR-A2 There are two different categories of institutions when looking at audit submission requirements, those that are subject to the Single Audit Act and those that are not. Institutions not subject to the Single Audit Act are governed by one of the Audit Guides published by the Department's Office of Inspector General (OIG). Those guides include the *Guide for Financial Statement Audits of Proprietary Schools and For Compliance Attestation Examination Engagements of Proprietary Schools and Third-Party Servicers Administering Title IV Programs*, commonly called the *Title IV Audit Guide* and the *Guide for Financial Statement Audits and Compliance Attestation Engagements of Foreign Schools* commonly called the *Foreign School Audit Guide*. Single Audit institutions are subject to the audit submission rules published in 2 CFR 200. Single Audit requirements deal with the compliance audit and audited financial statements as different sections of a single audit. For purposes of this question, we will separate the requirements surrounding each of those sections and address financial statements in this Q&A and address the compliance audit section in FR-Q&A 3. Institutions not subject to the Single Audit Act submit audited financial statements and compliance audits as separate items.

If an institution or entity chooses to modify its FY previously used for the purposes of submitting required Title IV audits and audited financial statements to align with the FY used for IRS purposes (as opposed to changing its FY with the IRS), the following process must be followed:

Audited financial statements must be done for a twelve-month period of time. Therefore, for FYs starting on or after July 1, 2024, there may be an overlap of time between audited financial statements reflecting the activity during the legacy FY and the audited financial statements reflecting the new FY. For example, if an institution/entity has traditionally used Oct 1-Sep 30 as its FY for Title IV purposes but submits its annual tax returns based on the period Jan 1-Dec 31, it will submit its audited financial statements for the legacy FY, Oct 1, 2024-Sep 30, 2025, by the applicable due date for submission. The institution/entity will modify its FY to align with its year used for IRS purposes on July 1, 2024. It will submit its audited financial statements for its revised FY, Jan 1, 2025-Dec 31, 2025, by the applicable due date for submission. For this transition period, there will be an overlap where two different audited financial statements are covering a period of time that is contained in both the legacy and revised FYs. Subsequent audited financial statements will reflect the revised FY of Jan 1-Dec 31. Another example is where an institution/entity that traditionally has used the federal student aid award year as its FY but used the calendar year for IRS returns would undergo a similar transition. This institution/entity will submit its audited financial statements for the legacy FY, Jul 1, 2024-Jun 30, 2025, by the applicable due date for submission. The institution/entity will then modify its FY to align with its year used for IRS purposes on Jul 1, 2024. It will submit its audited financial statements for its revised FY, Jan 1, 2025-Dec 31, 2025, by the applicable due date for submission. For this transition period, as in the first example, there will be an overlap where two different audited financial statements are covering a period of time that is contained in both the legacy and revised FYs. Subsequent audited financial statements will reflect the revised FY of Jan 1-Dec 31.

The final regulations on Financial Responsibility update what is classified as mandatory and discretionary triggers. Question 6 and Question 24 address when schools will be required to report under these new regulations.

FR-Q6 When must existing situations and conditions that were not considered reportable financial triggers prior to July 1, 2024, but are considered reportable financial triggers upon implementation of the revised financial responsibility regulations, be reported to the Department?

FR-A6 With both the mandatory and discretionary triggers in existence on July 1, 2024, that were not considered reportable triggers prior to that date, but would be considered reportable upon implementation of the revised financial regulations, the institution must report any existing provisions within 21 days of the effective date of the regulation.

FR-Q24 When would the institution need to report any existing creditor default provisions when the regulations are implemented on July 1, 2024?

FR-A24 With both the mandatory and discretionary triggers related to credit agreement default provisions referencing the Department's standards or actions, the institution must report any existing provisions within 21 days of the effective date of the rule and within 21 days after entering into the credit agreement on or after the effective date of the regulations.

Just as with the FAQ on Certification Procedures, there is a lot of guidance within these FAQ's and it is recommended you review them thoroughly.

NSLDS OPENS FVT/GE REPORTING OPTIONS AND RELEASES FVT/GE REPORTING GUIDE

In our March newsletter publication, we provided FSA's implementation timeline for the Financial Value Transparency and Gainful Employment (FVT/GE) regulations and reporting requirements. Their initial timeline provided for availability of FVT/GE reports in NSLDS by the end of April to assist schools in reviewing the data stored in NSLDS that will be utilized in the reporting spreadsheet required to be submitted by October 1st. In an Electronic Announcement (EA-GEN-24-04) published April 12th, FSA outlined the three FVT/GE reports that would be made available in NSLDS and they were subsequently released on the site April 22nd. FSA also conducted a webinar on May 1st reviewing each data report and the fields included, as well as how to generate the report from NSLDS.

