



Prepared by the EdFund Government Relations and Regulatory Analysis Unit

## Overview of the Higher Education Opportunity Act (HEOA) – Public Law 110–315

**Status:** The Higher Education Opportunity Act was approved by the Senate and House of Representatives on July 31, 2008. The President signed the bill into law on August 14, 2008.

**Implementation:** Unless otherwise indicated, many of the provisions included in the bill are self-implementing, clear in purpose and will be effective upon enactment. Some provisions will require guidance from the US Department of Education (ED) for implementation. It is recommended that readers monitor ED guidance in the form of Dear Colleague Letters (DCL) and electronic bulletins for provisions impacting operational issues. The Department started the negotiated rule-making process with six public meetings held during the fall of 2008 with negotiation sessions scheduled beginning February 2009 and ending in May 2009. A Notice of Proposed Rule-Making (NPRM) will be published in the Federal Register during the spring of 2009 with Final Rules being published by November 1, 2009. Final Rules are to be implemented by July 1, 2010 unless marked for early implementation.

**Last Updated April 7, 2009**

This document provides a summary of the Higher Education Opportunity Act and is intended for informational purposes only. Readers should refer to the detail of the Higher Education Opportunity Act and U.S. Department of Education guidance in determining all relevant issues.

Subject	Higher Education Opportunity Act	Effective Date/ Trigger Event	Comments/Discussion
<b>Title I, Part C – Cost of Higher Education</b>			
<b>In-State Tuition Rates for Armed Forces Members, Spouses, and Dependent Children</b>			
In-State Tuition  HEA Sec. 135	<ul style="list-style-type: none"> <li>• Public institutions of higher education must charge in-state tuition to a               <ul style="list-style-type: none"> <li>○ Member of the armed forces                   <ul style="list-style-type: none"> <li>▪ On active duty for more than 30 days</li> <li>▪ Whose home or permanent duty station is in a state receiving assistance under this Act</li> </ul> </li> <li>○ Spouse of the member</li> <li>○ Dependent children of the member</li> </ul> </li> <li>• The in-state tuition rate shall continue even if the permanent duty station of the member changes to a location outside of the state for the continuously enrolled               <ul style="list-style-type: none"> <li>○ Member of the armed forces</li> <li>○ Spouse of the member</li> <li>○ Dependent children of the member</li> </ul> </li> </ul>	<b>7/1/2009</b>	This is a new section in Title I, Part C.  <i>DCL Gen 08-12 and FP 08-10</i> <i>The term “armed forces” means the Army, Navy, Air Force, Marine Corps, and Coast Guard.</i>  <i>The term “active duty for a period of more than 30 days” means active duty under a call or order that does not specify a period of 30 days or less. The term “active duty” means full-time duty in the active military service of the United States. Such term includes full-time training duty, annual training duty, and attendance, while in the active military service, at a school designated as a service school by law or by the Secretary of the military department concerned. Such term does not include full-time National Guard duty.</i>
<b>Title IV, Part A – Grants to Students in Attendance at Institutions of Higher Education</b>			
<b>Federal Pell Grants</b>			
Authorized Awards  HEA Sec. 401(b) (2)(A)	<ul style="list-style-type: none"> <li>• Increases the authorized maximum annual limits               <ul style="list-style-type: none"> <li>○ \$6,000 for AY 2009-2010</li> <li>○ \$6,400 for AY 2010-2011</li> <li>○ \$6,800 for AY 2011-2012</li> <li>○ \$7,200 for AY 2012-2013</li> <li>○ \$7,600 for AY 2013-2014</li> <li>○ \$8,000 for AY 2014-2015</li> </ul> </li> </ul>	<b>7/1/2009</b>	CCRAA implemented mandatory increases to the Pell Grant maximums. <ul style="list-style-type: none"> <li>• \$490 for 2008-09 and 2009 -10 award years</li> <li>• \$690 for 2010-11 and 2011-12 award years</li> <li>• \$1,090 for 2012-13 award year</li> </ul> If appropriations are sufficient, the maximum awards could be the HEOA amount + the CCRAA amount.  Authorized amounts often do not reflect the annual appropriated amount.
Minimum Awards  HEA Sec. 401(b)(4)	<ul style="list-style-type: none"> <li>• Eliminates the \$400 minimum annual award</li> <li>• New minimum will be no less than 10% of the maximum basic grant level for a single academic year</li> </ul>	<b>7/1/2009</b>	<i>DCL Gen 08-12 and FP 08-10</i> <i>Students eligible for an award equal to or greater than 5% but less than 10% of the maximum award will receive an award amount of 10% of the maximum</i>

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			<i>award appropriated each year.</i>
Year Round Pell Grant HEA Sec. 401(b)(5)(A)	<ul style="list-style-type: none"> <li>• Provides that a student may receive not more than 2 Scheduled Award amounts during a single academic year to allow the student to progress toward a degree or certificate program</li> <li>• Student must be enrolled during a single award year at least half-time for a period of <ul style="list-style-type: none"> <li>○ More than one academic year</li> <li>○ Or more than two semesters</li> <li>○ Or an equivalent period of time</li> </ul> </li> <li>• Student must be enrolled in a program which leads to <ul style="list-style-type: none"> <li>○ An associate degree</li> <li>○ A baccalaureate degree</li> <li>○ Or certificate</li> </ul> </li> <li>• The total amount awarded to a student may exceed the maximum Scheduled Award level specific to a particular academic year</li> </ul>	<b>7/1/2009</b>	Schools will need to determine new procedures for tracking.
Grant Eligibility HEA Sec. 401(b)(7)	<ul style="list-style-type: none"> <li>• Prohibits awarding grants to students who are subject to an involuntary civil commitment upon completion of a period of incarceration for a forcible or non-forcible sexual offense</li> </ul>	<b>7/1/2009</b>	Current law prohibits awarding Pell grants to students who are incarcerated in Federal or State prison.
Award Limitation HEA Sec. 401(c)(5)	<ul style="list-style-type: none"> <li>• Limits eligibility to 18 semesters, or the equivalent as determined by regulation</li> </ul>	<b>Grant received for the first time on/after 7/1/2008</b>	<p><i>DCL Gen 08-12 and FP 08-10</i>  <i>The regulations are to provide fractional equivalents for terms in which a student is enrolled less than full-time.</i></p> <p>Current law allows a student to receive a Pell grant until completion of the first undergraduate baccalaureate degree.</p> <p>Schools will need to revise policies and procedures to track the 18 semesters or its equivalent.</p>
Children of Soldiers HEA Sec. 401(f)(4)(A)-(B)	<ul style="list-style-type: none"> <li>• Individuals who <ul style="list-style-type: none"> <li>○ Lost a parent or guardian as a result of the wars in Iraq and Afghanistan after 9/11/01</li> <li>○ And who was less than 24 years of age</li> </ul> </li> </ul>	<b>7/1/2009</b>	<p><i>DCL Gen 08-12 and FP 08-10</i>  <i>The HEOA directs the VA and Department of Defense to provide necessary information to the Department of Education.</i></p>

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	<ul style="list-style-type: none"> <li>○ Or was enrolled at least part-time when the parent or guardian died</li> <li>• Is deemed to have an EFC of zero and will be eligible for the maximum Pell grant award provided they meet other eligibility requirements</li> </ul>		<p><i>This provision will not require any new questions on the FAFSA.</i></p> <p>Not known at this time how these students will be indentified.</p>
<b>Academic Competitiveness Grants</b>			
Definition HEA Sec. 401A	<ul style="list-style-type: none"> <li>• Changes the definition of rigorous secondary school program of study to one that prepares the student for college</li> <li>• Program of study must be recognized by the official designated for recognition consistent with State laws</li> <li>• And program must be reported by the designated official as rigorous in a timely manner to allow schools to determine student eligibility</li> </ul>	<b>For rigorous programs completed on/after 7/1/2009</b>	ECASLA and then the HEOA made changes to the way "rigorous secondary school programs" are defined and identified. The requirement to have graduated from a rigorous secondary school program applies to first and second year ACG awards. It appears that students who graduate from high school prior to July 1, 2009, will continue to be subject to the current methods, as outlined in existing regulation.
Effective Date Change HEA Sec. 401A	<ul style="list-style-type: none"> <li>• Moves the effective date of changes made to the Academic Competitiveness Grant (ACG) and SMART Grant programs by ECASLA from January 1, 2009, to July 1, 2009</li> </ul>	<b>7/1/2009</b>	ECASLA made a number of changes to eligibility limitations that currently exist for these programs, by <ul style="list-style-type: none"> <li>• Expanding student eligibility to include eligible non-citizens and part-time students</li> <li>• Adding a fifth year grant level for students in a five-year program of study</li> <li>• Including certificate programs that are at least one year in length and are offered by schools that award two- or four-year degrees</li> <li>• Changing the basis of tracking progression from "academic year" to "year".</li> </ul> <p>It appears that schools that had expanded their Spring 2009 awards to include students who would have gained eligibility under the programs as revised by ECASLA will have to rescind them.</p>
Master Calendar HEOA Sec. 402(b)	<ul style="list-style-type: none"> <li>• Congress waived negotiated rulemaking for the ACG and SMART Grant program changes</li> </ul>	<b>8/14/2008</b>	Some form of public comment may still be solicited, although it might not necessarily be through a NPRM. The Department could issue interim final regulations with comment invited.

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<b>Federal TRIO Programs</b>			
General Requirements  HEA Sec. 402A	<ul style="list-style-type: none"> <li>• Adds community-based organizations with experience in serving disadvantaged youth to the list of groups who may receive grants</li> <li>• Increases the number of years a grant is awarded to 5 years</li> <li>• Increases the minimum grant to \$200,000 unless a lower amount is requested</li> <li>• Award shall not be given to a program that has been involved in the fraudulent use of program funds</li> <li>• Increased the               <ul style="list-style-type: none"> <li>○ Services the programs may provide</li> <li>○ Groups of individuals who may receive the services</li> </ul> </li> </ul>	<b>8/14/2008</b>	<i>DCL Gen 08-12 and FP 08-10 Branch campuses can apply for funding as a separate grantee.</i>
<b>Academic Achievement Incentive Scholarships</b>			
Program Elimination  HEA Sec. 405A	<ul style="list-style-type: none"> <li>• Eliminates the Academic Achievement Incentive Scholarships program</li> </ul>	<b>8/14/2008</b>	
<b>Federal Supplemental Education Opportunity Grant</b>			
Program Extension  HEA Sec. 413A(b)(1)	<ul style="list-style-type: none"> <li>• Authorizes the appropriation of funds for the program as necessary for FY 2009 and each of the five succeeding fiscal years (FY 2014)</li> </ul>	<b>8/14/2008</b>	
Books and Supplies  HEA Sec. 413D(c)(3)(D)	<ul style="list-style-type: none"> <li>• Increases the allowance for books and supplies \$600</li> </ul>	<b>8/14/2008</b>	Currently books and supplies are set at \$450.
<b>Leveraging Educational Assistance Partnership Program</b>			
Program Extension  HEA Sec.415A(b)	<ul style="list-style-type: none"> <li>• Authorizes the appropriation of \$200,000,000 for FY 2009 and funds as necessary for each of the five succeeding fiscal years (FY 2014)</li> <li>• If amount appropriated exceeds \$30,000,000, the excess amount shall be used for the Grants for Access and Persistence (GAP)</li> </ul>	<b>8/14/2008</b>	The GAP program was formerly the SLEAP program.

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Maximum Award HEA Sec.415C(b)	<ul style="list-style-type: none"> <li>• Raises the maximum LEAP grant to \$12,500 with a cap of the program's cost of attendance</li> </ul>	<b>8/14/2008</b>	The current maximum grant is \$5,000.
Early GAP Notification HEA Sec. 415E	<ul style="list-style-type: none"> <li>• Each State receiving an allotment must provide early notification</li> <li>• The content of the notice must include information on               <ul style="list-style-type: none"> <li>○ Intervention</li> <li>○ Mentoring</li> <li>○ Outreach programs</li> <li>○ Instructions on how to apply for a GAP grant</li> <li>○ A nonbinding estimate of the total amount of Federal and State financial aid that a low-income student with a similar income level may expect to receive</li> <li>○ A disclaimer that grant awards for access and persistence are contingent on the student's financial eligibility at the time of the student's enrollment</li> </ul> </li> </ul>	<b>8/14/2008</b>	Early notification means information is sent to notify low-income students in grades seven through twelve.
<b>Robert C. Byrd Honors Scholarship Program</b>			
Program Extension Sec. 419K	<ul style="list-style-type: none"> <li>• Robert C. Byrd Honors Scholarship program is extended from FY 2009 through FY 2014</li> </ul>	<b>Beginning with FY 2009 through FY 2014</b>	
Eligibility HEA Sec. 419F(a)	<ul style="list-style-type: none"> <li>• Adds home schooled student to list of eligible recipients</li> <li>• Whether the home school is treated as a school or a private school under State law</li> </ul>	<b>8/14/2008</b>	Allows home schooled students to qualify  Current law states that the recipient must be a graduate of a public or private secondary school or have the equivalent of a certification of graduation.
<b>TEACH Grant</b>			
Teaching Field HEA Sec. 420N(d)(1)	<ul style="list-style-type: none"> <li>• Adds that a recipient may satisfy the service obligation by teaching in a field in which the student received a degree or expertise, if the field was designated as high-need at the time the student received the TEACH Grant</li> <li>• Even if the field no longer has a high-need</li> </ul>	<b>8/14/2008</b>	Today's News from NASFAA October 9, 2008 In response to questions from NASFAA, Department of Education officials clarified that borrowers may apply the same years of service to meet both TEACH Grant service requirements and teacher loan forgiveness service

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	designation when the student begins teaching		<p>requirements under the Stafford Loan and Perkins Loan programs.</p> <p>The Department has indicated that borrowers need not view the grant and loan forgiveness programs as an "either, or" choice. While the teaching service requirements among the grant, Stafford, and Perkins programs are somewhat different, as long as borrowers' years of teaching service meets the requirements for both grant service fulfillment and loan forgiveness they can benefit from both grants and loans.</p> <p>Student may need to submit documentation that field was a high need field at time grant was received.</p> <p>Documentation has not yet been defined.</p>
<i>Extenuating Circumstances</i> <i>HEA 420N(d)(2)</i>	<ul style="list-style-type: none"> <li><i>The Secretary is required to establish by regulation categories of extenuating circumstances under which a TEACH Grant recipient who is unable to fulfill all or part of the service obligation be excused from completing the obligation</i></li> </ul>	<b>7/1/2010</b>	<i>DCL Gen 08-12 and FP 08-10</i>
<b>Campus-Based Programs</b>			
Transfer of Allotments  HEA Sec. 488	<ul style="list-style-type: none"> <li>Permits the transfer of up to 25% of the institution's FWS allotment to the Perkins Loan Program allotment <ul style="list-style-type: none"> <li>This is in addition to FSEOG Program allotment which is already permitted</li> </ul> </li> <li>The school may transfer up to 25% of the FSEOG allotment to the institution's FWS allotment</li> </ul>	<b>8/14/2008</b>	
<b>Title IV, Part B — Federal Family Education Loan Program</b>			
<b>Extension of Loan Programs</b>			
Program Extension  HEA Sec. 424, 428C and 458	<ul style="list-style-type: none"> <li>Federal student loan program is extended from FY 2009 through FY 2014</li> <li><i>Authorization of appropriations for administrative costs and account maintenance fees has been extended through fiscal year 2014</i></li> </ul>	<b>8/14/2008</b>	<i>DCL Gen 08-12 and FP 08-10</i> <i>This includes Federal Consolidation Loans.</i>

