

# hot TOPICS



IPD Financial Aid News

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## Financial Aid Conference Held in Nashville, TN

The 2006 Financial Aid Conference was held in Nashville, TN on October 26 and 27. All attendees enjoyed an evening of entertainment on the General Jackson Showboat, and the conference itself included a Best Practice Symposium moderated by Alison Hilekiah, Marty Jackson, and John Wise. Their topic was interoffice communication and tools for obtaining cooperation from all campus offices.

There was also a session on Leave of Absence (LOA) in which participants were invited to share their ideas on what constituted an ideal LOA policy. The following are group suggestions from the conference:

### Group 1:

- ◆ Policy published in two separate places, such as the student handbook and Web site
- ◆ LOA should originate with student services, with financial aid (FA) giving approval
- ◆ Copy of LOA form should go to the student once it is approved
- ◆ There should be an appeal process
- ◆ LOA request must come before the last date of attendance
- ◆ Must have a follow-up process to check student's return



### Group 2:

- ◆ Limit of two LOAs within an academic year
- ◆ Defined set of criteria for extenuating circumstances; stick to policy

- ◆ Include student services when creating policy to ensure compliance and practicality
- ◆ Create an appeals committee to review documentation if student appeals the denied LOA
- ◆ Each LOA cannot be more than two consecutive classes
- ◆ LOA must be applied for in advance except for extenuating circumstances
- ◆ Must have reasonable expectation that the student will return

### Group 3:

- ◆ LOA must be applied for in written format, dated, and signed prior to beginning the leave of absence
- ◆ Must meet either medical, employment, family, or military criteria
- ◆ Other circumstances will be approved at the discretion of the University
- ◆ Typically no more than two approved per 12 month period, not to exceed a 180 days (anything over 90 days will require the approval of the financial aid office)
- ◆ Any extenuating circumstances will be reviewed and a decision will be made on a case by case basis by university personnel



What does the LOA policy at your institution include? When was your policy created? Perhaps now is a good time to review your policy and make sure that it is practical **and** compliant. Remember, in order for an LOA to qualify as an approved LOA as prescribed by the regulations 668.22(d), the following components must be met:

- ◆ The school must have a formal written policy regarding leaves of absence requiring that all requests for leaves of absence be submitted in writing and include the reason for the student's request;
- ◆ The student must follow the school's policy in requesting the LOA;
- ◆ There must be a reasonable expectation that the student will return from the LOA;
- ◆ The school must approve the student's request for an LOA in accordance with the school's policy;
- ◆ The institution may not assess the student any additional institutional charges, the student's need may not increase, and therefore, the student is not eligible for any additional Federal Student Aid;
- ◆ The LOA together with any additional leaves of absence must not exceed a total of 180 days in any 12-month period;
- ◆ Except in a clock-hour or nonterm credit-hour program, a student returning from an LOA must resume training at the same point in the academic program that he or she began the LOA; and
- ◆ If the student is a Title IV loan recipient, the school must explain to the student, prior to granting the LOA, the effects that the student's failure to return from an LOA may have on the student's loan repayment terms, including the expiration of the student's grace period. A student granted an LOA that meets the criteria in this section is not considered to have withdrawn, and no Return calculation is required. Upon the student's return from the leave, he or she continues to earn the Federal Student Aid previously awarded for the period.

('06-'07 Federal Student Aid (FSA) Handbook, Volume 5, Chapter 2, p. 5-19)

The Consortium for the Advancement of Adult Higher Education (CAAHE) Financial Aid Commission met during the conference and elected new officers. They are Allison Hilkihah, Chair; Marty Jackson, Vice Chair; and Sara Reese, Secretary. A copy of the minutes will be available soon.

Prior to the conference there was an IPD training session focused on non-term processing. This training session is held twice a year or as needed. We are currently planning an April 2007 session in Phoenix,



AZ. In 2006, IPD went to the following locations to conduct training:

- ◆ Olivet University
- ◆ Shorter College
- ◆ Averett University
- ◆ Southern Wesleyan University
- ◆ Warner Pacific College
- ◆ Gwynedd Mercy College
- ◆ Albertus Magnus College

