

hot TOPICS



IPD Financial Aid News
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Reauthorization Comments Sought by ED

The Department of Education (ED) has requested comments on the upcoming reauthorization of the Higher Education Act (HEA). The December 20, 2002 Federal Register Notice contained the announcement. The Federal Register Notice is located at <http://www.nasfaa.org/publications/2002/FREDReauthNotice122002.html>.

The deadline to submit comments is February 28, 2003. The National Association of Student Financial Aid Administrators (NASFAA) has already drafted and transmitted their comments. Their recommendations cover many areas of concern to the profession including Federal Pell Grants, FSEOG, LEAPP/SLEAPP, Part B and D loans, Federal Work Study, Federal Perkins Loans, Federal Methodology, General Provisions, and Return of Funds. Visit the NASFAA Web site at <http://www.nasfaa.org/publications/2002/greauthrecstohill122002.html> to view the recommendations NASFAA submitted.



Apollo is also working on drafting comments to be submitted. Recommendations include those to support loan limit increases, consistency among regulations regardless of academic delivery model (i.e., meeting the needs of the increasing population of nontraditional students), and simplification.

Additional comments may be submitted to ED through a Web site at <http://bcol01.ed.gov/CFAPPS/OPE/HEA/index.cfm>.

Demise of the 12-Hour Rule

As many of you are aware, the Department of Education (ED) has published a series of final regulations for the 2003–2004 aid year that will impact all institutions within our consortium. The change with the biggest impact is the demise of the 12-Hour Rule. The elimination of this rule allows institutions to shorten the financial aid academic-year definition from 24 credits and 45 weeks to a minimum of 24 credits and 30 weeks. In conjunction with the reduction, a midpoint check of instructional weeks must be completed when scheduling the disbursement of the second half of funds.



Though the regulations are required to be in place by the new aid year (July 1, 2003), the department is allowing schools to implement early at the school's discretion. However, certain conditions must be met in order to implement these provisions early. The provisions adopted must be fully implemented across the institution (i.e., cannot eliminate study group logs without adopting the midpoint definition). In addition, IPD suggests that institutions conform with the new midpoint rule at the same time institutions adopt new academic-year definitions and/or study group attendance-tracking changes.

Prior to implementing any changes to the IPD shared programs, IPD encourages each institution to review their academic programs and corresponding academic-year length to ensure the following considerations are incorporated:

- ◆ Are there any accrediting agency rules or requirements that necessitate continued use of the learning team logs?
- ◆ Are there any state specific requirements that necessitate continued use of the learning team logs?
- ◆ Are there any requirements, by any agency, that require continued monitoring/faculty oversight of the learning teams?

Policies and procedures must also be revised and documented prior to implementation. Revisions will be necessary in the following financial aid policy areas:

- ◆ academic-year definition
- ◆ packaging philosophy
- ◆ payment periods for loans
- ◆ payment periods for Pell
- ◆ program approvals (based on the minimum credits and weeks, not hours of instruction)
- ◆ midpoint eligibility for Pell
- ◆ academic-year start date
- ◆ study group tracking and logs
- ◆ satisfactory academic progress

It is likely that corresponding policy changes will be required in the academic arena as well. It will also be necessary for institutions to identify and update consumer materials (i.e., catalog, brochures, website, etc.), institutional policies and procedures, institutional forms (i.e., award letter, required notifications, etc.), and system technology; determine an implementation date; and notify students (i.e., mass-mailing).

While the change in this rule is very good news to all of us, a thorough assessment of the impact and development of required changes in all policy and procedures should be completed prior to implementation. Additional information will be shared through the listserv as it becomes available.



ACS Staff Change

With a new year upon us comes a change at ACS. As many of you may know, Sandra Perez has left ACS and is now living abroad and taking on new adventures in Spain. Although she will be deeply missed, I would like to take this opportunity to introduce myself. My name is Dawn Davison. I enthusiastically joined the ACS regulatory team in September, 2002. Recently, I was a compliance specialist for the High-Tech Institute in Phoenix, Arizona. I have a total of four years financial aid experience. I will be replacing Sandra as the regulatory resource for IPD, and I look forward to working with and meeting all of you. Happy New Year!