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Interest Payment Extension  HEA Sec. 428(a)(5)	<ul style="list-style-type: none"> <li>• Extends interest subsidy on subsidized Stafford loans through September 30, 2012</li> </ul>	<b>8/14/2008</b>	
<b>Reduction of Loan Interest Costs</b>			
Loan Eligibility Calculation  HEA Sec. 428(a)(2)	<ul style="list-style-type: none"> <li>• Calculation of eligibility for loans will exclude:               <ul style="list-style-type: none"> <li>○ Veteran's education benefits</li> <li>○ National service education award</li> <li>○ Post-service benefits</li> </ul> </li> </ul>	<b>For eligibility determinations made on/after 7/1/2010</b>	<i>DCL Gen 08-12 and FP 08-10</i>
In-school Deferment  HEA Sec. 428(b)(1)	<ul style="list-style-type: none"> <li>• Lender may grant an in-school deferment by verifying enrollment status through NSLDS, when requested by the institution</li> <li>• Lender must provide borrowers with information regarding the impact of interest capitalization on deferred unsubsidized Stafford loans</li> </ul>	<b>8/14/2008</b>	<i>DCL GEN 08-12 FP 08-10 This eliminates the option in 34 CFR 682.210(c)(4) to grant in-school deferments on all the outstanding FFEL loans held by the lender using data from an institution's Student Status Confirmation Report to NSLDS without confirmation being requested from the borrower's school.</i>
Loan Transfers  HEA Sec. 428(b)(2)	<ul style="list-style-type: none"> <li>• Lender(s) must notify the borrower of the               <ul style="list-style-type: none"> <li>○ Effective date of transfer</li> <li>○ Date the current holder of the loan will stop accepting payments</li> <li>○ Date the new holder of the loan will accept payments</li> </ul> </li> </ul>	<b>Notifications on/after 8/14/2008</b>	
Guarantor Prohibited Inducements  HEA Sec. 428(b)(3)	<ul style="list-style-type: none"> <li>• Guarantors are prohibited from               <ul style="list-style-type: none"> <li>○ Offering to schools, school employees, lender, agent, employee or independent contractor in exchange for loans                   <ul style="list-style-type: none"> <li>▪ Premiums</li> <li>▪ Payments</li> <li>▪ Stock or other securities</li> <li>▪ Prizes</li> <li>▪ Travel</li> <li>▪ Entertainment expenses</li> <li>▪ Tuition payment or reimbursement</li> <li>▪ Other inducements</li> </ul> </li> <li>○ Providing unsolicited loan applications to borrowers or their families by</li> </ul> </li> </ul>	<b>Activities undertaken on/after 8/14/2008</b>	<i>DCL GEN 08-12 FP 08-10 This letter states in writing that guaranty agencies may not perform, or pay another to perform, any school-required function for a school, except student loan exit counseling.</i>  The Department has provided verbal guidance indicating that GAs are not allowed to provide in-person school-required entrance counseling but may provide exit counseling.  "A specific exception was added to the GA prohibited inducement sections of the HEA by the HEOA to make GA participation in or conduct of, in-person school-

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	<ul style="list-style-type: none"> <li>▪ Mail</li> <li>▪ Electronic means</li> <li>○ Performing any function that a school is required to perform <b>except exit counseling</b></li> <li>○ Paying another person to perform any function that a school is required to perform <b>except exit counseling</b></li> <li>○ Conducting fraudulent or misleading advertising on <ul style="list-style-type: none"> <li>▪ Loan availability</li> <li>▪ Terms or conditions</li> </ul> </li> <li>• A guarantor may provide technical assistance to a school comparable to the assistance provided by the Department</li> </ul>		<p>required exit counseling a permissible activity. At the same time, the Congress added school requirements for entrance counseling to the HEA for the first time (previously, it was a purely regulatory requirement), but did not include a comparable exception for GA participation in, in-person school-required entrance counseling in the same prohibited inducement area of the statute. Therefore, we do not interpret the law to permit GA participation in or conduct of, in-person school-required entrance counseling with borrowers. This of course, does not prevent a GA from providing counseling materials or software to schools for use in entrance counseling, as long as the materials are not used to sell the GA's products or promote its services, and the name of the providing GA appears prominently on the materials."</p> <p>This topic may be discussed at Negotiated Rulemaking this winter.</p> <p><del>Verbal guidance from the Department indicates Guarantors are able to perform entrance and exit counseling.</del></p> <p>Puts into statute the prohibited inducement regulations with the exception of the performance of exit counseling.</p> <p>This is a list of the things a Guarantor is not allowed to do, not a list of those things a Guarantor may do (except in the case of exit counseling).</p>
<p>Income-based Repayment Plan</p> <p>HEA Sec. 428(b)(1)(L)(i), 428(b)(9)(A), 428(m), 428C(c), 455(d)(1)(E) and</p>	<ul style="list-style-type: none"> <li>• Income-based repayment plan shall not be available for Parent PLUS loans or Consolidation loans that include a Parent PLUS loan</li> <li>• <i>A borrower who is repaying under IBR is excluded from the minimum annual payment amount requirement of \$600</i></li> </ul>	<p><b>8/14/2008 for the 7/1/2009 implementation</b></p>	<p><i>DCL Gen 08-12 and FP 08-10</i></p>

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493C(b)(1)	<ul style="list-style-type: none"> <li>• <i>The Secretary is authorized to require a borrower whose defaulted FFEL loan is assigned to the Department to repay the defaulted loan under either ICR or IBR</i> <ul style="list-style-type: none"> <li>◦ <i>The Department will provide for the same treatment of DL borrowers who are in default</i></li> </ul> </li> </ul>		
Forbearances HEA Sec. 428(c)(3)	<ul style="list-style-type: none"> <li>• Lenders shall at time of granting a forbearance provide information to the borrower on <ul style="list-style-type: none"> <li>◦ The impact of capitalization of interest</li> <li>◦ Total amount of interest to be paid over the life of the loan</li> </ul> </li> <li>• Lenders shall contact the borrower at least every 180 days to inform the borrower of the <ul style="list-style-type: none"> <li>◦ Amount of unpaid principal</li> <li>◦ Amount of interest accrued since the last statement</li> <li>◦ Fact that interest will accrue for the period of forbearance</li> <li>◦ Amount of interest to be capitalized</li> <li>◦ Date of capitalization</li> <li>◦ Option to pay the interest before capitalization</li> <li>◦ Borrower's right to cancel forbearance at any time</li> </ul> </li> </ul>	<b>Forbearances granted on/after 8/14/2008</b>	
Servicemembers Civil Relief Act HEA Sec. 428(d) and 438	<ul style="list-style-type: none"> <li>• Section 207 of the Servicemembers Civil Relief Act (SCRA) will now apply to student loans</li> <li>• Section 207 states <ul style="list-style-type: none"> <li>◦ Interest rate is limited to 6%</li> <li>◦ Any interest over 6% is forgiven</li> <li>◦ Monthly payments are to be reduced by the amount that exceeds the 6% interest</li> <li>◦ Servicemember must provide written notice and a copy of the military orders calling the servicemember to duty or extending service</li> <li>◦ Servicemember must supply this information no later than 180 days after termination or release from service</li> </ul> </li> </ul>	<b>Borrower is on active duty as of 8/14/2008 and Request is received on/after 8/14/2008</b>  <b>(For lender calculation of SAP) Loans first disbursed</b>	<i>DCL Gen 08-12 and FP 08-10 This change applies to borrowers in military service as of August 14, 2008.</i>  <i>For this purpose, the term "in writing" may include a borrower's email request and the term "copy of the borrower's military orders" includes a scanned copy of the orders attached to that email request.</i>  <i>For any FFEL loan that is subject to the SCRA 6% interest limit the applicable interest rate used in calculating the lender's SAP is the SCRA determined rate. The Department will issue separate operational guidance</i>

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	<ul style="list-style-type: none"> <li>○ These benefits begin with the date servicemember is called to military service</li> <li>○ <i>Does not apply to a PLUS loan endorser unless that individual is also performing eligible military service</i></li> </ul>	<p><b>on/after 7/1/2008</b></p>	<p><i>on HEOA-related SAP changes.</i></p> <p>On October 22, 2008 the Department confirmed with NCHELP that this provision applies to both DL and FFEL under “same terms and conditions”. Also, it is the Department’s opinion that SCRA does not apply to PLUS endorsers.</p> <p>On December 19, 2003, the President Bush signed into law H.R. 100, the Servicemembers Civil Relief Act. This law completely rewrites the Soldiers and Sailors Civil Relief Act of 1940, expanding many of the previous law’s civil protections.</p> <p>Previously the Servicemembers Civil Relief Act did not include student loans in the provisions.</p>
<p>Defaulted Borrowers HEA Sec. 428(k)(4)</p>	<ul style="list-style-type: none"> <li>● Guaranty agencies must provide defaulted borrowers at least two separate occasions with a notice <ul style="list-style-type: none"> <li>○ In simple and understandable terms</li> <li>○ Listing the options available to remove the loan from default</li> <li>○ Providing relevant fees and conditions for each option</li> </ul> </li> </ul>	<p><b>Default claims received by a guaranty agency on/after 8/14/2008</b></p>	<p>At this time there is not a stated time frame as to when the notices are to be sent.</p>
<b>Voluntary Flexible Agreements</b>			
<p>Secretary Reporting Requirements HEA Sec. 428(a)(3)</p>	<p>The Secretary shall report on an annual basis to the authorizing committees on VFA outcomes for each guaranty agency including</p> <ul style="list-style-type: none"> <li>● Program integrity and cost efficiencies</li> <li>● Delinquency prevention</li> <li>● Default aversion</li> <li>● Consumer education programs offered</li> <li>● Availability and delivery of financial aid</li> <li>● A review of each VGA and the outcomes</li> <li>● An analysis of the fees paid and the savings achieved</li> </ul>		

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	<ul style="list-style-type: none"> <li>• Identification of promising practices that could be replicated by other agencies</li> </ul>		
<b>Federal PLUS Loans</b>			
<p><i>Extenuating Circumstances for PLUS Loan Eligibility</i></p> <p>HEA Sec. 428B(a)(3)</p>	<p><i>Clarifies the adverse credit standard that is applicable when determining whether a PLUS applicant may qualify for a PLUS loan, under the special extenuating circumstances identified in the ECASLA</i></p> <ul style="list-style-type: none"> <li>• <i>Delinquencies of 180 days or less on mortgage or medical bill payments</i></li> <li>• <i>Not more than 89 days on any other debt payment</i></li> </ul> <p><i>Is the adverse credit standard contained in the FFEL Program regulations that was in effect as of May 6, 2008, the day before the date of enactment of the ECALSA</i></p>	<p><b>Loans first disbursed on/after 7/1/2008, for circumstances that exist 1/1/2007 through 12/31/2009</b></p>	<p><i>DCL Gen 08-12 and FP 08-10</i></p> <p><i>These same special extenuating circumstances for PLUS loan eligibility also apply to DL borrowers.</i></p>
<p>Parent PLUS Loans</p> <p>Sec. 428B(d)(1) &amp; (2)</p>	<p>Payment of Principal and Interest</p> <ul style="list-style-type: none"> <li>• Repayment of principal begins no later than 60 days after the date the loan is disbursed by the lender except</li> <li>• Parent borrower may request a deferral <ul style="list-style-type: none"> <li>○ During the period the student on whose behalf the loan was borrowed is enrolled at least half-time</li> <li>○ During the 6-month period beginning on the day after the student is no longer enrolled at least half-time</li> <li>○ If the parent is a student during the 6-month period beginning on the day after the parent is no longer enrolled at least half-time</li> </ul> </li> </ul>	<p><b>Loans first disbursed on/after 7/1/2008</b></p>	<p>The following Deferment Type Codes will be made available for guarantor use on NSLDS:</p> <ul style="list-style-type: none"> <li>• PD – Parent PLUS In-School Deferment</li> <li>• PE – Six Month Post-Enrollment Period</li> </ul>
<p>Graduate/Professional PLUS</p> <p>HEA Sec. 428B(d)(1) &amp; (2)</p>	<ul style="list-style-type: none"> <li>• Graduate/Professional student borrower may request a deferral <ul style="list-style-type: none"> <li>○ During the 6-month period beginning on the day after the student is no longer enrolled at least half-time</li> </ul> </li> <li>• Capitalization of interest <ul style="list-style-type: none"> <li>○ The borrower may agree to pay the interest</li> </ul> </li> </ul>	<p><b>Loans first disbursed on/after 7/1/2008</b></p>	<p>The following Deferment Type Code will be made available for guarantor use on NSLDS:</p> <ul style="list-style-type: none"> <li>• PE – Six Month Post-Enrollment Period</li> </ul>

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Subject	Higher Education Opportunity Act	Effective Date/ Trigger Event	Comments/Discussion
	<ul style="list-style-type: none"> <li>▪ Monthly</li> <li>▪ Quarterly</li> <li>▪ Have the interest capitalized no more frequently than quarterly</li> <li>○ Capitalized interest is not to be considered in determining annual/aggregate limits</li> </ul>		
<b>Federal Consolidation Loans</b>			
Disclosures HEA Sec. 428C(b)(1)	<ul style="list-style-type: none"> <li>• The lender shall disclose to a borrower in simple and understandable terms at the time a consolidation loan application is provided               <ul style="list-style-type: none"> <li>○ If consolidation would result in the loss of loan benefits</li> <li>○ If a Perkins loan is included, the loss of loan benefits from this program</li> <li>○ Repayment plans available to the borrower</li> <li>○ The borrower may prepay or shorten the schedule of the loan</li> <li>○ The borrower may change payment plans</li> <li>○ That borrower benefits may vary between lenders</li> <li>○ Consequences of default on the loan</li> <li>○ By applying the borrower is not obligated to take the loan</li> </ul> </li> </ul>	<b>Applications provided to potential borrowers on/after 8/14/2008</b>	
Income-Based Repayment Plan HEA Sec. 428C(c)(3)	Income-based repayment plan is not available to borrowers with a consolidation loan used to pay off a Parent PLUS loan	<b>8/14/2008</b>	
<b>Loan Rehabilitation</b>			
Guarantor Reporting Requirements HEA Sec. 428F(a)(1)(A)	<ul style="list-style-type: none"> <li>• Upon completion of the rehabilitation of a defaulted FFEL Loan through the sale of the loan to an eligible FFEL holder               <ul style="list-style-type: none"> <li>○ The guaranty agency</li> <li>○ <i>Other prior holders of the loan must request any consumer reporting agency to remove the record of the default from the borrower's credit history</i></li> </ul> </li> </ul>	<b>Rehabilitation sales on/after 8/14/2008</b>	<i>DCL GEN 08-12 and FP 08-10</i>  This aligns statute with existing regulatory requirements.