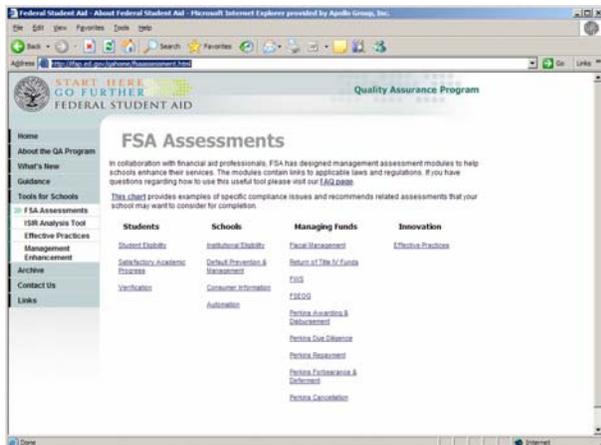
Please contact us if you think a training session at your institution would be more practical.

We missed the folks that were unable to attend and look forward to seeing you at the next conference.

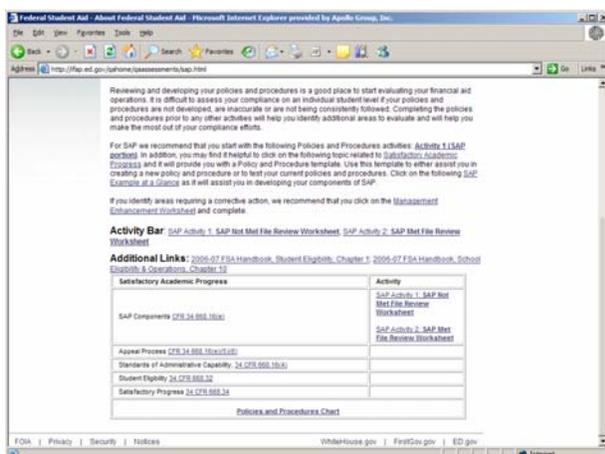


## FSA Assessment Web Site Redesigned

The Federal Student Aid (FSA) Assessment Web site underwent a face lift. At the 2006 Federal Student Aid Conference, the new site was demonstrated. This Web site can be found at <http://ifap.ed.gov/qahome/fsaassessment.html>. This tool can be used to help identify problems. For instance when you click on “Satisfactory Academic Progress” it takes you to the following page.



You can see there are activities to help you review your policies, identify weaknesses, and help outline a corrective action plan. There are also links that take you right to the appropriate CFR. This can also be used as a training tool for new staff. Take a look at the following screen shot to see for yourself:



## Financial Aid Cannot Pay Assessment Fees

Recent guidance from the U.S. Department of Education (ED) has clarified that Title IV funding cannot be used to pay for assessment fees, even with a signed authorization. Other payment arrangements would need to be made.

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### R2T4 Caution

Just a reminder, even though HERA has increased the timeframe to complete the return calculations from 30 to 45 days no other deadlines were extended. Written notification for Post Withdrawal Disbursements must still be made within 30 days of date that the institution determined the student withdrew, and the final rule from 2002 states that the check must be received by a Federal Family Education Loans (FFEL) Program lender or the Secretary no later than 45 days after the institution determined that the student withdrew. Specifically, section 668.17(b)(4)(ii) was revised to provide that if a check is used to return unearned funds, it must be endorsed by the bank used by ED or an FFEL program lender no later than 45 days after the institution's determination that a student withdrew. (This is even more reason to consider moving from paper checks back to the lender to electronic transfer of funds.)

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### ED Releases Information on Increased Loan Limits

ED has released information concerning the disbursement of increased loan limits loans first disbursed on or after July 1, 2007. However, the loan may be certified/originated prior to July 1. The loan period must either begin on or after July 1, 2007 or include July 1 (cross-over loan period). Furthermore, they indicated that if the loan period begins prior to July 1, 2007, the school has the following options:

- ◆ Delay certification/origination
- ◆ Delay the first disbursement until July 1 or later
- ◆ Certify/originate another separate loan for the increased amount



It is important to note that the school cannot certify for the higher amount prior to July 1, 2007 and bring in the first disbursement and increase the second disbursement after July.

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### November 1, 2006 ED Regulation Amendments

On November 1, 2006, ED amended the Federal Student Aid Program regulations to implement the changes resulting from the HERA and other recently enacted legislation. These final regulations reflect the provisions of the HERA that affect students, borrowers, postsecondary educational institutions, lenders, and other program participants in the Federal Student Aid programs. These final regulations were effective December 1, 2006. To view the entire Federal Register, visit <http://www.ifap.ed.gov/fregisters/FR11012006FinalRuleHERA.html>.