EA-GEN-24-04 introduces the three FVT/GE reports available in NSLDS to assist schools with their FVT/GE reporting requirements. Below is as brief description:

- FVT/GE Program Enrollment Detail Report (SHDPE1)
  - provides school users with a list of all students and their certified program enrollment data as reported to NSLDS via the Enrollment Reporting process. Students who have received Title IV aid at your school or previously at another school are included in this report. Schools can use this comprehensive report to assist in identifying those students, with Title IV aid for the program, that require FVT/GE reporting.
- FVT/GE Program Enrollment Summary Report (SHSPE1)
  - provides school users with a list of programs that have students with certified attendance as reported to NSLDS via the Enrollment Reporting process. Programs with students who have received Title IV aid at your school or previously at another school are included in this report. Schools can use this report to assist in identifying those programs, which have students with Title IV aid for the program, that require FVT/GE reporting.
- FVT/GE Students with No Program Enrollment Report (SHNPE1)
  - provides school users with a list of students where the student was certified with campus-level enrollment data and no program-level enrollment data on NSLDS via the Enrollment Reporting process.

Note for all three reports: To receive a complete list of students or programs for the most recently completed award year, the report(s) will need to be requested on or after July 1st following the end of the award year. Reports requested prior to the end of the award year will include any data in NSLDS at the time of the request.

When the reports are run in NSLDS, the user must select the type of Reporting (Standard or Transitional) and the time period for which the reports are to be ran (Total Award Years or per Award Year). Whichever reporting type selected will be the reporting type your school will be required to use for all programs and for the first six years the regulation is in effect. We have provided a summary of each reporting option, along with pros and cons to assist in making the determination that works best for your school.

Standard Reporting: For the first year, the school will be required to report student data for completed and withdrawn students for the last 7 years of data for programs other than qualifying graduate programs. For qualifying graduate programs(QGP) the last 8 years. The award years required to be reported under standard reporting will be 23/24, 22/23, 21/22, 20/21, 19/20, 18/19 and 17/18 (for QGP, add 16/17 AY). For schools with more than 30 completers, a 2 year cohort period will be used when calculating the debt to earnings metrics (specifically the debt numerator). Under standard reporting, that cohort period will be the third and fourth award years prior t the year in which the earnings data is calculated. For this first reporting year the 2 year cohort period will be 17/18 and 18/19 and the earnings data from the 2022 calendar year. (For schools with less than 30 completers, a 4 year cohort period will be used and will use the third, fourth, fifth and sixth award years prior to the 2022 calendar year earnings).

Pros: If your program costs have increased recently, it would be advantageous to take into accoutn the prior award years where your program costs were lower.

Cons: For the first year of reporting, the reporting workload is significant as you will be gathering data for 7 prior award years. There is no ability to impact future metrics as the prior award years are completed.

Transitional Reporting: For the first year, the school will be required to report student data for completed and withdrawn students for the most recent award year and the prior award year. The award years required to be reported will be 23/24 and 22/23. Under transitional reporting, that cohort period will be the transitional cohort period of the most recent award year completed and the prior award year. For the first year of reporting that will be 23/24 and 22/23 for the cohort period reviewed regarding the debt numerator; however, the denominator of median earnings will still be based off the 2022 calendar year.

Pros: The reporting workload is less as there is only 2 years to gather student reporting data for completed and withdrawn students. Additionally, since the 23/24 Award Year is still going in, there is an ability to impact future metrics should you make a change to tuition and fees within this award year.

Cons: If your program costs have increased significantly over the past two years, there would exist a higher debt ratio for the cohort period being considered in determining the debt to earnings ratio.

As reviewed in our March newsletter, the Gainful Employment reporting deadline has been extended to October 1, 2024 (delayed from July 31, 2024). All institutions will be required to report both Program Specific and Student Specific information.