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Limits on Rehabilitation HEA Sec. 428F(a)(5)	<ul style="list-style-type: none"> <li>Limits a borrower to eligibility to rehabilitate a defaulted FFEL loan only once</li> <li>A borrower may continue to rehabilitate other defaulted loans after such a re-default on another loan</li> </ul>	<b>Loans Rehabilitated on/after 8/14/2008</b>	<p>If the borrower has successfully rehabilitated their loan(s) and is now with a new lender and then re-defaults the borrower may not attempt rehabilitation again on these loans.</p> <p>Generally, if several loans are in default at the same time then all the loans would be rehabilitated together. Thus only one rehabilitation attempt for all loans currently in default.</p>
Literacy Materials HEA Sec. 428F	<ul style="list-style-type: none"> <li>Financial and economic literacy materials are to be made available by the guarantor to a borrower who has rehabilitated a loan</li> </ul>	<b>8/14/2008</b>	<p><i>DCL GEN 08-12 and FP 08-10</i>  <i>Guaranty agencies should also make the same materials generally available to all other borrowers who have rehabilitated loans previously with the agency.</i></p> <p><i>The Secretary will provide comparable materials to DL borrowers who rehabilitate the Direct Loans.</i></p>
<b>Student Loan Disbursement Requirements</b>			
Special Disbursement Rule HEA Sec. 428G(a)(4)	<ul style="list-style-type: none"> <li>An institution whose cohort default rate is 15% or less for the three most recent fiscal years may disburse a loan in a single payment for a period not more than <ul style="list-style-type: none"> <li>One semester</li> <li>One trimester</li> <li>One quarter</li> <li>Four months</li> </ul> </li> </ul>	<b>Loans first disbursed on/after 10/1/2011</b>	<p><i>DCL GEN 08-12 and FP 08-10</i>  <i>Applies to both FFEL and DL institutions.</i></p> <p>Currently an institution may take advantage of this rule if their CDR has been 10% or less for the three most recently published fiscal years.</p>
30 Day Delayed Delivery HEA Sec. 428G(b)(3)	<ul style="list-style-type: none"> <li>An institution who's cohort default rate is 15% or less for the three most recent fiscal years may waive the 30 day delayed delivery of loan funds to a first year, first time undergraduate borrower</li> </ul>	<b>Loans first disbursed on/after 10/1/2011</b>	<p><i>DCL GEN 08-12 and FP 08-10</i>  <i>Applies to both FFEL and DL institutions.</i></p> <p>Currently an institution may take advantage of this rule if their CDR has been 10% or less for the three most recently published fiscal years.</p> <p>Some institutions with CDRs of 10% or less for the three most recent published fiscal years have chosen not to use this option. The institutions feel this is one of the reasons why they have a low CDR.</p>

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<b>Unsubsidized Stafford Loans</b>			
Clarification of Annual Loan Limits  HEA Sec. 428H(d)(2) and 428H(d)(4)	<ul style="list-style-type: none"> <li>• Clarifies that               <ul style="list-style-type: none"> <li>○ Independent students</li> <li>○ Dependent students whose parents are unable to borrow a PLUS loan</li> </ul>               May borrow an annual loan limit of \$7,000 for course work necessary for               <ul style="list-style-type: none"> <li>○ Enrollment in a graduate or professional program</li> <li>○ Certification from a State required for employment as a teacher in elementary or secondary school</li> </ul> </li> <li>• <i>Independent undergraduate students are eligible to borrow up to</i> <ul style="list-style-type: none"> <li>○ <i>\$6,000 for non-degree preparatory coursework necessary for enrollment in an undergraduate program</i></li> <li>○ <i>\$7,000 for required teacher certification coursework</i></li> </ul> </li> </ul>	<b>Loans first disbursed on/after 7/1/2008</b>	<i>DCL GEN 08-12 and FP 08-10</i> <i>Applies to both FFEL and DL borrowers.</i>  Clarifies a question that arose as a result of PL 110-227, Ensuring Continued Access to Student Loans Act of 2008.
<b>Teacher Loan Forgiveness</b>			
Additional Qualifications  HEA Sec. 428J and 460	<ul style="list-style-type: none"> <li>• Adds teachers to the forgiveness program who provide qualifying teaching services at one or more locations operated by an educational service agency, but are not a school, and determined by the Secretary, in consultation with the State to be eligible locations</li> <li>• Authorizes the chief administrative officer of an educational service agency to certify a borrower's eligibility</li> </ul>	<b>TLF and TLF Forbearance applications received on/after 8/14/2008</b>	<i>DCL GEN 08-12 and FP 08-10</i> <i>Applies to both FFEL and DL borrowers.</i>
Program Limitation  HEA Sec. 428J(g)(2) and 460(g)(2)	<ul style="list-style-type: none"> <li>• <i>Prevents borrowers from receiving, for the same period of service, benefits from</i> <ul style="list-style-type: none"> <li>○ <i>Teacher Loan Forgiveness</i></li> <li>○ <i>Service in areas of national need</i></li> <li>○ <i>Public service loan forgiveness</i></li> <li>○ <i>Subtitle D of Title I of the National and Community Service Act of 1990 (AmeriCorps)</i></li> </ul> </li> </ul>	<b>TLF and TLF Forbearance applications received on/after 8/14/2008</b>	<i>DCL GEN 08-12 and FP 08-10</i> <i>Section reworded and formatted for clarity as a result of the DCL.</i>

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<b>Loan Forgiveness for Service in Areas of National Need</b>			
New Program  HEA Sec. 428K	<ul style="list-style-type: none"> <li>• Borrower must be               <ul style="list-style-type: none"> <li>○ Employed full-time</li> <li>○ Not in default on a loan for which the borrower seeks forgiveness</li> </ul> </li> <li>• Forgiveness cannot be applied to a Parent PLUS loan or a Consolidation loan that paid off a Parent PLUS loan</li> <li>• Areas of national need include               <ul style="list-style-type: none"> <li>○ Early childhood educators</li> <li>○ Nurses in certain environments</li> <li>○ Foreign language specialists</li> <li>○ Librarians</li> <li>○ Highly qualified teachers                   <ul style="list-style-type: none"> <li>▪ Serving limited English proficient students</li> <li>▪ Serving low-income communities</li> <li>▪ Working in an educational service agency</li> <li>▪ Who are from an underrepresented population in the teaching field</li> </ul> </li> <li>○ Child welfare workers</li> <li>○ Speech-language pathologists and audiologists</li> <li>○ School counselors</li> <li>○ Public sector employees                   <ul style="list-style-type: none"> <li>▪ Public safety workers</li> <li>▪ Emergency management</li> <li>▪ Public health</li> <li>▪ Public interest legal services</li> </ul> </li> <li>○ Nutrition professionals</li> <li>○ Medical specialists</li> <li>○ Mental health professionals</li> <li>○ Dentists</li> <li>○ STEM employees                   <ul style="list-style-type: none"> <li>▪ Applied sciences</li> <li>▪ Technology</li> <li>▪ Engineering</li> <li>▪ Mathematics</li> </ul> </li> </ul> </li> </ul>	<p><b>Each school, academic or calendar year of full-time employment that a borrower completes on or after 8/14/2008</b></p>	<p><i>DCL GEN 08-12 and FP 08-10 Applies to both FFEL and DL.</i></p> <p><i>This program is not currently funded and cannot be implemented until funding is provided by Congress.</i></p> <p>This is a new section in the HEA.</p> <p>Includes Stafford, Graduate and Professional PLUS loans in both the FFEL and DL programs.</p> <p>This forgiveness plan replaces the Loan Forgiveness for Child Care Providers program.</p>

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	<ul style="list-style-type: none"> <li>○ Physical therapists</li> <li>○ Superintendents, principals and other administrators</li> <li>○ Occupational therapists</li> <li>● The law provides definitions for various areas of national need professions</li> <li>● Forgiven loan amount <ul style="list-style-type: none"> <li>○ For each school, academic or calendar year of full-time employment that a borrower completes on or after August 14, 2008 <ul style="list-style-type: none"> <li>▪ Up to \$2,000 will be forgiven per year</li> <li>▪ Not to exceed \$10,000 for any borrower</li> <li>▪ Cannot receive this forgiveness for more than five years of service</li> </ul> </li> </ul> </li> <li>● Granted on a first-come, first-served basis</li> <li>● Refund of payments will not be allowed</li> <li>● No borrower may receive double benefits for the same service from the <ul style="list-style-type: none"> <li>○ Loan Forgiveness for Teachers (FFEL and DL)</li> <li>○ Loan Repayment for Civil Legal Assistance</li> <li>○ Repayment Plan for Public Service Employees</li> </ul> </li> </ul>		
<b>Loan Repayment for Civil Legal Assistance Attorneys</b>			
<p>New Program</p> <p>HEA Sec. 428L</p>	<p>To encourage individuals to enter and continue employment as civil legal assistance attorneys</p> <ul style="list-style-type: none"> <li>● A civil legal assistance attorney is <ul style="list-style-type: none"> <li>○ Employed full-time</li> <li>○ Continually licensed to practice law</li> </ul> </li> <li>● Provides service to the following organizations or programs <ul style="list-style-type: none"> <li>○ A nonprofit organization that provides legal assistance with respect to civil matters to low-income individuals without a fee</li> <li>○ A protection and advocacy system or client assistance program that provides legal assistance with respect to civil matters and receives funding under a number of listed</li> </ul> </li> </ul>	<b>8/14/2008</b>	<p><i>DCL Gen 08-12 and FP 08-10</i></p> <p><i>This program is not currently funded and cannot be implemented until funding is provided by Congress.</i></p> <p>This is a new section in the HEA.</p> <p>Includes Stafford, Graduate and Professional PLUS loans in the FFEL and DL programs. Also, includes Perkins loans.</p>

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Subject	Higher Education Opportunity Act	Effective Date/ Trigger Event	Comments/Discussion
	<p>programs</p> <ul style="list-style-type: none"> <li>• Repayment cannot be applied to a Parent PLUS loan or a Consolidation loan that paid off a Parent PLUS loan <ul style="list-style-type: none"> <li>○ The Secretary will make direct payments to the holder of the loan for borrowers who qualify and</li> <li>○ Not in default on a loan for which the borrower seeks repayment</li> </ul> </li> <li>• Terms of agreement <ul style="list-style-type: none"> <li>○ Borrower signs a written agreement with the Secretary stating <ul style="list-style-type: none"> <li>▪ The borrower will remain employed as a civil legal assistance attorney for a period not less than three years</li> <li>▪ If the borrower separates from employment the borrower will repay the Secretary the amount of any benefits received under this agreement</li> <li>▪ If the borrower does not repay the owed amount the Federal Government may use all methods allowed to collect the sum</li> <li>▪ The Secretary may waive the right of recovery if it is shown that recovery is contrary to the public interest</li> </ul> </li> </ul> </li> <li>• Student loan payment amount equals <ul style="list-style-type: none"> <li>○ \$6,000 for any calendar year</li> <li>○ Not to exceed \$40,000 per borrower</li> </ul> </li> <li>• An additional agreement maybe entered into after the borrower has completed the initial agreement <ul style="list-style-type: none"> <li>○ The terms may allow the borrower to remain employed as a civil legal assistance attorney for less than three years</li> <li>○ This benefit will be awarded on a first-come first-served basis subject to appropriations</li> <li>○ Priority will be given based on the borrower <ul style="list-style-type: none"> <li>▪ Having practiced law for five years or less</li> </ul> </li> </ul> </li> </ul>		

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	<ul style="list-style-type: none"> <li>▪ Receiving benefits during the preceding fiscal year</li> <li>▪ Having completed less than three years of the first required period of service</li> <li>• No borrower may receive double benefits for the same service under this program from the               <ul style="list-style-type: none"> <li>○ Loan Forgiveness for Service in Areas of National Need</li> <li>○ Repayment Plan for Public Service Employees</li> </ul> </li> <li>• Refund of payments will not be allowed</li> <li>• Appropriations are authorized for \$10,000,000 for fiscal year 2009 and sums necessary for each of the five succeeding fiscal years</li> </ul>		
<b>Loan Disclosures to Borrowers</b>			
Increased Disclosure Requirements  HEA Sec. 433	<ul style="list-style-type: none"> <li>• Lenders must provide disclosures of loan information that must be               <ul style="list-style-type: none"> <li>○ Thorough and accurate</li> <li>○ In simple and understandable terms</li> <li>○ Disclosed in                   <ul style="list-style-type: none"> <li>▪ Writing or</li> <li>▪ Electronic means</li> </ul> </li> <li>○ Provide a telephone number or web address for additional loan information</li> </ul> </li> <li>• Disclosure content has been increased for               <ul style="list-style-type: none"> <li>○ Disclosures at or before disbursement</li> <li>○ Disclosures provided upon loan approval</li> <li>○ Additional disclosure of information for PLUS loans and unsubsidized loans</li> <li>○ Disclosures sent at or before repayment begins</li> <li>○ Disclosures required during repayment</li> <li>○ Information provided to a borrower having difficulty making payments</li> <li>○ Disclosures made during delinquency</li> </ul> </li> <li>• All disclosures should be made at no cost to the borrower</li> <li>• Failure to disclose required information               <ul style="list-style-type: none"> <li>○ Does not relieve a borrower from the obligation</li> </ul> </li> </ul>	<b>Loans with the first payment due on/after 8/14/2008</b>  <b>And Loans that become delinquent or/after 7/1/2009</b>	<i>DCL GEN 08-12 and FP 08-10</i> <i>Descriptions of all the required lender disclosures to FFEL borrowers can be found on pages 127 through 131.</i>