Disclosure of Education Records Concerning Registered Sex Offenders

According to the Information for Financial Aid Professionals (IFAP) electronic announcement released on October 28, 2002, the Secretary of Education has issued guidance regarding the disclosure of information concerning sex offenders that educational institutions receive under state sex offender registration and community notification programs. A federal law, the Jacob Wetterling Act, provides minimum national standards for state sex offender registration and community notification programs. To comply with the Wetterling Act's standards, states must establish programs that require current address registration by residents of the state who have been convicted of sexually violent offenses or offenses involving sexual abuse or exploitation of minors, as described in the Wetterling Act.

The Campus Sex Crimes Prevention Act (CSCPA) supplemented the Wetterling Act's general standards for sex offender registration and community notification programs by enacting provisions that are more specifically designed to ensure that members of campus communities have information available concerning the presence of registered sex offenders. In part, this included an amendment to the Wetterling Act, which requires states to obtain information concerning registered sex offenders' enrollment or employment at institutions of higher education and to make this information available promptly to a campus police department or other appropriate law enforcement agency having jurisdiction where the institution is located.

The CSCPA also enacted two amendments to federal education laws. One of these is an amendment to the Higher Education Act of 1965, which requires institutions of higher education to advise the campus community where it can obtain information, provided by the state, about registered sex offenders. The other is the Family Educational Rights and Privacy Act (FERPA) amendment, which makes it clear that FERPA does not prevent educational institutions from disclosing such information:

- (A) Nothing in this section may be construed to prohibit an educational institution from disclosing information provided to the institution under section 170101 of the Violent Crime Control and Law Enforcement Act of 1994 concerning registered sex offenders who are required to register under such section.
- (B) The Secretary of Education shall take appropriate steps to notify educational institutions that disclosure of information described in subparagraph (A) is permitted.

This guidance clarifies that nothing in FERPA prevents educational institutions from disclosing information concerning registered sex offenders provided under the Wetterling Act, including information made available under the CSCPA amendment to the Wetterling Act and information otherwise made available under state sex offender registration and community notification programs.

Student Transfer Monitoring Process

Under regulations (34 CFR 668.19) that became effective July 1, 2001, schools are no longer required to obtain a paper Financial Aid Transcript (FAT) or respond to another school's request for an FAT for any transfer student, including midyear transfers. Instead, under a new process described in an attachment to the Dear Partner Letter GEN-01-09, the National Student Loan Data System (NSLDS) will provide financial aid history information for midyear transfer students directly to schools that request it. Institutions are required to set up their profile in NSLDS and go through the "Inform, Monitor, Alert" process for *all* midyear transfer students. See the link below for more information on this process.

<http://www.ifap.ed.gov/dpcletters/GEN0109.html>

News from NASFAA

**Reminder:
New Stafford Master Promissory Note (MPN)
Must be Utilized Starting January 1**

The [Dear Partner Letter GEN-02-07](#), dated September, 2002, disseminated a new Federal Stafford Loan Master Promissory Note (MPN) and two other associated documents:

- ◆ the Federal Stafford Loan School Certification, used by schools to certify a borrower's eligibility for a Federal Stafford Loan; and
- ◆ the Federal Stafford Loan Plain Language Disclosure, containing the minimum standard text to be provided to borrowers in connection with second or subsequent loans made under an MPN.



Only the new MPN may be provided to borrowers beginning January 1, 2003. Lenders may process the prior version of the MPN if those forms are received after January 1, to accommodate old forms that were distributed before January 1.

The current Direct Loan MPN was due to expire on August 31, 2002. However, [Direct Loan Bulletin DLB-02-29](#), dated September, 2002, allows schools to continue using the current MPN for the remainder of the 2002–2003 award year. A revised Direct Loan MPN will be issued for use beginning with the 2003–2004 award year for any loans for which a new MPN is required. If necessary, schools will still be able to use the current MPN to process "late" 2002–2003 loans after the start of the 2003–2004 award year.

New policy guidance for multi-year use of the Federal Family Education Loan (FFEL) and Direct Loan MPN was issued in the [Dear Colleague Letter GEN-02-10](#), dated November, 2002. Unless a school is specifically informed otherwise, all participating schools located in the United States may use the multi-year feature of the MPN. Previously, only four-year and graduate schools had blanket authority to use the multi-year feature of the MPN. This new authority is effective beginning with:

- ◆ any FFEL loan that is certified by a school on or after March 1, 2003, regardless of the period covered by the loan; and
- ◆ any Direct Loan for the 2003–2004 year that is processed after the 2.0 Release of the Common Origination and Disbursement System.