Program Level Data: For each GE and eligible non-GE program, a school must report program- level data. The following data fields are required to be reported:

- Program name, six-digit CIP code, credential level, and program length
- Weeks in program academic year
- Whether the program is programmatically accredited
  - Name of accrediting agency, if applicable
- States in the metropolitan statistical area in which the institution's main campus is located where the program does or does not prepare students for licensure
- Program totals
  - Students enrolled in the program (Title IV and non-Title IV recipients)
  - Graduates who took a licensure exam
  - Graduates who passed a licensure exam
- Whether the program is a "qualifying graduate program": A program whose students must complete required post-graduation training programs to obtain licensure to practice in the field
  - Examples: Medicine, Osteopathy, Dentistry, Clinical Psychology, Marriage and Family Therapy, Clinical Social Work and Clinical Counseling

Student-Specific Data: Institutions must report the annual data for enrolled students (so for this reporting year it will capture enrolled students in 23/24), as well as student specific data for completed and withdrawn students for the award years dependent on the type of reporting the institution chooses (transitional or standard).

For Annual Data (Enrolled, Completed and Withdrawn)- 23/24 award year.

Data that should match what is reported during the Enrollment Reporting Process

Data Submitted for AA Record Type (should match data school reported in Enrollment Reporting process)	
Institution Code (6-digit OPEID)	Credential Level
Award Year	Length of Program
Student Social Security Number	Length of Program Measurement
Student First Name	Weeks in Title IV Academic Year
Student Middle Name	Program Enrollment Begin Date
Student Last Name	Student's Enrollment Status as of the 1st Day of Enrollment in the Program
Student Date of Birth	Program Attendance Status During Award Year
CIP Code	Program Attendance Status Date During Award Year

**Images taken from FSA Training

Data Schools Must Report for the Award Year

Data School Must Report for AA Record Type
Annual Cost of Attendance (COA)
Tuition and Fees Amount for Award Year being Reported
Residency Tuition Status by State or District
Allowance for Books, Supplies and Equipment
Allowance for Housing and Food
Institutional Grants and Scholarships
Other State, Tribal, or Private Grants
Private Loan Amount

<u>For Total Data (Completed and Withdrawn)- Use Award Years Dependent on Reporting Type</u>

<u>Data that should match what is reported during Enrollment Reporting Process</u>

Data Submitted for TA Record Type (should match data school reported via Enrollment Reporting process)	
Institution Code (6-digit OPEID)	Credential Level
Award Year	Length of Program
Student Social Security Number	Length of Program Measurement
Student First Name	Weeks in Title IV Academic Year
Student Middle Name	
Student Last Name	
Student Date of Birth	
CIP Code	

<u>Data Schools Must Report for the Total Award Years Dependent on Reporting Type</u>

Data Schools Must Report for TA Record Type
Comprehensive Transition and Postsecondary (CTP) Program Indicator
Approved Prison Education Program Indicator
Date Student Completed or Withdrew From Program
The Following Total Amounts: • Student Received in Private Education Loans During Student's Entire Enrollment in the Program • Institutional Debt During Student's Entire Enrollment in the Program • Tuition & Fees Assessed During Student's Entire Enrollment in the Program • Books, Supplies, and Equipment included in the Student's During Student's Entire Enrollment in the Program • Grants and Scholarships the Student Received During Student's Entire Enrollment in the Program

<u>What You Should Do Now?</u>

1) Visit FSA's Topics Page dedicated to all publications released on Gainful Employment: https://fsapartners.ed.gov/knowledge-center/topics/financial-value-transparency-and-gainful-employment-information
    a. Revisit the Final Regulations published in October 2023.
    b. Read the Dear Colleague Released March 29th linked on the Topics Page.
2) Catch the replay of the Gainful Employment Webinar on the NSLDS Reports conducted by FSA on Wednesday, May 1st. Visit the FSA training website, navigate to menu option "Recorded Webinars and Training". From the drop-down menu, select "Webinars and Training Videos" and from the screen select the "School Eligibility" icon. We have posted the webinar slide handouts to this client memo.
    a. The webinar is "Preparing for FVT/GE Reporting- New NSLDS Reports".
3) Generate the NSLD reports to begin reviewing to ensure data is reported accurately in NSLDS
    a. If errors are found, make those corrections in the Enrollment Maintenance page in NSLD to ensure the draft Completer's List sent by ED does not include erroneous data (this will save you time later!).
4) Review DJA's March newsletter summarizing the GE regulations and reporting requirements, as well as the implementation timeline released by ED.
5) Review the NSLDS Gainful Employment User Guide linked below.