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	<ul style="list-style-type: none"> <li>to repay a loan</li> <li>o Provide the borrower with a basis for a claim for civil damages</li> <li>o Secretary may limit suspend or terminate the participation of the lender in the program</li> </ul>																														
<b>Consumer Education Information</b>																															
Information Provided to Institutions  HEA Sec. 433A	<ul style="list-style-type: none"> <li>• Guaranty agencies must provide schools with high-quality educational programs and materials to provide training for students and families in               <ul style="list-style-type: none"> <li>o Budgeting</li> <li>o Financial management</li> <li>o Debt management</li> <li>o Financial literacy</li> </ul> </li> <li>• Materials shall be simple and understandable to students and families</li> <li>• Provided before, during and after enrollment in higher education</li> <li>• Guaranty agencies may use existing activities, programs and materials to meet these requirements</li> <li>• Guaranty agencies may provide these materials to Direct Lending schools</li> </ul>	<b>8/14/2008</b>	<i>DCL GEN 08-12 FP 08-10</i> <i>Materials must be provided before, during and after a student's enrollment at an institution.</i>  <i>A guaranty agency is not prohibited from using existing materials to meet this requirement or from providing the same materials to institutions that participate only in DL.</i>																												
<b>Definition of Eligible Institution</b>																															
Ineligibility Based on High CDR  HEA Sec. 435(a)	<ul style="list-style-type: none"> <li>• The threshold percentage increases to 30 percent</li> <li>• Schools can appeal for regulatory relief due to mitigating circumstances if their CDR is equal to or greater than the threshold percentage</li> <li>• First year of 30% or higher CDR               <ul style="list-style-type: none"> <li>o School must create a task force to                   <ul style="list-style-type: none"> <li>▪ Identify factors causing the CDR to exceed the threshold</li> <li>▪ Establish measurable objectives and steps to be taken to improve the institution's CDR</li> <li>▪ Specify actions the institution can take to improve student loan repayment, including counseling regarding loan repayment options</li> </ul> </li> <li>o Submit the plan to the Secretary for review and</li> </ul> </li> </ul>	<b>Beginning FY 2012</b>	The Effective Date reflects the beginning of the federal fiscal year (2012) when three years of cohort tracking will have been completed. <table border="1" data-bbox="1331 1105 2003 1339"> <thead> <tr> <th colspan="2">Enter Cohort</th> <th>2 Yr CDR</th> <th>3 Yr CDR</th> </tr> <tr> <th>CY</th> <th>Dates</th> <th>Published</th> <th>Published</th> </tr> </thead> <tbody> <tr> <td><b>2009</b></td> <td><b>10/1/08-9/30/09</b></td> <td><b>9/2011</b></td> <td><b>9/2012</b></td> </tr> <tr> <td>2010</td> <td>10/1/09-9/30/10</td> <td>9/2012</td> <td>9/2013</td> </tr> <tr> <td>2011</td> <td>10/1/09-9/30/11</td> <td>9/2013</td> <td>9/2014</td> </tr> <tr> <td>2012</td> <td>10/1/11-9/30/12</td> <td></td> <td>9/2015</td> </tr> <tr> <td>2013</td> <td>10/1/12-9/30/13</td> <td></td> <td>9/2016</td> </tr> </tbody> </table> <p>It is our understanding that a two year and a three year</p>	Enter Cohort		2 Yr CDR	3 Yr CDR	CY	Dates	Published	Published	<b>2009</b>	<b>10/1/08-9/30/09</b>	<b>9/2011</b>	<b>9/2012</b>	2010	10/1/09-9/30/10	9/2012	9/2013	2011	10/1/09-9/30/11	9/2013	9/2014	2012	10/1/11-9/30/12		9/2015	2013	10/1/12-9/30/13		9/2016
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Subject	Higher Education Opportunity Act	Effective Date/ Trigger Event	Comments/Discussion																																						
	<ul style="list-style-type: none"> <li>to offer technical assistance</li> <li>• Second consecutive year of 30% or higher CDR               <ul style="list-style-type: none"> <li>○ Task force must review and revise the plan first provided and submit it to the Secretary</li> <li>○ Secretary will review and may require the plan be amended</li> </ul> </li> </ul>		<p>CDR will be calculated until 3 years of the three year CDRs are available beginning September 2015.</p> <p>The current threshold percentage is 25 through FY 2011.</p>																																						
<p>Cohort Tracking HEA Sec. 435(m)</p>	<ul style="list-style-type: none"> <li>• For students entering repayment beginning FY 2009 the Secretary shall include defaults occurring through the second year following the year a loan goes into repayment</li> </ul>	<p><b>Begins 10/1/2008</b></p>	<p><i>DCL GEN 08-12 and FP 08-10</i></p> <p><i>The HEOA provides for a transition period during which no institutional sanctions will be taken based on the three-year calculated rate until after there have been three consecutive cohort years of rates calculated. During the transition period, sanctions will be based on calculations made according to pre-HEOA provisions.</i></p> <p>The Effective Date reflects the beginning of the Cohort Year 2009.</p> <table border="1" data-bbox="1331 782 2003 1117"> <thead> <tr> <th colspan="2">Enter Cohort</th> <th rowspan="2">2 Yr CDR Published</th> <th rowspan="2">3 Yr CDR Published</th> </tr> <tr> <th>CY</th> <th>Dates</th> </tr> </thead> <tbody> <tr> <td>2006</td> <td>10/1/05-9/30/06</td> <td>9/2008</td> <td></td> </tr> <tr> <td>2007</td> <td>10/1/06-9/30-07</td> <td>9/2009</td> <td></td> </tr> <tr> <td>2008</td> <td>10/1/07-9/30/08</td> <td>9/2010</td> <td></td> </tr> <tr> <td><b>2009</b></td> <td><b>10/1/08-9/30/09</b></td> <td><b>9/2011</b></td> <td><b>9/2012</b></td> </tr> <tr> <td>2010</td> <td>10/1/09-9/30/10</td> <td>9/2012</td> <td>9/2013</td> </tr> <tr> <td>2011</td> <td>10/1/09-9/30/11</td> <td>9/2013</td> <td>9/2014</td> </tr> <tr> <td>2012</td> <td>10/1/11-9/30/12</td> <td></td> <td>9/2015</td> </tr> <tr> <td>2013</td> <td>10/1/12-9/30/13</td> <td></td> <td>9/2016</td> </tr> </tbody> </table> <p>It is our understanding that a two year and a three year CDR will be calculated until 3 years of the three year CDRs are available beginning September 2015.</p>	Enter Cohort		2 Yr CDR Published	3 Yr CDR Published	CY	Dates	2006	10/1/05-9/30/06	9/2008		2007	10/1/06-9/30-07	9/2009		2008	10/1/07-9/30/08	9/2010		<b>2009</b>	<b>10/1/08-9/30/09</b>	<b>9/2011</b>	<b>9/2012</b>	2010	10/1/09-9/30/10	9/2012	9/2013	2011	10/1/09-9/30/11	9/2013	9/2014	2012	10/1/11-9/30/12		9/2015	2013	10/1/12-9/30/13		9/2016
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<p>CDR Reporting HEA Sec. 435(m)</p>	<ul style="list-style-type: none"> <li>• The Secretary is required to report once every fiscal year showing the               <ul style="list-style-type: none"> <li>○ Cohort default data</li> <li>○ Life of the cohort default rates</li> </ul> </li> <li>• The report will cover each category of institution</li> </ul>	<p><b>8/14/2008</b></p>																																							

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	<ul style="list-style-type: none"> <li>o Four-year public</li> <li>o Four-year private nonprofit</li> <li>o Two-year public</li> <li>o Two-year private nonprofit</li> <li>o Four-year proprietary</li> <li>o Two-year proprietary</li> <li>o Less than two-year proprietary</li> </ul>		
<b>Definition of Eligible Lender</b>			
<p>Lender Disqualification for Use of Certain Incentives</p> <p>HEA Sec. 435(d)(5)</p>	<ul style="list-style-type: none"> <li>• Eligible lender does not include any lender that is determined to have <ul style="list-style-type: none"> <li>o Offered points, premiums, payments prizes, stock or other securities, travel, entertainment expenses, tuition payment or reimbursement, the provision of information technology equipment at below-market value, additional financial aid funds, or other inducements, to any institution of higher education or any employee in order to secure applicants for loans</li> <li>o Conducted unsolicited mailings of loan application forms to students or family members except to borrowers who have previously received loans from the lender</li> <li>o Entered into any type of consulting arrangement, or other contract to provide services to a lender, with a financial aid administrator</li> <li>o Compensated a financial aid administrator who is serving on an advisory board, commission, or group established by a lender or group of lenders except for reasonable expenses incurred</li> <li>o Performed for a school any function the school is required to perform under this title, <b>except exit counseling</b></li> <li>o Paid another person to perform any function that an institution is required to perform under this title, <b>except exit counseling</b></li> </ul> </li> </ul>	<p><b>8/14/2008</b></p>	<p><i>DCL GEN 08-12 FP 08-10</i></p> <p><i>This letter states in writing that lenders may not perform, or pay another to perform, any school-required function for a school, except student loan exit counseling.</i></p> <p>The Department has provided verbal guidance indicating that lenders are not allowed to provide in-person school-required entrance counseling but may provide exit counseling.</p> <p>“A specific exception was added to the lender prohibited inducement sections of the HEA by the HEOA to make lender participation in or conduct of in-person school-required exit counseling a permissible activity. At the same time, the Congress added school requirements for entrance counseling to the HEA for the first time (previously, it was a purely regulatory requirement), but did not include a comparable exception for lender participation in in-person school-required entrance counseling in the same prohibited inducement area of the statute. Therefore, we do not interpret the law to permit lender participation in or conduct of in-person school-required entrance counseling with borrowers. This of course, does not prevent a lender from providing counseling materials or software to schools for use in entrance counseling, as long as the materials are not used to sell the lender’s products or promote its services,</p>

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	<ul style="list-style-type: none"> <li>○ Provided payments or other benefits to a student at an institution to act as the lender's representative to secure applications from prospective borrowers, unless the student <ul style="list-style-type: none"> <li>▪ Is also employed by the lender for other purposes</li> <li>▪ Made all appropriate disclosures regarding the employment</li> </ul> </li> <li>○ Offered loans as an inducement to a prospective borrower to purchase a policy of insurance or other product</li> <li>○ Engaged in fraudulent or misleading advertising</li> <li>● It shall not be a violation of this paragraph for a lender to provide technical assistance to institutions comparable to the kinds of technical assistance provided by the Department</li> </ul>		<p>and the name of the providing lender appears prominently on the materials.”</p> <p>This topic may be discussed at Negotiated Rulemaking this winter.</p> <p><del>Verbal guidance from the Department indicates lenders are able to perform entrance and exit counseling.</del></p> <p>Puts into statute the prohibited inducement regulations with the exception of the performance of exit counseling.</p>
<p>School as Lender HEA 435(d)(8)</p>	<ul style="list-style-type: none"> <li>● Each institution serving as an eligible lender and each eligible lender trustee must complete and submit annual compliance audits to the Secretary</li> </ul>	<p><b>8/14/2008</b></p>	<p><i>DCL GEN 08-12 FP 08-10</i> <i>As part of the compliance audit it must be determined that the school lender is</i></p> <ul style="list-style-type: none"> <li>● <i>Using all proceeds from SAP, interest payments from borrowers, interest subsidies from the Department and proceeds from the sale of loans are used for need-based grant programs.</i></li> <li>● <i>Not using these funds to supplant but to supplement grant funds that would otherwise be made available to its students.</i></li> <li>● <i>Not using more than a reasonable portion of these funds for direct administrative expenses.</i></li> </ul>
<p><b>Discharge and Cancellation Rights in Cases of Disability</b></p>			
<p>Total and Permanent Disability Discharge  HEA Sec. 437(a)(1) and 464(c)(1)</p>	<ul style="list-style-type: none"> <li>● Adds new definitions of total and permanent disability <ul style="list-style-type: none"> <li>○ Student borrower is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that <ul style="list-style-type: none"> <li>▪ Can be expected to result in death</li> </ul> </li> </ul> </li> </ul>	<p><b>Perkins loans 7/1/2008</b></p> <p><b>FFEL and DL 7/1/2010</b></p>	

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	<ul style="list-style-type: none"> <li>▪ Has lasted for a continuous period of not less than 60 months</li> <li>▪ Can be expected to last for at least 60 months</li> </ul>		
Total and Permanent Disability Discharge for Veterans  HEA Sec. 437(a)(2) and 464(c)(1)	<ul style="list-style-type: none"> <li>• Borrower receives a permanent total disability rating from the Secretary of Veterans Affairs due to a service-connected condition will be considered permanently and totally disabled and not required to provide additional documentation</li> </ul>	<b>8/14/2008</b>	<i>DCL GEN 08-12 and FP 08-10            The Department is currently working with the VA to determine what documentation is appropriate to support a borrower's eligibility for the discharge. As soon as this information is available, the Department will issue additional guidance describing the procedures for discharging these loans.</i>
Total and Permanent Disability Discharge Safeguards  HEA Sec. 437	<ul style="list-style-type: none"> <li>• The Secretary may develop safeguards to prevent fraud and abuse and may resume collection on loans discharged if after discharge the borrower               <ul style="list-style-type: none"> <li>○ Receives another Title IV loan</li> <li>○ Earns income in excess of the poverty line</li> <li>○ Secretary deems it necessary</li> </ul> </li> <li>• Available for FFEL, Direct and Perkins loan programs</li> </ul>	<b>8/14/2008</b>	
<b>Federal Direct Student Loans</b>			
Public Service Loan Cancellation  HEA Sec. 455(m)	<ul style="list-style-type: none"> <li>• Clarifies definition of public service               <ul style="list-style-type: none"> <li>○ Government excludes members of Congress</li> <li>○ Public Health includes                   <ul style="list-style-type: none"> <li>▪ Nurses</li> <li>▪ Nurse practitioners</li> <li>▪ Nurses in a clinical setting</li> <li>▪ Full-Time professionals in health care practitioner occupations</li> <li>▪ Health care support occupations</li> </ul> </li> <li>○ Public education does not include early childhood education</li> <li>○ Adds early childhood education including                   <ul style="list-style-type: none"> <li>▪ Licensed or regulated childcare</li> <li>▪ Head Start</li> <li>▪ State funded prekindergarten</li> </ul> </li> <li>○ Adds teaching in high needs subject areas or areas of shortage including</li> </ul> </li> </ul>	<b>8/14/2008</b>	<i>DCL GEN 08-12 FP 08-10            These changes and clarifications apply to any borrower employed in qualifying employment on/after October 1, 2007.</i>

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	<ul style="list-style-type: none"> <li>▪ Nurse faculty</li> <li>▪ Foreign language faculty</li> <li>▪ Part-time faculty at community colleges</li> <li>• No borrower may receive double benefits for the same service under this program from the <ul style="list-style-type: none"> <li>○ Loan Forgiveness for Teachers in either the FFEL or Direct programs</li> <li>○ Loan Forgiveness for Service in Areas of National Need</li> <li>○ Repayment Plan for Civil Legal Assistance Attorneys</li> </ul> </li> </ul>		
<p>Active Duty Service Members</p> <p>HEA Sec. 455(o)</p>	<ul style="list-style-type: none"> <li>• No interest will accrue for eligible military borrowers on a loan for which the first disbursement is made on or after October 1, 2008</li> <li>• Interest will not accrue on the part of a consolidation loan used to repay a loan made which the first disbursement is made on or after October 1, 2008</li> <li>• Eligible military borrower is defined as a borrower <ul style="list-style-type: none"> <li>○ Serving on active duty during a war or other military operation or national emergency</li> <li>○ Performing National Guard duty during a war or other military operation or national emergency</li> </ul> </li> </ul> <p>And</p> <ul style="list-style-type: none"> <li>○ Is serving in an area of hostilities in which service qualifies for special pay under section 310 of title 37 US Code</li> </ul> <li>• Benefit is limited to not more than 60 months</li>	<p><b>DL loans first disbursed on/after 10/1/2008</b></p>	
<p><i>FFEL Consolidation Loan Eligibility for Military Borrower</i></p> <p><i>HEA Sec. 428(a)(3)(B)(i) and 428C(b)(5)</i></p>	<ul style="list-style-type: none"> <li>• <i>Adds to eligibility criterion for reconsolidation of an existing FFEL Consolidation loan for a military borrower to secure the new “no interest accrual” benefit on a Direct Loan during periods of active duty military service</i></li> <li>• <i>Amendment has also been made to allow FFEL-only borrower’s eligibility to obtain a Direct Loan Consolidation for this purpose</i></li> </ul>	<p><b><i>DL Consolidations first disbursed on/after 10/1/2008</i></b></p>	<p><i>DCL GEN 08-12 FP 08-10</i></p>