Also on November 1, 2006, ED released the final regulations for the Academic Competitiveness Grant (ACG) and National SMART Grant programs. These regulations specify the eligibility requirements for a student to apply for and receive an award under these programs for the 2007-2008 award year. For regulations that will take effect for the 2008-2009 award year and subsequent award years, the Secretary intends to conduct negotiated rulemaking, as required under section 492 of the Higher Education Act. These final regulations are effective July 1, 2007.

## New Process for Accessing eCampus-Based System

Beginning January 22, 2007, all eCampus-Based (eCB) users will be required to access the eCB System using Security Architecture, and access to the eCB System through use of the PIN site will no longer be an option.

Registration to access the eCB System through Security Architecture will be available as follows:

### Individuals Who Currently Access eCB

If you did not attend one of the 2006 Federal Student Aid conferences, you can register by logging into the [www.pilot.cbfnisap.ed.gov](http://www.pilot.cbfnisap.ed.gov) URL. The eCB Welcome Page will appear on your screen. Click on the "Login" button, which will take you to the Security Architecture registration page.

Most of your information will have already been imported into Security Architecture. However, you will need to verify the pre-populated information and complete the information that still needs to be captured.

Once all your information is complete and you submit your registration, an e-mail will be sent to your school's Destination Point Administrator for approval. An e-mail will be sent to you with your new user ID.

### Individuals Who Currently Do Not Access eCB

After December 18, 2006 you can log in to Security Architecture using the [www.pilot.cbfnisap.ed.gov](http://www.pilot.cbfnisap.ed.gov) URL. The eCB Welcome Page will appear on your screen. Click on the "Login" button, which will take you to the Security Architecture registration page. You will need to complete the entire registration process.

Once all your information is complete and you submit your registration, an e-mail will be sent to your school's Destination Point Administrator for approval. An e-mail will be sent to you with your new user ID. If you do not register for Security Architecture prior to January 22, 2007, you will log in to the eCB System at [www.cbfnisap.ed.gov](http://www.cbfnisap.ed.gov). The eCB Welcome Page will appear on the screen. Click the "Login" button, which will take you to Security Architecture where you will register to access the eCB System.

For complete information on this new process, see Dear Colleague Letter CB-06-14 on the IFAP Web site ([www.cbfnisap.ed.gov](http://www.cbfnisap.ed.gov)).

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## Updating School Contact Information in COD System

In October 2006, ED issued a reminder to schools and third party servicers that information in the Common Origination and Disbursement COD System must be kept current. Please ensure this contact information is kept up to date. To view the announcement and instructions on how to update necessary data, visit [www.ifap.ed.gov/eannouncements/1004UpdatingContactInfo.html](http://www.ifap.ed.gov/eannouncements/1004UpdatingContactInfo.html).

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## Submit 2006-2007 SAR and ISIR Corrections by January 12, 2007

In preparation for the 2007-2008 Renewal Reminder distribution, ED wanted to remind schools to update 2006-2007 SAR/ISIR transactions for their students with current e-mail and mailing addresses by January 12, 2007. As noted in the *2007-2008 Renewal FAFSA Process Guide*, each aid applicant who meets the eligibility requirements for a *2007-2008 Renewal Free Application for Federal Student Aid (FAFSA)* by January 12, 2007 will be sent a Renewal Reminder e-mail or a Renewal Reminder letter between January 17 and February 16, 2007.



## 2007-2008 Operational Implementation Guidance

On December 22, ED again updated the compilation of operational implementation guidance for the 2007-2008 Award Year, which includes the latest information related to the Higher Education Reconciliation Act of 2005 (HERA). Updated information includes the following:

- ◆ August 31, 2006 SAIG Message Class Update
- ◆ *2007-2008 Specifications for Software Developers* (Updated Draft)
- ◆ *2007-2008 Renewal FAFSA (Free Application for Financial Student Aid) Process Guide* (Final)
- ◆ *EExpress for Windows 2007-2008 Packaging Technical Reference* Available on FSADownload Web site
- ◆ *2007-2008 CPS Test System User Guide*
- ◆ *2007-2008 Summary of Changes for the Application Processing System Guide*
- ◆ 2007-2008 SAR Comment Codes and Text, December 2006 Update
- ◆ *2007-2008 Student Web Application Products Process Guide*
- ◆ *2007-2008 COD Technical Reference* (December 2006 Updates)
- ◆ *2007-2008 School Electronic Process Guide*
- ◆ *2007-2008 Expected Family Contribution (EFC) Formula Guide*
- ◆ *2007-2008 EDE Technical Reference* (Updated Final Draft)
- ◆ *2007-2008 ISIR Guide*