Volume 1 of the NSLDS Gainful Employment User Guide Just Released

On May 23rd, ED published Volume 1 of the NSLDS Financial Value Transparency and Gainful Employment User Guide. This section of the guide describes how to report FVT/GE student information to NSLDS via the batch process. You can read the release here.

SUMMARY UPDATE ON 24/25 REPROCESSED ISIRS

The release of the 24/25 ISIR has not been without issues. During April, ED outlined several data discrepancy issues identified in the 24/25 ISIRs released in March. The issues originated from the FAFSA Processing System and from the FTI data obtained from the IRS through the FA-DDX. After identifying the issues, ED provided resources to assist institutions in identifying which 24/25 ISIRs released to their schools were impacted by the known issues and would subsequently require reprocessing. ED also indicated they would use the month of April to reprocess impacted 24/25 ISIRs and in EA-GEN-24-29 explained the ISIR fields that would assist schools in identifying a reprocessed transaction, as well as the reason for reprocessing.

In that same EA linked above and released on April 29th, ED indicated they had now completed the delivery of all reprocessed ISIRs impacted by the FPS and IRS FA-DDX identified issues. However, in a May 1st update to that same publication ED shared their intention to reprocess 24/25 ISIRs to correct the order of Federal School Codes listed. Prior to this date, FPS had been generating ISIR's with the Federal School Codes in descending numerical order. This approach conflicted with the procedures state agencies use to determine fund eligibility. As a result, FPS generated reprocessed ISIRs which corrected the order of Federal School Codes to the order in which the applicant entered them on their 24/25 FAFSA. **This reprocessing had no impact on the SAI**.

Rounding out the reprocessing fun, a May 17th Electronic Announcement (EA GEN-24-49) ED confirmed that all 24/25 ISIR's requiring reprocessing have been delivered. As a result, they have advised schools to no longer reference the data sheet identifying the 01 transactions with FPS or FA-DDX known errors that require reprocessing.

The most recent EA, FSA indicates they are aware of the Verification Tracking flag missing on subsequent ISIR transactions. The published workaround to confirm the type of verification to perform is to refer to the 01 transaction or in the case where the 01 is not released to your school contact FPS. ED has confirmed they will reprocess these ISIRs by the end of June. Additionally, the DJA team has also discovered that subsequent ISIRs are also missing the 298/299 ISIR comment code indicating they are selected for verification. ED has also confirmed they are aware of the issue and these ISIRs will also be reprocessed by the end of June.

REMINDER: ANNUAL RENEWAL OF UEI REGISTRATION

In 2022, the switch was made for schools to register for the Unique Entity ID (UEI). G6 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 G6, 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

24/25 PROCESSING TIMELINE FOR SCHOOL INITIATED CORRECTIONS AND REPORTING V4/V5 OUTCOMES AND UNUSUAL CIRCUMSTANCES

On Friday, May 10, 2024, FSA published Electronic Announcement GEN-24-55. Within this EA, the Department provides an update on the processing of paper FAFSA forms and implementation of school-initiated corrections. ED encourages students and contributors to complete their FAFSA online versus a paper application. If a paper application has already been submitted, they are still encouraged to instead file one online as it will override the paper filing application. The Department will begin processing paper applications- including those submitted by confined or incarcerated students- by the end of June.

ED also shared that institutions will not be able to submit ISIR corrections via the FAFSA Partner Portal (FPP) until the end of June. The FPP will allow institutions to submit corrections electronically by entering the data manually in the FAFSA Partner Portal. Batch institutional corrections via the Electronic Data Exchange (EDE) will be available in the weeks following FPP corrections.

Since the delay in opening up the FPP for school corrections means schools may not have an official ISIR to award and disburse Title IV funds to students, ED is deploying some flexibilities.