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<b>Title IV, Part C – Federal Work-Study Program</b>			
Extends Program HEA Sec. 441	<ul style="list-style-type: none"> <li>• Authorizes sums as may be necessary to be appropriated for FY for 2009 through FY 2014</li> </ul>	<b>8/14/2008</b>	Authorized amounts can be different from appropriated amounts. Appropriation is the actual funding of a particular program.
Definition HEA Sec. 441(c)(1)	<ul style="list-style-type: none"> <li>• Adds to the definition of community services to include the field of emergency preparedness and response</li> </ul>	<b>8/14/2008</b>	
Allowance for Books and Supplies HEA Sec. 442(c)(4)(d)	<ul style="list-style-type: none"> <li>• Increases the allowance from \$450 to \$600.</li> </ul>	<b>8/14/2008</b>	
Additional Employment Projects HEA Sec. 443	<ul style="list-style-type: none"> <li>• FWS funds can now be used for students employed in projects that <ul style="list-style-type: none"> <li>○ Teach civics in schools</li> <li>○ Raise awareness of government functions or resources</li> <li>○ Increase civic participation</li> </ul> </li> <li>• Schools should <ul style="list-style-type: none"> <li>○ Give priority to the employment of students participating in projects that educate or train the public about <ul style="list-style-type: none"> <li>▪ Evacuation</li> <li>▪ Emergency response</li> <li>▪ Injury prevention strategies relating to natural disasters, acts of terrorism, and other emergency situations</li> </ul> </li> <li>○ Ensure students receive appropriate training</li> </ul> </li> <li>• The Federal share of the student's wage may exceed, 75%</li> </ul>	<b>8/14/2008</b>	
Flexible Use of Funds HEA Sec. 445(d)	<ul style="list-style-type: none"> <li>• Schools can make payments to students affected by a major disaster for the period of time (not to exceed one academic year) if the student <ul style="list-style-type: none"> <li>○ Received FWS award for the academic year during which a major disaster occurred</li> <li>○ Earned FWS wages from an eligible institution for the academic year</li> </ul> </li> </ul>	<b>8/14/2008</b>	<i>DCL Gen 08-12 and FP 08-10</i> <i>The term "disaster-affected student" means a student enrolled at an eligible institution who</i> <ul style="list-style-type: none"> <li>• Received an FWS work-study award for the academic year during which a major disaster occurred</li> <li>• Earned FWS wages from such eligible institution for the academic year prior to the disaster</li> </ul>

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	<ul style="list-style-type: none"> <li>○ Was prevented from fulfilling their FWS obligation for all or part of the academic year</li> <li>○ Was unable to be reassigned to another FWS job</li> </ul>		<ul style="list-style-type: none"> <li>• Was prevented from fulfilling the work-study obligation for all or part of the academic year due a major disaster and</li> <li>• Was unable to be reassigned to another work-study job.</li> </ul> <p><i>The term "major disaster" has the meaning given in section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)):</i> Any natural catastrophe including any hurricane, tornado, storm, high water, wind driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the United States, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance under this chapter to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.</p>
Job Location and Development Programs HEA Sec. 445(a)(1)	Increases the amount of FWS schools can use for Job Location and Development programs to not more than 10 percent or \$75,000 of their FWS allocations	<b>8/14/2008</b>	
Additional Funds for Off-campus Community Service HEA Sec. 447(b)	<ul style="list-style-type: none"> <li>• Authorizes sums as may be necessary for FY 2009 through FY 2014</li> <li>• Program allows the Secretary to award grants to schools to recruit and pay students for off-campus community service employment <ul style="list-style-type: none"> <li>○ Priority given to early childhood education projects</li> <li>○ Activities in preparation for emergencies or natural disasters</li> </ul> </li> </ul>	<b>8/14/2008</b>	<p><i>DCL Gen 08-12 and FP 08-10</i></p> <p><i>This program is not currently funded and cannot be implemented until funding is provided by Congress.</i></p>
Work Colleges	<ul style="list-style-type: none"> <li>• Term "work-learning", changed to "work-learning-service"</li> </ul>	<b>8/14/2008</b>	

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HEA Sec. 448	<ul style="list-style-type: none"> <li>• Authorizes "such sums as may be necessary" to be appropriated for the Work Colleges program for FY 2009 through 2014</li> </ul>		
<i>Definitions</i> HEA Sec. 448(e)	<ul style="list-style-type: none"> <li>• <i>The terms "work college" and "comprehensive student work-learning-service program" have been revised</i></li> </ul>	<b>8/14/2008</b>	<i>DCL Gen 08-12 and FP 08-10            See page 109 for complete details.</i>
<b>Title IV, Part D – Federal Direct Student Loan Program</b>			
Terms and Conditions HEA Sec. 455(d)	<ul style="list-style-type: none"> <li>• Allows Direct Loan borrowers to use the income-based repayment (IBR) plan in the College Cost Reduction and Access Act (P.L. 110-84)</li> <li>• Schools participating in the Direct Loan program must provide disclosures about the loans to borrowers</li> </ul>	<b>8/14/2008</b>	<i>DCL Gen 08-12 and FP 08-10</i>
Secretary Purchased FFEL Loans HEA Sec. 459(a)	<ul style="list-style-type: none"> <li>• Clarifies when the Secretary purchases a loan under the Ensuring Continued Access to Student Loans Act, the GA that previously insured such loan shall cease to have any rights or responsibilities with respect to the loan</li> <li>• The GA shall maintain a right to a payment they have earned for any loan service performed before the sale</li> <li>• Requires the Secretary to provide Congress with detailed implementation, budget and cost information on the student loan purchase program authorized under ECASLA</li> <li>• The budget and cost information must be reported separately for the loan purchase and participation interest purchase programs</li> </ul>	<b>8/14/2008</b>	
<b>Title IV, Part E – Federal Perkins Loan Program</b>			
Extension of Program HEA Sec. 461(b)	<ul style="list-style-type: none"> <li>• Increases the authorization to \$300 million beginning FY 2009 through FY 2014</li> <li>• Funding sums as necessary until FY 2019, for students receiving Perkins loans for academic years ending prior to Oct. 1, 2014, to continue or complete their program of study</li> </ul>	<b>8/14/2008</b>	Authorization provides an upper limit on funding for a program. Appropriations actually fund the program.

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Allowance for Books and Supplies  HEA Sec. 462(c)	<ul style="list-style-type: none"> <li>• Amount is increased to \$600</li> </ul>	<b>8/14/2008</b>	Current amount is \$450.
Agreements with Institutions  HEA Sec. 463(a)	<ul style="list-style-type: none"> <li>• Schools that have not maintained acceptable collection record on a defaulted Perkins Loan, can refer the loan to the Department, without recompense</li> <li>• The amount collected shall be repaid to the school within 180 days of collection and shall be treated as an additional federal capital contribution</li> <li>• The Secretary can only assign defaulted Perkins Loans to the Department when a school has knowingly failed to maintain collection records</li> </ul>	<b>8/14/2008</b>	
Loan Terms and Conditions  HEA Sec. 464(a)	<ul style="list-style-type: none"> <li>• Increases annual loan limits from <ul style="list-style-type: none"> <li>○ \$4,000 to \$5,500 for undergraduate students</li> <li>○ \$6,000 to \$8,000 for graduate and professional students</li> </ul> </li> <li>• Increases aggregate loan limits from <ul style="list-style-type: none"> <li>○ \$20,000 to \$27,500 for undergraduate students who have completed two years of study</li> <li>○ \$40,000 to \$60,000 for graduate and professional students,</li> <li>○ \$8,000 to \$11,000 for all other students</li> </ul> </li> <li>• Makes the death or disability discharge of Perkins loans consistent with how other federal loans are discharged</li> <li>• Removes the requirement that borrowers request forbearance in writing and requires that the terms of forbearance agreed to must be documented and recorded in the borrower's file</li> <li>• Reduces the number of on-time, consecutive, monthly payments required for rehabilitation of a loan from 12 to 9</li> </ul>	<b>8/14/2008</b>	<i>NSLDS Technical Update PK-2008-05 dated 1/14/2009 NSLDS edits have been modified to accept the increased loan limits.</i>

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Cancellation for Public Service  HEA Sec. 465(a)	<ul style="list-style-type: none"> <li>• Eligible professions for cancellation               <ul style="list-style-type: none"> <li>○ Full-time teacher for service in an academic year including a teacher employed by an educational service agency</li> <li>○ Other eligible public service professions                   <ul style="list-style-type: none"> <li>▪ Pre-kindergarten or child care program licensed or regulated by the State</li> <li>▪ Full-time fire fighter</li> <li>▪ Full-time faculty member at a Tribal College or University</li> <li>▪ Librarian with a master's degree in library science at a                       <ul style="list-style-type: none"> <li>• low-income school</li> <li>• public library serving low-income schools</li> </ul> </li> <li>▪ Full-time speech language pathologist with a master's degree working exclusively at low-income schools</li> </ul> </li> </ul> </li> </ul>	<b>8/14/2008</b>	<p><i>DCL GEN 08-12 and FP 08-10</i>  <i>Service performed under these new categories will qualify whether or not the cancellation appears on the borrower's promissory note.</i></p> <p>Today's News from NASFAA            October 9, 2008            In response to questions from NASFAA, Department of Education officials clarified that borrowers may apply the same years of service to meet both TEACH Grant service requirements and teacher loan forgiveness service requirements under the Stafford Loan and Perkins Loan programs.</p> <p>The Department has indicated that borrowers need not view the grant and loan forgiveness programs as an "either, or" choice. While the teaching service requirements among the grant, Stafford, and Perkins programs are somewhat different, as long as borrowers' years teaching service meets the requirements for both grant service fulfillment and loan forgiveness they can benefit from both grants and loans.</p>
Sense of Congress  HEOA Sec. 466	<ul style="list-style-type: none"> <li>• It is the sense of Congress that the Federal Perkins Loan Program, which provides low-interest loans to help needy students finance the costs of postsecondary education, is an important part of Federal student aid, and should remain a campus-based aid program at colleges and universities.</li> </ul>	<b>8/14/2008</b>	<p>A 'Sense of Congress' is not binding in law, but shows support for an issue or subject that may have come under attack. In this case, numerous proposals have been made in the past to change or eliminate the Perkins Loan Program and the Sense of Congress statement makes it clear that Congress supports the continuation of this program, as administered by the schools.</p>
<b>Title IV, Part F – Need Analysis</b>			
Cost of Attendance  HEA Sec. 472	<ul style="list-style-type: none"> <li>• Excludes the value of military housing or a military housing allowance from consideration as untaxed income or benefits in the need analysis formula</li> </ul>	<b>7/1/2010</b>	<p><i>DCL Gen 08-12 and FP 08-10</i>  <i>For students living in housing located on a military base or housing for which they receive a basic allowance payment the room and board allowance shall include an allowance based on the expenses reasonably incurred for</i></p>

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Professional Judgment HEA Sec. 479A(a)	<ul style="list-style-type: none"> <li>• Additions to examples of special circumstances allow financial aid administrators to consider adjusting a student's EFC for               <ul style="list-style-type: none"> <li>○ Nursing home expenses</li> <li>○ Medical-related expenses</li> <li>○ Dependent care expenses</li> <li>○ Students or dependent students parents' dislocated worker status</li> </ul> </li> </ul>	<b>8/14/2008</b>	<i>board only.</i>
New Professional Judgment Standard HEA Sec. 479A(a)(2)	<ul style="list-style-type: none"> <li>• Allows a financial aid administrator upon verification to award an unsubsidized Stafford loan to dependent students whose parents do not support them <b>and</b> refuse to complete a FAFSA</li> <li>• Allowed in both the FFEL and Direct loan programs</li> </ul>	<b>For any loan period beginning on or after 8/14/2008 or includes that date</b>	<p><i>DCL Gen 08-12 and FP 08-10 Providing financial support includes not only payment by the parent of educational costs, but also providing other cash and non-cash support to the student such as room and/or board.</i></p> <p><i>The student's parent(s) are not eligible to apply for a PLUS loan on the student's behalf.</i></p> <p><i>The student must complete and submit a FAFSA that includes all of the required student information and certifications.</i></p> <p><i>The maximum annual unsubsidized loan amount under this new authority is the "base" annual loan limit for the student's grade level plus the additional amount of \$2,000.</i></p> <p><i>Self-certification from the dependent student is not sufficient. In most cases the requirement can be met by the FAA obtaining a signed and dated statement from one parent specifically stating that the parent(s)</i></p> <ul style="list-style-type: none"> <li>• <i>Has stopped providing financial support to the student (including the date when the financial support stopped)</i></li> <li>• <i>Will not provide financial support in the future and</i></li> <li>• <i>Refuses to complete the parental section of a FAFSA</i></li> </ul>

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			<p><i>There is no requirement that the parent provide a reason for ending financial support and refusing to complete the FAFSA.</i></p> <p><i>If the required verification statement cannot be obtained documentation from a third party (e.g. teacher, counselor, clergy, court) describing the student's relationship with the student's parent(s) must be obtained.</i></p> <p><i>Before making a decision the FAA may, but is not required to, determine how the student intends to financially support themselves without parental support.</i></p> <p><i>For 2008-09 a FAFSA may only be submitted either by mailing a paper FAFSA or having a school submit the FAFSA information to the Department using EDE.</i></p> <p><i>The required data matches will be performed and both a SAR and an ISIR will be sent. But an EFC will not be calculated and a "rejected" record will be produced.</i></p> <p><i>If the FAA decides not to award the student an unsubsidized loan, the student must obtain and submit, as a correction to the FAFSA, the required parental information and signatures before any Title IV aid can be awarded.</i></p>
<b>Student Eligibility Definitions</b>			
Total Income HEA Sec. 480(a)	<ul style="list-style-type: none"> <li>• Authorizes the Secretary to issue regulations that allow the use of the second preceding tax year information to simplify the FAFSA</li> <li>• This may include data sharing between the IRS and the Department with the taxpayer's permission</li> </ul>	<b>7/1/2010</b>	<i>DCL Gen 08-12 and FP 08-10</i> <i>Also known as "prior prior year" data.</i>

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Untaxed Income and Benefits HEA Sec. 480(b)	<ul style="list-style-type: none"> <li>• Excludes the value of on-base military housing or the value of basic allowance for housing received by the parents, in the case of a dependent student, or by the student or student's spouse, in the case of an independent student.</li> </ul>	<b>7/1/2010</b>	
Independent Students HEA Sec. 480(d)	<ul style="list-style-type: none"> <li>• Changes CCRAA to clarify that the following students are considered independent               <ul style="list-style-type: none"> <li>○ Orphans</li> <li>○ Those in foster care, or wards of the court</li> <li>○ Those that were orphans, in foster care, or a ward of the court at any time when the individual was 13-years-old or older, or was immediately prior to attaining the age of majority</li> <li>○ Emancipated minor</li> <li>○ In legal guardianship as determined by a court</li> </ul> </li> </ul>	<b>7/1/2010</b>	
Cooperative Work Income HEA Sec. 480(e)	<ul style="list-style-type: none"> <li>• Excludes any income earned from work under a cooperative education program at an institution of higher education when considering EFC</li> </ul>	<b>7/1/2010</b>	
Other Financial Assistance HEA Sec. 480(j)	<ul style="list-style-type: none"> <li>• Exclude veteran's education benefits from being counted as available financial assistance</li> </ul>	<b>7/1/2010</b>	
<b>Title IV, Part G – General Provisions Relating to Student Assistance</b>			
Master Calendar HEA Sec. 482(e)	<ul style="list-style-type: none"> <li>• Requires the Secretary, prior to the beginning of each award year, to provide schools with a list of all reports and disclosures required under the HEA including the               <ul style="list-style-type: none"> <li>○ Date each report or disclosure is due</li> <li>○ Required recipients of each report or disclosure</li> <li>○ Required content of each report or disclosure</li> <li>○ References to statutory authority, applicable regulations</li> </ul> </li> </ul>	<b>Effective 7/1/2010</b>	
Improvements to the FAFSA HEA Sec. 483(a)	<ul style="list-style-type: none"> <li>• The Secretary will               <ul style="list-style-type: none"> <li>○ Make the FAFSA consumer-friendly</li> <li>○ Make it accessible to individuals with disabilities</li> <li>○ Encourage applicants to file electronically</li> </ul> </li> </ul>	<b>8/14/2008</b>	<i>DCL Gen 08-12 and FP 08-10 The Secretary must develop a paper EZ FAFSA.</i>