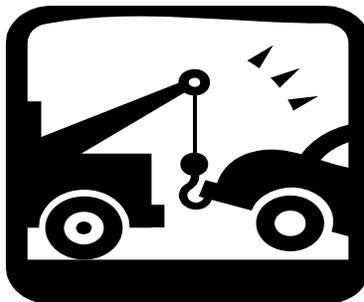
Each posting includes the contact information for the appropriate customer service center. Please refer to this contact information if you have questions. The full announcement can be found at <http://www.ifap.ed.gov/eannouncements/0708OplmpGuidHERA.html>.

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## 2007-2008 FAFSA Wording Changes Regarding W-2 and Form 1040

It is important to note a change in the wording of questions 38, 39, 82, and 83 of the 2007-2008 FAFSA. In prior award years, the question states information on income earned from work may be on the W-2 forms or on IRS Form 1040 – lines 7 + 12 + 18. In 2007-2008, the question was revised to ask for information on income earned from work from the W-2 forms or on IRS Form 1040 – lines 7 + 12 + 18 + Box 14 of IRS Schedule K-1 (Form 1065). This revision allows students/parents to report earned income from partnerships or self-employment. The significance of this revision is that, for a student selected for verification, it could affect the accuracy of the income or investment information reported.

If the student's Form 1040 income or a loss on line 17, it could indicate that an investment value should be reported on the FAFSA. Box 14 of Schedule K-1 can be compared to a W-2. Both disclose earned income. The difference between income reported on a Schedule K-1 and on a W-2 is the source of the income. A W-2 is issued when an individual earns income by working for another company. Box 14 of the Schedule K-1 is completed when an individual earns income by working for their own company. Form 1040 asks that Schedule E be attached if an amount is entered on line 17. Schedule E discloses supplemental income or loss, including amounts from Schedule K-1. For more information on IRS schedules, see [www.irs.gov](http://www.irs.gov).



## Averett Financial Aid Staff Making Dreams Come True

Chartered in 1859, Averett University began as a school for young women at a time when educating women was a progressive and revolutionary idea. It is from this spirit of innovation that Averett has grown into the four-year bachelor's- and master's degree-granting institution that it is today.

In 1969, Averett University grew from a two-year women's college into a co-educational, four-year college receiving full accreditation as a senior college in 1971. Averett University continued to grow and in 1988 became among the first in the state of Virginia to address the educational needs of working adults. Averett currently offers classes through its Graduate and Professional Studies Program (GPS) for working adults at more than 25 locations around the Commonwealth. In recognition of its academic program expansion, the name Averett University was adopted on July 1, 2001.

Averett University's history of innovation and commitment to quality education make it a good fit for students who dream big—students who can see a brighter future for themselves and for the world around them. On March 29, 2003, Dr. Richard A. Pfau was inaugurated as Averett's 23rd president. During his inauguration address, Dr. Pfau outlined seven themes for the university. Not the least among those themes is the promise that Averett will continue to be in the business of making students' dreams come true. That is our promise for today and for the future. We will provide the opportunities and our students will provide the dreams.

Averett's GPS program offers BBA, BSAM, MBA, and MEd degrees to more than 1,200 students. The financial aid office awards 70% to 80% of these students. Nichole Lathrop and Marty Jackson are the full time personnel dedicated to using technology to process financial aid in a timely manner. The department has gone through many changes in the last year that have had a positive impact. Powerfaids is now available and all notices, award packets and documents are sent by e-mail to GPS students. The GPS program is in the 19th year and we are very proud of the progress that has been made in communication with students and the quick turnaround time for their financial aid. The financial aid office does make students' dreams come true.

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### Goings On

Albertus Magnus College New Dimension Program in New Haven, CT has two positions open, a Financial Aid Counselor and Assistant Financial Aid Director. If you are interested, please contact



**Andrew Foster**  
Director of Financial Aid  
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(203) 773-8508 phone  
(203) 773-8972 FAX

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