1) For the 2024-25 award year, schools that receive funds under the Advance Funded method will receive an initial Current Funding Level (CFL) for the Pell Grant Program to assist with summer disbursements. Similar to when this practice was in place historically, the CFL provided will depend on several factors including school eligibility, Advance Funded status, and a percentage of prior year NAPD for the summer term. Once funding is assigned, schools are responsible for determining immediate need for eligible students and drawing only that portion of funds.
2) The deadline for reporting DL, Pell and Teach Grants to COD is extended to 30 days after the date the school corrections became available.
3) If a school's financial aid software platform provides for estimated SAI calculations, a school can use that capability to provide an estimated award to students as soon as possible.
    a. The award must be given with a written notice that the disbursement amounts may change upon

receipt of an official ISIR from the Department.

b. A school that chooses to make an interim disbursement based on an estimated SAI before school-initiated corrections are available takes full responsibility for submitting corrections or changes due to professional judgment and, once the school receives a valid revised ISIR, ensuring that award and disbursement amounts are correct.
   i. If an overpayment is a result of an interim disbursement and can't be recovered by reducing subsequent disbursements, the school is responsible for recovering the overpayment.
   ii. See (2) above regarding the extension for reporting to COD if you choose this option.

ADDITIONAL FSA ANNOUNCEMENTS AND PUBLICATIONS RELEASED

This section of our newsletter provides quick links to other important FSA announcements not covered in this newsletter and publications that have been released this month for your review.

Electronic Announcements and Dear Colleagues:

(GRANTS-24-06) TEACH Grant Closeout Information for 2023–24 Award Year
(APP-24-06) New DHS-SAVE Tutorial Required To Initiate Third-Step Verification Requests
(CB-24-12) Final 2025–26 FISAP Form, Instructions, Desk Reference, and Technical Reference
(CB-24-11) Summer 2024 Campus-Based School Testing to Report Federal Work-Study Wages
(EDESUITE-24-04) Issue Alert: Verify Correct EDconnect Mailbox Settings Prior to Exporting Data for COD System Processing from ED Express
(COD-24-04) 2024–2025 COD Technical Reference (May 2024 Update) Now Available
(GENERAL-24-59) NSLDS Professional Access – Financial Aid History (FAH) Response File Extract Format
(GENERAL-24-58) Volume 5: Withdrawals and the Return of Title IV Funds and Errata to Volumes 1 and 4 Now Available [2024-25 Federal Student Aid Handbook]
(GENERAL-24-57) Audit Submission Requirements for Institutions Under the Single Audit Act
(CB-24-10) Federal Perkins Loan Program Administrative Responsibilities and Reporting Requirements Through Eventual Wind-Down
(GEN-24-07) Implementation of Regulations Related to Financial Responsibility, Administrative Capability, Certification Procedures, and Ability to Benefit (ATB) (Updated May 23, 2024)
(ANN-24-10) Live Internet Webinar – 2024-25 FAFSA: Update on FAFSA Processing and Filing for Applicants Without SSNs

COMPLIANCE CORNER

RECORD SUBMISSION DUE DATE FOR 2022 DIRECT LOAN CLOSEOUT

We previously informed you in our December Newsletter the importance of performing monthly internal and external reconciliation for the Direct Loan Program to ensure a smooth closeout by the July 31st deadline. The closeout deadline for the 2022-23 Direct Loan Program Year is Wednesday, July 31, 2024. 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 Wednesday, July 31, 2024. 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 2022-23 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.

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, 2024, 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 2022-23. Also, refunds of cash transactions can take 7-9 days to process from G6 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 G6 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 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 2022-23 program year, schools can refer to the Feb.12, 2024 Electronic Announcement.

Sources: EA- DL-24-02

DJA CALENDAR

DJA MONTHLY WEBINARS

General Participation Requirements – Wednesday, June 19, 2024 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. 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. 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.

2024 DJA WEBINAR SCHEDULE

JUN 19	General Participation Requirements
JUL 17	Campus Crime Report
AUG 7	Entrance and Exit Counseling
SEPT 4	Cash Management
OCT 2	Enrollment Reporting Using NSLDS
NOV 6	Program Integrity (Audits, Program Review)
DEC 4	1098-T Reporting

2024 CECU CONVENTION AND EXPOSITION

The Annual Career Education Convention is scheduled for June 11-13, 2024, in Indianapolis, IN.

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. In addition, our Vice President, Renee Ford will be presenting a breakout session, "Assessment Review: Is your Institution Administratively Capable" on Tuesday June 11th at 3:15 pm in room White River B. During this session, Renee will review each standard of administrative capability while sharing best practices to ensure your institution maintains compliance.

We also invite you to visit us at booth 608 in the Exhibit Hall to chat with our Director of Client Services, Kristi Cole at kcole@gotodja.com, as well as our Vice President, Renee Ford. To learn more about the CECU Convention schedule exhibitors visit the event site.