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	<ul style="list-style-type: none"> <li>○ Allow paper version to continue</li> <li>○ Develop an EZ FAFSA for applicants eligible for <ul style="list-style-type: none"> <li>▪ Auto-zero EFC</li> <li>▪ Simplified needs test (SNT)</li> <li>▪ Simplified paper application form after appropriate field testing</li> </ul> </li> <li>○ Include data items necessary to award State aid</li> <li>● EZ FAFSA will only contain elements necessary to determine student eligibility</li> <li>● Prohibits charging a fee for the EZ FAFSA</li> <li>● Permits the Secretary to assign PINs and reduce time for student to obtain the PIN</li> <li>● Reduce number of FAFSA data elements by 50%</li> <li>● Number of state items shall not be less than the number in award year 2008-2009</li> <li>● If a State does not permit the use of a simplified form the Secretary may decide not to include the State's questions</li> <li>● Prohibits the use of an applicant's PIN for purposes of submitting a form on an applicant's behalf</li> <li>● Permits students to complete the FAFSA as early as practicable prior to enrollment</li> <li>● Work with individuals experienced in financial aid to develop ways to provide an early estimate of eligibility, with the disclaimer that EFC is subject to change</li> <li>● Include space for parent's SSN and date of birth on the FAFSA</li> <li>● Must test and implement a toll free number for FAFSA application filing within two years of the bill becoming a law for SNT and zero EFC eligible applicants</li> </ul>		
Financial Aid Offer Form  HEOA Sec. 484	<ul style="list-style-type: none"> <li>● The Secretary must convene a group to make recommendations to improve financial aid offer forms</li> </ul>	<b>No later than six months after</b>	<i>DCL Gen 08-12 and FP 08-10            The Secretary is to convene the group no later than February 14, 2009, and the group is charged to submit</i>

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	<ul style="list-style-type: none"> <li>• The Secretary must               <ul style="list-style-type: none"> <li>○ Report on the adequacy of the offer forms provided by schools</li> <li>○ Include a model financial aid offer form which includes                   <ul style="list-style-type: none"> <li>▪ Cost of attendance</li> <li>▪ Amount of aid that does not have to be repaid</li> <li>▪ Types and amounts of loans for which the student is eligible</li> </ul> </li> </ul> </li> </ul>	<p><b>8/14/2008</b></p> <p><b>And</b></p> <p><b>Develop a model form no later than one year after 8/14/2008</b></p>	<p><i>their recommendations to Congress no later than August 14, 2009.</i></p> <p><i>Additional items to be included on the sample offer form are</i></p> <ul style="list-style-type: none"> <li>• <i>Net amount that the student will have to pay for the student to attend the institution for the year. Net amount = difference between the cost of attendance and the amount of financial aid offered to the student.</i></li> <li>• <i>Where the student can obtain additional information regarding the offer.</i></li> <li>• <i>Any other information the Secretary determines is necessary for the student to make informed student loan borrowing decisions.</i></li> </ul>
<p><i>Defense of Infancy</i></p> <p><i>HEA Sec. 484A(b)</i></p>	<ul style="list-style-type: none"> <li>• <i>Prohibits a defense against repayment by a Perkins Loan borrower based on a claim of infancy</i></li> </ul>	<p><b>8/14/2008</b></p>	<p><i>DCL GEN 08-12 and FP 08-10</i></p>
<b>Student Eligibility</b>			
<p>Social Security Number</p> <p>HEA Sec. 484(a)(4)(B)</p>	<ul style="list-style-type: none"> <li>• In order to receive any grant, loan, or work assistance, a student must               <ul style="list-style-type: none"> <li>○ Have a social security number                   <ul style="list-style-type: none"> <li>▪ This includes the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau</li> </ul> </li> </ul> </li> </ul>	<p><b>7/1/2010</b></p>	<p><i>DCL Gen 08-12 and FP 08-10</i></p> <p><i>This eliminates the exemption for students from the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau.</i></p> <p><i>The Federated States of Micronesia include Chuuk, Kosrae, Pohnpei, and Yap.</i></p>
<p>Ability to Benefit</p> <p>HEA Sec. 484(d)(4)</p>	<ul style="list-style-type: none"> <li>• The student may be determined by the institution as having the ability to benefit from the education or training offered by the institution if the student               <ul style="list-style-type: none"> <li>○ Satisfactorily completes six credit hours</li> <li>○ Equivalent coursework applicable toward a degree or certificate offered by the institution</li> </ul> </li> </ul>	<p><b>8/14/2008</b></p>	<p><i>DCL Gen 08-12 and FP 08-10</i></p> <p><i>Adds new provision to the Ability to Benefit requirements.</i></p> <p><i>Students are ineligible to receive Title IV aid while earning the six credit hours.</i></p>
<p>Citizenship</p> <p>HEA Sec. 484(j)</p>	<ul style="list-style-type: none"> <li>• <i>Removes subsection (j) which expired on September 30, 2004.</i></li> <li>• <i>The provision provided eligibility in the Pell Grant, FSEOG and Work-Study programs to students who are citizens of any of the Freely Associated States .</i></li> </ul>	<p><b>8/14/2008</b></p>	<p><i>DCL Gen 08-12 and FP 08-10</i></p> <p><i>Provisions in the applicable compact of Free Association govern the eligibility of these students.</i></p> <p><i>Students who are citizens of the Republic of the Marshall</i></p>

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			<p><i>Islands or the Federal States of Micronesia are eligible to receive Pell Grants through fiscal year 2023.</i></p> <p><i>The Compact of Palau is currently up for renewal; however citizens of Palau continue to be eligible to receive Pell Grants for the 2008-09 award year.</i></p>
Distance Education HEA Sec. 484(l)	<ul style="list-style-type: none"> <li>• Student is not considered enrolled in correspondence courses if               <ul style="list-style-type: none"> <li>○ Student enrolls in a course of instruction at an institution offered principally through distance education</li> </ul> </li> <li>And               <ul style="list-style-type: none"> <li>○ Leads to a recognized certificate, associate, baccalaureate, or graduate degree, awarded by the institution</li> </ul> </li> </ul>	<b>8/14/2008</b>	<p><i>DCL Gen 08-12 and FP 08-10</i></p> <p><i>A student's eligibility must be reduced if a FAA determines that instruction through distance education results in a substantially reduced COA to that student.</i></p>
Income Data Matching HEA Sec. 484(q)(1)	<ul style="list-style-type: none"> <li>• Income data and matching with the IRS               <ul style="list-style-type: none"> <li>○ The Secretary, in cooperation with the Secretary of the Treasury, is authorized to obtain from the IRS information reported on Federal income tax returns by applicants, or by any other person whose financial information is required to be provided on the FAFSA, as the Secretary determines is necessary for the purpose of                   <ul style="list-style-type: none"> <li>▪ Pre-populating the FAFSA</li> </ul> </li> </ul> </li> <li>or               <ul style="list-style-type: none"> <li>▪ Verifying the information reported on the FAFSA</li> </ul> </li> </ul>	<b>7/1/2010</b>	<p>New subsection.</p> <p>The Secretary may require that applicants for financial assistance provide consent to the disclosure of the data. Parents of an applicant, in the case of a dependent student or the spouse of an applicant, in the case of an applicant who is married but files separately, may also be required to provide consent as a condition of the student receiving aid.</p>
Ineligibility Due to a Drug Offense HEA Sec. 484(r)(2)(B)	<ul style="list-style-type: none"> <li>• A student whose eligibility has been suspended as a result of a drug-related offense may resume eligibility before the end of the ineligibility period if               <ul style="list-style-type: none"> <li>▪ The student satisfactorily completes a drug rehabilitation program and successfully passes two unannounced drug tests</li> <li>▪ The drug rehabilitation program must comply with criteria established by the Secretary and conduct the two unannounced drug tests</li> </ul> </li> </ul>	<b>Beginning 7/1/2010</b>	

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Students with Intellectual Disabilities  HEA Sec. 484(s)	<ul style="list-style-type: none"> <li>• In order to receive grant or work study funds a student with an intellectual disability must be               <ul style="list-style-type: none"> <li>○ Enrolled or accepted in a comprehensive transition and postsecondary program for students with intellectual disabilities</li> <li>○ Maintaining satisfactory progress in the program as determined by the institution</li> <li>○ Meeting the following requirements                   <ul style="list-style-type: none"> <li>▪ Not owing a refund or be in default on a federal student loan</li> <li>▪ Sign a Statement of Educational Purpose, provide their Social Security number and be a citizen or national, a permanent resident or an eligible non-citizen</li> <li>▪ Repaid any federal financial aid funds received as a result of fraud</li> </ul> </li> </ul> </li> <li>• The Secretary is authorized to waive any statutory provision and make regulations applicable to the grant and work study programs to ensure students with intellectual disabilities receive the financial assistance</li> </ul>	<b>8/14/2008</b>	<i>DCL Gen 08-12 and FP 08-10</i> <i>The terms “student with an intellectual disability” and “comprehensive transition and postsecondary program for students with intellectual disabilities” are defined in section 760 of the HEA (see Title VII – Graduate and Postsecondary Improvement Programs, <u>Programs to Provide Students with Disabilities with a Quality Higher Education</u>).</i>
Reporting Requirement  HEA Sec. 484(t)(1)	<ul style="list-style-type: none"> <li>• Within one year of enactment, the Secretary shall analyze data from the FAFSA regarding the number, characteristics, and circumstances of students denied Federal student aid based on a drug conviction while receiving Federal aid</li> <li>• The information shall be updated               <ul style="list-style-type: none"> <li>○ At the beginning of each award year</li> <li>○ And at least one additional time during the award year</li> </ul> </li> </ul>	<b>Provide report by 8/14/2009</b>	
Readmission for Service Members  HEA Sec. 484C (c)(1)(A)(B)(C)	<ul style="list-style-type: none"> <li>• Any student whose absence from an institution is necessitated by reason of service in the uniformed services shall be entitled to readmission to the institution if the               <ul style="list-style-type: none"> <li>○ Student (or an appropriate officer of the Armed Forces or official of the DOD) gives advance</li> </ul> </li> </ul>	<b>8/14/2008</b>	<i>DCL Gen 08-12 and FP 08-10</i> <i>How to calculate the cumulative length of the student's absence for service in determining the five years is described on page 64 of the DCL.</i>  The term 'service in the uniformed services' means

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	<p>written or verbal notice of such service to the appropriate official at the institution</p> <ul style="list-style-type: none"> <li>o Cumulative length of the absence and of all previous absences from that institution, by reason of service in the uniformed services, does not exceed five years</li> </ul> <p>And</p> <ul style="list-style-type: none"> <li>o Except as otherwise provided in this section, the student submits a notification of intent to reenroll in the institution</li> </ul>		<p>service (whether voluntary or involuntary) on active duty in the Armed Forces, including such service by a member of the National Guard or Reserve, for a period of more than 30 days under a call or order to active duty of more than 30 days.</p> <p>Exception: No notice is required if the giving of such notice is precluded by military necessity, such as—</p> <ul style="list-style-type: none"> <li>• A mission, operation, exercise, or requirement that is classified</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>• A pending or ongoing mission, operation, exercise, or requirement that may be compromised or otherwise adversely affected by public knowledge.</li> </ul>
<p>Service Members Notification of Intent to Return to an Institution</p> <p>HEA Sec. 484C (c)(4)(A) through (c)(4)(C)</p>	<ul style="list-style-type: none"> <li>• A student upon the completion of a period of service in the uniformed services, notifies the institution of the intent to return no later than three years after the completion of the period of service</li> <li>• A student hospitalized or convalescing from an illness or injury during the performance of service shall notify the institution of the intent to return no later than two years after the end of recovery</li> <li>• A student who fails to apply for readmission within the period described shall not automatically forfeit such eligibility for readmission to the institution of higher education, but shall be subject to the institution's established leave of absence policy and general practices</li> </ul>	<p><b>8/14/2008</b></p>	
<b>Institutional and Financial Assistance Information for Students</b>			
<p>Copyright Infringement</p> <p>HEA Sec. 485 (a)(1)(P)</p>	<ul style="list-style-type: none"> <li>• Institutional and financial assistance information for prospective and enrolled students should include <ul style="list-style-type: none"> <li>o Institutional policies and sanctions <i>and civil and criminal liabilities students may face</i> related to copyright infringement be</li> </ul> </li> </ul>	<p><b>8/14/2008</b></p>	<p>Prospective student means any individual who has contacted an eligible institution requesting information concerning admission to that institution.</p>

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	<ul style="list-style-type: none"> <li>▪ Annually disclosed</li> <li>▪ Explicitly informs students that unauthorized distribution of copyrighted material may subject the students to civil and criminal liabilities</li> <li>▪ A summary of the penalties for violation of Federal copyright laws</li> <li>▪ A description of the institution's policies with respect to unauthorized peer-to-peer file sharing, including disciplinary actions that are taken against students who engage in unauthorized distribution of copyrighted materials using the institution's information technology system</li> </ul>		
Student Body Diversity HEA Sec. 485(a)(1)(Q)	<ul style="list-style-type: none"> <li>• Institutional and financial assistance information for prospective and enrolled students should include               <ul style="list-style-type: none"> <li>○ Student body diversity at the institution including                   <ul style="list-style-type: none"> <li>▪ Information on the percentage of enrolled, full-time students who are                       <ul style="list-style-type: none"> <li>• Male</li> <li>• Female</li> <li>• Receive a Federal Pell Grant</li> <li>• A self-identified member of a major racial or ethnic group</li> </ul> </li> </ul> </li> </ul> </li> </ul>	<b>8/14/2008</b>	Prospective student means any individual who has contacted an eligible institution requesting information concerning admission to that institution.
Graduation Information HEA Sec. 485(a)(1)(R)(S)	<ul style="list-style-type: none"> <li>• Information for prospective and enrolled students should include the graduates of the institution's degree or certificate programs and contain               <ul style="list-style-type: none"> <li>○ Placement in employment</li> <li>○ Types of employment</li> <li>○ Types of graduate and professional education in which graduates of the institution's four-year degree programs enrolled</li> </ul> </li> <li>• Information can be gathered from such sources as alumni surveys, student satisfaction surveys, the National Survey of Student Engagement, the</li> </ul>	<b>8/14/2008</b>	Prospective student means any individual who has contacted an eligible institution requesting information concerning admission to that institution.