News from NASFAA, continued

FFEL lenders and guaranty agencies are encouraged by the Department of Education to inform schools when, and under what conditions, they will be able to implement this new authority. Specific implementation information for the Direct Loan Program is to be provided in a forthcoming Direct Loan Bulletin.



As was true previously, institutions and lenders are not required to use the multi-year feature of the MPN. A school may decide to have all or some of its borrowers continue to complete and sign a new MPN each year. Likewise, a lender may require a borrower to sign a new MPN to receive a loan from that lender. Individual borrowers always have the option of signing a new MPN.

Additional information regarding the multi-year use of the MPN is in [volume 8 of the Federal Student Aid Handbook](#).

By [NASFAA Staff](#)

Posted December 17, 2002, on www.NASFAA.org, the Web site of the National Association of Student Financial Aid Administrators (NASFAA). Copyright© 2002. Redistribution to non-NASFAA institutions is prohibited. Please submit Web site questions or comments to web@nasfaa.org.

Listing of Federal Student Aid (FSA) Publications

The department has released a listing of publications. The listing will be updated monthly as new releases become available. The list is also a great resource for determining if you are referencing current regulatory information. To access the list and to obtain more information on the subject, click on the link below.

<http://www.ifap.ed.gov/eannouncements/1217PubList02December.html>

Fourth Department of Education Letter on Terrorist Attack Relief Still Pending

The Department of Education has not yet published the fourth Dear Partner Letter related to the September 11, 2001 terrorist attacks. This last letter is expected to cover additional issues related to regulatory and administrative relief for those affected by the attacks, including the treatment of students who withdraw from school.

The first three letters and other items related to the terrorist attacks can be found at the National Association of Student Financial Aid's (NASFAA) Attack on America Resource Page at <http://www.nasfaa.org/linklists/terroristattackpage.asp> and at the Department of Education's Information for Financial Aid Professionals (IFAP) Web site at <http://www.ifap.ed.gov/IFAPWebApp/SFAGuidancetoTerroristAttacks.jsp>.

IPD Financial Aid Conference

Mark your calendars: the 2003 Financial Aid Conference will be held on April 7–8, 2003. Registration forms will be e-mailed in the next couple of weeks. We will be conducting this conference separate from the CAAHE conference this year, per the feedback from the 2002 conference surveys. Preparation has already begun. If you are interested in assisting in the planning process, please contact Lois Kelly or Kristen Vedder. We look forward to seeing all the locations represented this year!

IPD Financial Aid Training

The training session originally scheduled for February 24–25 has been postponed. Please contact Kristen Vedder if you are interested in registering for the training. A date will be set upon receipt of five or more registrations.



Other Financial Aid Training Opportunities

NAME OF ASSOCIATION	TENTATIVE DATES for WORKSHOP/CONFERENCE	LOCATION
DEPT OF ED		
ED 2003 Spring Conference	March 5–7, 2003	Kansas City, MO
WASFAA		
Annual Conference	April 13–15, 2003	Oahu, HI
NASFAA		
Annual Conference	July 9–12, 2003	Salt Lake City, UT

Financial Aid Global Distribution List

The Financial Aid global distribution list (including only CAAHE members) is available to allow you to consult with one another about the common problems you face and solutions that have provided positive results. To use the list, open a regular e-mail and type ipdfinaid@apollogrp.edu in the "To" section of the message. When the e-mail is sent, it will go to all the members of the list. Clicking "Reply To All" in response to the e-mail will send the response to all members of the list. Thanks to all who have been using this list, and to those providing timely responses to requests.



Goings On

Do you have information about job openings or upcoming events at your institution that you would like to share with the other IPD Partner Institutions? Just e-mail the information (including the name of the event or job opening; any relevant dates; and a name, telephone number, or e-mail address of a contact person) by March 15, 2002, to Kristen Vedder at kristen.vedder@apollogrp.edu so that your information will be included in the next newsletter.

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