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	Community College Survey of Student Engagement, State data systems, or other relevant sources		
Additional Information  HEA Sec. 485(a)(1)(T)(U)(V)	<ul style="list-style-type: none"> <li>• Institutional and financial assistance information for prospective and enrolled students should include               <ul style="list-style-type: none"> <li>○ The fire safety report prepared by the institution</li> <li>○ The retention rate of certificate- or degree-seeking, first-time, full-time, undergraduate students entering the institution</li> <li>○ Institutional policies regarding vaccinations</li> </ul> </li> </ul>	<b>8/14/2008</b>	Prospective student means any individual who has contacted an eligible institution requesting information concerning admission to that institution.
Graduation/Completion Rates  HEA Sec. 485(a)(7)(A)	<ul style="list-style-type: none"> <li>• Graduation/completion rates will have to be disaggregated by the following categories, unless the number of students is so small that the results are not statistically reliable or personally identifiable information would be revealed               <ul style="list-style-type: none"> <li>○ Gender</li> <li>○ Major racial and ethnic subgroups</li> <li>○ Pell Grant recipients</li> <li>○ Recipients of subsidized Stafford loans who did not also receive Pell Grants</li> <li>○ Students who received neither Pell Grant nor subsidized Stafford loans</li> </ul> </li> </ul>	<b>8/14/2008</b>	Special provisions and a delayed effective date (until academic year 2011-2012) apply to two-year degree granting institutions.
Exit Counseling  HEA Sec. 485(b)(1)(A) and HEA Sec. 485(d)(1)(B)	<ul style="list-style-type: none"> <li>• Exit counseling for borrowers shall include               <ul style="list-style-type: none"> <li>○ Information on the repayment plans available including                   <ul style="list-style-type: none"> <li>▪ A description of the different features of each plan and sample information showing the average anticipated monthly payments</li> <li>▪ The difference in interest paid and total payments under each plan</li> </ul> </li> <li>○ Debt management strategies that are designed to facilitate repayment                   <ul style="list-style-type: none"> <li>▪ An explanation that the borrower may                       <ul style="list-style-type: none"> <li>• Pay each loan on a shorter schedule</li> <li>• Change repayment plans</li> </ul> </li> </ul> </li> </ul> </li> </ul>	<b>8/14/2008</b>	<i>DCL Gen 08-12 and FP 08-10 These requirements apply to the FFEL Program, DL Program and Perkins Loans, but does not include FFEL or DL Consolidation Loans or PLUS Loans made to parent borrowers.</i>

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	<ul style="list-style-type: none"> <li>○ Any loan forgiveness or cancellation</li> <li>○ Terms and conditions for full or partial forgiveness or cancellation of the principal and interest</li> <li>○ Terms and conditions under which the borrower may be granted a forbearance or deferment</li> <li>○ Consequences of defaulting on a loan</li> <li>○ Information on the effects of using a Consolidation loan in the FFEL or DL programs to discharge loans under parts B, D, and E, including at a minimum <ul style="list-style-type: none"> <li>▪ The effects of consolidation on total interest to be paid, fees to be paid, and length of repayment</li> <li>▪ The effects of consolidation on a borrower's underlying loan benefits</li> <li>▪ The option of the borrower to prepay the loan or to change repayment plans</li> <li>▪ That borrower benefit programs may vary among different lenders</li> </ul> </li> <li>○ A general description of the types of tax benefits that may be available</li> <li>○ A notice about the availability of the NSLDS and how the system can be used to obtain information on the status of the borrower's loans</li> </ul>		
Athletic Aid HEA Sec. 485(e)(3)(A)(B)	<ul style="list-style-type: none"> <li>● Athletically Related Aid Disclosures <ul style="list-style-type: none"> <li>○ The calculation of graduation/completion rates is modified by allowing a school to exclude any period of non-enrollment for students who leave to serve <ul style="list-style-type: none"> <li>▪ In the Armed Forces</li> <li>▪ On official church missions</li> <li>▪ With a recognized foreign aid service of the federal government</li> </ul> </li> </ul> </li> </ul>	<b>8/14/2008</b>	Special provisions and a delayed effective date (until academic year 2011-2012) apply to two-year degree-granting institutions.

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Campus Security HEA Sec. 485(f)(1)(C)	<ul style="list-style-type: none"> <li>• Institutions must include procedures for the law enforcement authority of campus security personnel on               <ul style="list-style-type: none"> <li>○ Working relationship of campus security personnel with State and local law enforcement agencies</li> <li>○ Including agreements such as written memoranda of understanding, for the investigation of alleged criminal offenses</li> <li>○ Policies which encourage accurate and prompt reporting of all crimes to the campus police and the appropriate law enforcement agencies</li> </ul> </li> </ul>	<b>8/14/2008</b>	
Hate Crimes HEA Sec. 485(f)(1)(F)	<ul style="list-style-type: none"> <li>• The category of crimes that must be reported if they are hate crimes now includes               <ul style="list-style-type: none"> <li>○ Larceny-theft</li> <li>○ Simple assault</li> <li>○ Intimidation</li> <li>○ Destruction, damage, or vandalism of property</li> </ul> </li> </ul>	<b>8/14/2008</b>	
Emergency Response and Evacuation Procedures HEA Sec. 485(f)(1)(J)	<ul style="list-style-type: none"> <li>• Disclosure of campus security policies to include immediate emergency response and evacuation procedures including the use of electronic and cellular communication</li> <li>• Campus policies shall include procedures to               <ul style="list-style-type: none"> <li>○ Immediately notify the campus community upon the confirmation of a                   <ul style="list-style-type: none"> <li>▪ Significant emergency</li> <li>▪ Dangerous situation involving an immediate threat to the health or safety of students or staff occurring on the campus</li> </ul> </li> <li>○ Publicize emergency response and evacuation procedures on an annual basis in a manner designed to reach students and staff</li> <li>○ Test emergency response and evacuation procedures on an annual basis</li> </ul> </li> </ul>	<b>8/14/2008</b>	

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Subject	Higher Education Opportunity Act	Effective Date/ Trigger Event	Comments/Discussion
Transfer of Credit Policies HEA Sec. 485(h)(1)	<ul style="list-style-type: none"> <li>• Institutions must publicly disclose, in a readable and comprehensible manner, the institution's transfer of credit policies to include               <ul style="list-style-type: none"> <li>○ Criteria regarding the transfer of credit earned at another institution</li> <li>○ A list of institutions with which the institution has established an articulation agreement</li> </ul> </li> </ul>	<b>8/14/2008</b>	<p><i>DCL Gen 08-12 and FP 08-10</i></p> <p><i>The HEOA provides that nothing in this subsection should be construed to authorize the Secretary or NACIQI to require any particular policies, procedures or practices that relate to transfer of credit, or a Department employee to exercise any direction, supervision or control over the curriculum, program of instruction, administration or personnel of any institution, or over any accrediting agency or associations.</i></p> <p><i>The HEOA emphasizes that the subsection does not create a legally enforceable right for a student to require an institution to accept a transfer of credit from another institution.</i></p>
On-Campus Housing Safety Information HEA Sec. 485(i)(1)(A)	<ul style="list-style-type: none"> <li>• Institutions that maintain on-campus student housing facilities must annually publish a fire safety report on campus fire safety to include               <ul style="list-style-type: none"> <li>○ Practices and standards</li> <li>○ Institutions shall also include for each on-campus student housing facility the                   <ul style="list-style-type: none"> <li>▪ Number of fires and the cause of each fire</li> <li>▪ Number of injuries related to a fire that result in treatment at a medical facility</li> <li>▪ Number of deaths related to a fire</li> <li>▪ Value of property damage caused by a fire</li> <li>▪ A description of each on-campus student housing facility fire safety system, including the fire sprinkler system</li> <li>▪ Number of regular mandatory supervised fire drills</li> <li>▪ Policies or rules on portable electrical appliances, smoking, and open flames</li> <li>▪ Procedures for evacuation</li> <li>▪ Policies regarding fire safety education and training programs provided to students, faculty,</li> </ul> </li> </ul> </li> </ul>	<b>8/14/2008</b>	<p><i>DCL Gen 08-12 and FP 08-10</i></p> <p><i>Each Title IV eligible institution must annually submit to the Secretary a copy of the fire safety statistics.</i></p> <p><i>All Title IV institutions are required to make, keep and maintain a log that records all fires in on-campus student housing facilities. The institution must make annual reports to the campus community on these fires.</i></p> <p><i>The Secretary is required to make the fire related statistics available to the public. The Secretary is required to work with groups that provide housing to students and national fire organizations to develop a protocol for institutions to review the status of their fire safety systems. The Secretary may not establish a standard of care.</i></p> <p><i>This subsection does not affect institutions obligations under FERPA or HIPAA and does not create a cause of action against any institution or any employee of an institution for any civil liability.</i></p>

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	<p>and staff</p> <ul style="list-style-type: none"> <li>▪ Plans for future improvements in fire safety, if determined necessary by the institution</li> </ul>		<p><i>The Secretary is required to report annually to Congress regarding compliance and monitoring of fire safety requirements.</i></p> <p><i>Notwithstanding any other provision of law, evidence regarding compliance or noncompliance with these requirements will not be admissible as evidence in any proceeding or any court, agency, board or other entity except with respect to an action to enforce the subsection.</i></p>
<p>Missing Student Policies HEA Sec. 485(j)(1)</p>	<ul style="list-style-type: none"> <li>• Institutions with on-campus housing must construct a policy which shall <ul style="list-style-type: none"> <li>○ Allow students residing on campus to register confidential contact information in the event that the student is determined to be missing</li> <li>○ Notify appropriate institutional personnel when a resident has been missing for more than 24 hours</li> <li>○ Immediately refer official missing person reports to the institution's police or campus security department</li> </ul> </li> <li>• If investigation shows the student has been missing for more than 24 hours, either: <ul style="list-style-type: none"> <li>○ Informs the student's registered contact</li> <li>○ If the student is under 18 years of age and not an emancipated individual, immediately contacts the student's custodial parent or legal guardian</li> </ul> </li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>○ For students who (1) are not under 18 or are emancipated, and (2) registered no contact <ul style="list-style-type: none"> <li>▪ Informs the appropriate law enforcement agency</li> <li>▪ Informs each resident student of the applicable actions that will be taken if the student is missing for 24 hours</li> </ul> </li> </ul>	<p><b>8/14/2008</b></p>	<p><i>DCL Gen 08-12 and FP 08-10</i></p> <p><i>This subsection does not provide a private right of action to any person to enforce a provision of the subsection or create a cause of action against any institution or any employee of the institution for any civil liability.</i></p>

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Drug Violations Notification HEA Sec. 485(k)(1)(2)	<ul style="list-style-type: none"> <li>• Upon enrollment each institution shall provide to each student a separate, clear, and conspicuous written notice that advises the student of the penalties for drug violations</li> <li>And</li> <li>• The institution shall provide in a timely manner to each student who has lost eligibility for any grant, loan, or work-study assistance a separate, clear, and conspicuous written notice               <ul style="list-style-type: none"> <li>○ Notifying the student of the loss of eligibility</li> <li>○ Advising the student of the ways in which the student can regain eligibility</li> </ul> </li> </ul>	<b>8/14/2008</b>	
Entrance Counseling HEA Sec. 485(l)(1)(A)(B)	<ul style="list-style-type: none"> <li>• Entrance counseling for borrowers must include               <ul style="list-style-type: none"> <li>○ The effect of accepting the loan on eligibility for other forms of student financial assistance</li> <li>○ An explanation of the use of the Master Promissory Note</li> <li>○ How interest accrues and is capitalized during periods when the interest is not paid by either the borrower or the Secretary</li> <li>○ For unsubsidized Stafford or Graduate PLUS loans, the borrower's option to pay the interest while the borrower is in school</li> <li>○ The definition of half-time enrollment at the institution, during regular terms and summer school, if applicable, and the consequences of not maintaining half-time enrollment</li> <li>○ The importance of contacting the appropriate offices at the institution if the borrower withdraws prior to completing the borrower's program of study so that the institution can provide exit counseling, including information regarding the borrower's repayment options and loan consolidation</li> <li>○ Sample monthly repayment amounts based on:                   <ul style="list-style-type: none"> <li>▪ A range of levels for indebtedness of borrowers</li> </ul> </li> </ul> </li> </ul>	<b>8/14/2008</b>	<i>DCL GEN 08-12 and FP 08-10            These requirements apply to FFEL Program and Direct Loan Program loans.</i>

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	<p>for subsidized or unsubsidized Stafford loans</p> <ul style="list-style-type: none"> <li>▪ As appropriate, graduate borrowers of subsidized or unsubsidized Stafford loans or Graduate PLUS loans</li> <li>▪ The average cumulative indebtedness of other borrowers in the same program as the borrower at the same institution</li> <li>○ The obligation of the borrower to repay the full amount of the loan, regardless of whether the borrower completes or does not complete the program in which he or she is enrolled within the regular time for program completion</li> <li>○ The likely consequences of default on the loan, including adverse credit reports, delinquent debt collection procedures under federal law, and litigation</li> <li>○ Information on the National Student Loan Data System (NSLDS) and how the borrower can access their records</li> <li>○ The name of and contact information for the individual the borrower may contact if the borrower has any questions about their rights and responsibilities or the terms and conditions of the loan</li> <li>• The Secretary shall encourage institutions to carry out the requirements through the use of interactive programs which <ul style="list-style-type: none"> <li>○ Test the borrower's understanding of the terms and conditions of the borrower's loans using simple and understandable language and clear formatting</li> </ul> </li> </ul>		
<p><i>Disclosures of Reimbursements for Service on Advisory Boards</i></p>	<ul style="list-style-type: none"> <li>• <i>Institutions are required to report annually any reasonable expenses paid or provided under section 140(d) of The Truth in Lending Act (Private Student Loan Improvement) to any employee of a financial aid office or who otherwise</i></li> </ul>	<p><b>8/14/2008</b></p>	<p><i>This was taken from DCL Gen 08-12 and FP 08-10.</i></p>

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<i>HEA 485(m)</i>	<p><i>has responsibilities with respect to education loans or other financial aid or the institution</i></p> <ul style="list-style-type: none"> <li>• <i>The report must include the</i> <ul style="list-style-type: none"> <li>○ <i>Amount of each specific instance of reasonable expenses paid or provided</i></li> <li>○ <i>Name of the FAA, other employee, or agent to whom the expenses were paid or provided</i></li> <li>○ <i>Dates of the activity for which the expenses were paid or provided</i></li> <li>○ <i>Brief description of the activity for which the expenses were paid or provided</i></li> </ul> </li> <li>• <i>The Secretary must summarize the information received from institutions in an annual report to Congress</i></li> </ul>		
<p>National Student Loan Data System</p> <p>HEA Sec. 485B(e)</p>	<ul style="list-style-type: none"> <li>• The Secretary shall take actions necessary to maintain confidence in the data system by <ul style="list-style-type: none"> <li>○ Prohibiting nongovernmental researchers and policy analysts from accessing personally identifiable information</li> </ul> </li> <li>• And by informing students <ul style="list-style-type: none"> <li>○ By creating a disclosure form for students and potential students that is distributed <ul style="list-style-type: none"> <li>▪ When completing the FAFSA</li> <li>▪ And as a part of exit counseling</li> </ul> </li> <li>○ That any title IV grant or loan received will be included</li> <li>○ On how to access the information</li> <li>○ On who may access the data and for what purposes access is allowed</li> <li>○ Of the information included in the data system</li> </ul> </li> <li>• On a summary of the provisions of FERPA and other Federal privacy statutes</li> </ul>	<b>8/14/2008</b>	
<b>Articulation Agreements</b>			
Establishment of Agreements	<ul style="list-style-type: none"> <li>• Secretary is to assist States with establishing articulation agreements between or among institutions (both State and private) and publish on</li> </ul>	<b>8/14/2008</b>	<i>DCL Gen 08-12 and FP 08-10 Section 486A is new in the HEA.</i>

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HEA Sec. 486A(b)	<p>the websites of the institutions by 2010</p> <ul style="list-style-type: none"> <li>• In developing, enhancing, and implementing articulation agreements, State and public institutions may include <ul style="list-style-type: none"> <li>○ Common course numbering</li> <li>○ A general education core curriculum</li> <li>○ <i>Management systems regarding course equivalency, transfer of credit, and articulation</i></li> </ul> </li> </ul>		<p><i>The term “articulation agreement” is defined as an agreement between or among institutions of higher education that specifies the acceptability of courses in transfer toward meeting specific degree or program requirements.</i></p> <p><i>This program is not currently funded and cannot be implemented until funding is provided by Congress.</i></p> <p>The Secretary shall carry out across State lines by 2010.</p>
<b>Program Participation Agreements</b>			
<p>Voter Registration</p> <p>HEA Sec. 487(a)</p>	<ul style="list-style-type: none"> <li>• Institution has met the requirement if an electronic message devoted exclusively to voter registration is sent to students containing <ul style="list-style-type: none"> <li>• A voter registration form accepted in the State or</li> <li>• An internet address where a form can be downloaded</li> </ul> </li> </ul>	<b>8/14/2008</b>	<p><i>DCL Gen 08-12 and FP 08-10</i></p> <p><i>The electronic message must be devoted exclusively to voter registration.</i></p>
<p>90-10 Rule</p> <p>HEA Sec. 487 New Section</p>	<ul style="list-style-type: none"> <li>• Moves the 90-10 rule from an institutional eligibility requirement to the Program Participation Agreement section for proprietary institutions</li> <li>• Specifies what proprietary schools may count as revenue in the 10% part of the 90-10 calculation</li> <li>• Presumes that any Title IV funds disbursed to a student will be used to pay for the student's tuition, fees or other institutional charges</li> </ul> <p><b>New \$2,000 additional Unsubsidized Stafford Loans as Revenue</b></p> <ul style="list-style-type: none"> <li>• Each student who receives a loan on or after July 1, 2008 and prior to July 1, 2011, that is the new \$2,000 Unsubsidized Stafford Loan, the institution shall treat as revenue from non-title IV funds</li> <li>• An institution that fails the 90-10 rule for two consecutive years becomes ineligible to participate</li> </ul>	<p><b>8/14/2008</b></p> <p><b>For loans received on/after 7/1/2008 and prior to 7/1/2011</b></p>	<p><i>DCL Gen 08-12 and FP 08-10</i></p> <p><i>An institution that now violates the 90/10 Rule for one year would no longer lose its eligibility to participate in the Title IV programs. Instead, the institution's participation becomes provisional for two fiscal years. However, if the institution does not satisfy the 90/10 Rule for two consecutive fiscal years, it loses its eligibility to participate in the Title IV programs for at least two fiscal years.</i></p> <p><i>A detailed description of what funds are used to calculate the revenue portion of the 90/10 Rule is provided on pages 68 and 69 of the DCL.</i></p>

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	<p>in the Title IV programs for a minimum of two institutional fiscal years</p> <ul style="list-style-type: none"> <li>• If an institution fails to meet the requirement for any institutional fiscal year, the institution's eligibility to participate in Title IV becomes provisional for the next two institutional fiscal years</li> <li>• The Secretary shall publicly disclose on the College Navigator website the <ul style="list-style-type: none"> <li>○ Identity of any proprietary institution that fails to meet the 90-10 requirements</li> <li>○ Extent to which the institution failed to meet the requirements</li> </ul> </li> </ul>		
<p>Institutional Code of Conduct</p> <p>HEA Sec. 487(a)(25)</p>	<ul style="list-style-type: none"> <li>• In the case of an institution that participates in a loan program the institution will develop a code of conduct which the officers, employees, and agents will comply</li> <li>• Code of Conduct will <ul style="list-style-type: none"> <li>○ Prohibit a conflict of interest with the responsibilities of the loan program for <ul style="list-style-type: none"> <li>▪ Officer</li> <li>▪ Employee</li> <li>▪ Agent of an institution</li> </ul> </li> </ul> </li> <li>• Publish the code of conduct prominently on the institution's website <ul style="list-style-type: none"> <li>○ Annually inform all of the officers, employees, and agents of the provisions of the code</li> </ul> </li> <li>• Exceptions on prohibitions <ul style="list-style-type: none"> <li>○ An officer or employee not employed in the financial aid office may serve (paid or unpaid) on a board of directors of a lender, guarantor or servicer</li> <li>○ An officer or employee who has responsibility with respect to education loans may serve (paid or unpaid) on a board of directors of a lender, guarantor or servicer if the institution has a</li> </ul> </li> </ul>	<p><b>8/14/2008</b></p>	

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	<p>written conflict of interest policy that clearly sets forth that individuals must recuse themselves from participating in any decision regarding loans at the institution</p> <ul style="list-style-type: none"> <li>○ An officer, employee of a lender, guarantor or servicer from serving on a board of directors or as a trustee if the institution has a written conflict of interest policy that individuals must recuse themselves from any decision regarding education loans at the institution</li> </ul>		
<p>Preferred Lender Arrangement</p> <p>HEA Sec. 487 (a)(27)</p>	<ul style="list-style-type: none"> <li>• In the case of an institution that has entered into a preferred lender arrangement <ul style="list-style-type: none"> <li>○ The institution will annually compile and maintain and make available for <ul style="list-style-type: none"> <li>▪ Students attending the institution</li> <li>▪ Families of students</li> </ul> </li> <li>○ A list, in print or other medium of the lenders that the institution recommends</li> </ul> </li> </ul>	<p><b>8/14/2008</b></p>	<p><i>DCL Gen 08-12 and FP 08-10</i></p> <ul style="list-style-type: none"> <li>• <i>Information must include</i> <ul style="list-style-type: none"> <li>○ <i>Detailed information about the terms and conditions of the loans offered by the lenders</i></li> <li>○ <i>Why it entered into an arrangement with each lender</i></li> <li>○ <i>Disclose that students do not have to borrow from a lender on the list</i></li> </ul> </li> <li>• <i>Ensure the list contains at least</i> <ul style="list-style-type: none"> <li>○ <i>Three unaffiliated lenders for Title IV loans</i></li> <li>○ <i>Two unaffiliated lenders for private education loans</i></li> <li>○ <i>Indicates if whether a lender is or is not affiliate of each other and if an affiliate that affiliation is described</i></li> <li>○ <i>The method and criteria used in selecting the lenders</i></li> </ul> </li> <li>• <i>Compile the list for the sole benefit of students and their families</i></li> <li>• <i>Not deny or impede the borrower's choice of a lender or delay certifying a Title IV loan for a borrower who chooses a lender not on the list</i></li> </ul>
<p>Distribution of Copyrighted Material</p> <p>HEA Sec. 487 (a)(29)</p>	<ul style="list-style-type: none"> <li>• The institution certifies that they <ul style="list-style-type: none"> <li>• Have developed plans to combat the unauthorized distribution of copyrighted material</li> <li>• The plan includes the</li> </ul> </li> </ul>	<p><b>8/14/2008</b></p>	<p><i>DCL Gen 08-12 and FP 08-10</i></p> <p><i>New requirement added to the PPA.</i></p>

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	<ul style="list-style-type: none"> <li>▪ Use of a variety of technology-based deterrents</li> <li>▪ Offer of alternatives to illegal downloading</li> <li>▪ Alternative to the use of Peer-to-peer distribution of intellectual property, as determined by the institution in consultation with the Chief Technology Officer or other designated officer of the institution</li> </ul>		
<b>Title X – Private Student Loan Improvement</b>			
Title of Act  Truth In Lending Act (TILA) 15 USC 1631 Sec. 140(c)	<ul style="list-style-type: none"> <li>• This title may be cited as the “Private Student Loan Transparency and Improvement Act of 2008”</li> </ul>	<b>8/14/2008</b>	This is a new Title added to the HEA with this reauthorization.
Timing of Regulations  TILA Sec. 140(c)	<ul style="list-style-type: none"> <li>• No later than 365 days after the date of enactment the Board of Governors of the Federal Reserve System (Board) shall issue regulations in final form</li> <li>• The regulations shall become effective not later than 6 months after their date of issuance</li> </ul> <p>New Sec. 128 of the TILA creates new notices, disclosures, a firm offer period and a three day right to rescind the transaction. New Sec. 140(c) of the TILA is a prohibition on co-branding</p>	<b>Regulations shall become effective no later than 6 months after their issuance</b>	<p>Disclosures must be implemented no later than 2 years after the date of enactment.</p> <p>The student loan industry should strive to participate in any design and testing of student loan disclosure forms.</p> <p>Estimate of the amount of programming required to implement new notice/disclosure requirements will be needed, as well as time to install.</p>
Preventing Unfair and Deceptive Private Educational Lending Practices and Conflicts of Interest  15 USC 1601 et seq; 82 Stat. 146; Pub. L. 90-321	<ul style="list-style-type: none"> <li>• New section regulates the relationships between schools and lenders by <ul style="list-style-type: none"> <li>○ Prohibiting certain gifts to school representatives from lenders</li> <li>○ Defining preferred lender arrangements</li> <li>○ Prohibiting co-branding</li> <li>○ Managing lender advisory boards</li> </ul> </li> </ul>	<b>8/14/2008</b>	
Definitions  TILA Sec. 140(a)and (b)	<ul style="list-style-type: none"> <li>• Definitions are provided for the following items <ul style="list-style-type: none"> <li>○ Covered educational institution</li> <li>○ Gift</li> <li>○ Recipient of gifts</li> <li>○ Exceptions to gifts</li> </ul> </li> </ul>	<b>8/14/2008</b>	

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	<ul style="list-style-type: none"> <li>○ Institution of higher education</li> <li>○ Postsecondary educational expenses</li> <li>○ Preferred lender arrangement</li> <li>○ Private educational lender</li> <li>○ Private educational loan</li> <li>○ Revenue sharing</li> <li>○ Creditor</li> </ul>		
Prohibitions  TILA Sec. 140(b) through (e)	<ul style="list-style-type: none"> <li>● Lenders are prohibited from participating in the following activities               <ul style="list-style-type: none"> <li>○ Revenue sharing with schools</li> <li>○ Co-branding with schools</li> <li>○ Advisory board compensation other than reasonable expenses</li> <li>○ Imposing a fee or penalty for early repayment or prepayment of a loan</li> </ul> </li> </ul>	<b>8/14/2008</b>	Nothing in this section is intended to prohibit a credit union whose name includes the name of a covered educational institution from using its own name in marketing its private education loans.
Disclosure Requirements  15 USC 1601 et seq; 82 Stat. 146; Pub. L. 90-321 TILA Sec. 128 (e)(1)	<ul style="list-style-type: none"> <li>● The private educational lender must disclose to the borrower, clearly and conspicuously               <ul style="list-style-type: none"> <li>○ The potential range of interest rates</li> <li>○ If interest is fixed or variable</li> <li>○ Limitations on interest rate adjustments                   <ul style="list-style-type: none"> <li>▪ Frequency</li> <li>▪ Amount</li> <li>▪ Or the lack thereof</li> </ul> </li> <li>○ Requirements for a co-borrower, including changes in the interest rates without a co-borrower</li> <li>○ Potential finance charges, late fees, penalties and adjustments to principal, based on defaults or late payments</li> <li>○ Fees or range of fees applicable to the loan</li> </ul> </li> <li>● Term of the loan               <ul style="list-style-type: none"> <li>○ Whether interest will accrue while the borrower is in school</li> <li>○ Payment deferral options</li> <li>○ General eligibility criteria</li> <li>○ Example of the total cost of the loan over the life</li> </ul> </li> </ul>	<b>On the earlier of the date on which regulations issued become effective or 18 months after 8/14/2008</b>	There are no standards for clear and conspicuous.  It is not likely that the numbers in the various disclosures will be consistent – given the nature of student loans (interim periods, withdrawal dates, etc.) - thus generating confusion for the consumer and additional customer service calls for the school and the lender.

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	<ul style="list-style-type: none"> <li>of the loan</li> <li>○ That a covered educational institution may have school-specific education loan benefits and terms not detailed on the disclosure form</li> <li>○ That the borrower may qualify for Federal financial aid</li> <li>○ Interest rates available on Federal student loans</li> <li>• Borrower must <ul style="list-style-type: none"> <li>○ Have the right to accept the terms of the loan and consummate the transaction at any time within 30 calendar days</li> <li>○ Except for changes based on adjustments to the index used for a loan, the rates and terms of the loan may not be changed by the lender during the period described</li> <li>○ Before a loan may be consummated, the borrower must obtain from the institution the certification form and complete, sign, and return the form to the lender</li> </ul> </li> <li>• Additionally the consumer may obtain <ul style="list-style-type: none"> <li>○ Information concerning Federal student aid from their institution or at the Department's website</li> </ul> </li> <li>• Other information as the Board shall prescribe by rule as needed to make informed borrowing decisions</li> </ul>		
<p>Disclosures at Time of Loan Consummation</p> <p>TILA Sec. 128(e)(4)</p>	<ul style="list-style-type: none"> <li>• Lender must disclose to the borrower the <ul style="list-style-type: none"> <li>○ Rate of interest on the date of consummation</li> <li>○ Items listed above</li> <li>○ Right to cancel within 3 business days of the date on which the loan is consummated</li> </ul> </li> </ul>	<p><b>On the earlier of the date on which regulations issued become effective or 18 months after 8/14/2008</b></p>	<p>Consummation means the time that a consumer becomes contractually obligated on a credit transaction.</p>
<p>Period of Approved Rate of Interest and Loan Terms</p>	<ul style="list-style-type: none"> <li>• The borrower has the right to accept the terms of the loan and consummate the transaction at any time within 30 calendar days following the date on</li> </ul>	<p><b>8/14/2008</b></p>	

***This document provides an overview of the Higher Education Opportunity Act and is intended for informational use only.***

Subject	Higher Education Opportunity Act	Effective Date/ Trigger Event	Comments/Discussion
TILA Sec. 128(e)(6)	<p>which the application is approved and the borrower receives the disclosure documents and the rates and terms of the loan may not be changed by the lender during that period</p> <ul style="list-style-type: none"> <li>• Changes based on adjustments to the index used for a loan, the rates and terms of the loan may not be changed by the lender prior to the earlier of the               <ul style="list-style-type: none"> <li>○ Date of acceptance of the terms and consummation of the transaction by the borrower</li> <li>○ Expiration of the 30 day period</li> </ul> </li> </ul>		
Right to Cancel TILA Sec. 128(e)(7)	<ul style="list-style-type: none"> <li>• The borrower may cancel the loan, without penalty at any time within 3 business days of the date the loan is consummated</li> </ul>	<p><b>On the earlier of the date on which regulations issued under Sec. 1002 become effective or 18 months after date of enactment</b></p>	<p>Current practices for many lenders are to deliver the TILA notice to the borrower with, or immediately prior to, the disbursement of the loan proceeds and then provide a cancellation period to the consumer.</p> <p>Consummation would then be the end of the cancellation period. This practice ensures the TILA notices are delivered prior to consummation.</p> <p>The lender can make last minute adjustments to the loan amount during the cancellation period offering the lender greater flexibility in taking steps to ensure that borrower receives the right amount of funding at the right time.</p>

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