

hot TOPICS



IPD Financial Aid News

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Reporting College Savings Plans on the FAFSA

As a result of Higher Education Role Analysis (HERA), the way one reports the value of College Savings Plans on the 2007-2008 FAFSA has changed. College Savings Plans are qualified educational benefit plans that include the “529” college savings plans, other prepaid tuition plans offered by a state, and Coverdell education savings accounts. The following represents how one should report the value of these plans:

- ◆ If the student is dependent and the parent owns a qualified educational benefit plan or education savings accounts, the current balance of the plan should be reported as a parent asset on the FAFSA. If it is a state prepaid tuition plan, the amount to be reported is the “refund value” of the plan.
- ◆ If the student is dependent and the student owns a qualified educational benefit plan, the value of those plans is **not** reported on the FAFSA.
- ◆ If the student is independent and owns (or if married the spouse owns) any qualified educational benefit plans, the current balance of the plan should be reported as a student/spouse asset on the FAFSA. If it is a state prepaid tuition plan, the amount to be reported is the “refund value” of the plan



Planning for a Pandemic

Early in 2006, colleges and universities were urged by Education Secretary Margaret Spellings to develop emergency plans with local and state governments in case of an outbreak of pandemic flu.

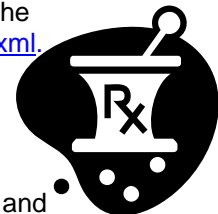
Spellings cautioned that these are not issues that can be decided on the fly. When it comes to preparing our school community—from preschool all the way to college—there are three key steps to take. First, **talk** to your local health officials and work together to develop a plan. Second, **train** your teachers and administrators to implement the plan. Finally, **teach** students and parents so that they understand what to do in the event of a pandemic. Not Stop, Drop, and Roll—Talk, Train, and Teach!

In November 2006, the National Association of College and University Business Officers (NACUBO) and the Campus Safety Health and Environmental Management Association (CSHEMA) joined forces to offer a program drawing on the efforts of institutions that are at the forefront of planning for a pandemic. The program has been archived and is available on NACUBO's website at <http://www.nacubo.org/x8435.xml>.

Finally, the following websites are available to help colleges and universities in the planning for a pandemic.



- ◆ www.pandemicflu.gov—This website includes a short planning checklist for colleges and universities, in addition to many other resources.
- ◆ www.ajg.com/portal/communities/community.asp?UserID=2&CommunityID=440—This website includes a “Blueprint for Pandemic Flu Preparedness Planning for Colleges and Universities”. It was developed by Arthur J. Gallagher Risk Management Services, Inc., based on a World Health Organization checklist.
- ◆ www.cshema.org/resource/pandemic0306.htm—This is a resource page prepared by CSHEMA. It includes sample plans from several institutions.



2007-2008 Federal Pell Grant Payment and Disbursement Schedules

On February 21, 2007, the U.S. Department of Education (ED) released the Pell payment and disbursement schedules for the 2007-2008 award year. The maximum Federal Pell Grant award for the 2007-2008 award year is \$4,310, which is an increase of \$260 from the 2006-2007 award year. The minimum award will continue to be \$400 and the maximum Expected Family Contribution (EFC) that a student may have to be eligible to receive a Federal Pell Grant will be \$4,110.

To view the Pell schedules, click on the following link: <http://www.ifap.ed.gov/dpcletters/P0701.html>.

Revised Promissory Note Addendum and Plain Language Disclosure

On March 1, 2007, ED released Dear Colleague FP-07-02. One of the changes made by the HERA, an increase in some of the annual loan limits for Federal Stafford Loans, was not included in the Federal Stafford Loan Master Promissory Note Addendum (Stafford MPN Addendum) and Federal Stafford Loan Plain Language Disclosure (Stafford PLD) that accompanied Dear Colleague Letter FP-06-05 because that change was not effective until July 1, 2007. Now that the effective date is just a few months away, ED revised the Stafford MPN Addendum and PLD to include the loan limit changes that take effect for loans first disbursed on or after July 1, 2007.

Until a revised Stafford MPN is developed and approved for use, the Addendum attached to this Dear Colleague letter must be used with the current Stafford MPN to inform borrowers of the changes made to the terms of their loans by the HERA. To view the entire Dear Colleague letter and addendums, click on the following link: <http://www.ifap.ed.gov/dpcletters/FP0702.html>.

FY 2005 Draft Cohort Default Rates Distributed

On Monday, February 12, 2007, ED distributed the FY 2005 Draft Cohort Default Rate notification packages. For domestic schools, the time period for challenging the FY 2005 Draft Cohort Default Rates under 34 C.F.R Part 668, Subpart M began on Wednesday, February 21, 2007.

If you would like additional information regarding the school cohort default rate calculation or the challenge processes, please refer to the revised Cohort Default Rate Guide or the new CDR Guide Quick Reference at <http://www.ifap.ed.gov/DefaultManagement/DefaultManagement.html>.

Recertification Reminder Notices to be Sent Electronically

On March 2, 2007, ED announced that they will be sending via email Recertification reminder notices informing institutions of when their Program Participation Agreement (PPA) is scheduled to expire. This email will be sent to the institution's president and financial aid administrator beginning in early March 2007. The notice identifies when the institution's PPA will expire and advises them that in order to maintain eligibility to participate in Title IV programs past the expiration date of their current PPA, the institution must submit a Recertification Application no later than 90 days prior to the PPA expiration date.

To ensure proper delivery, it is highly recommended that you go to www.eligcert.ed.gov and verify the accuracy of the email addresses on file with ED.

To view instructions on how to verify and update your email address, click on the following link: <http://www.ifap.ed.gov/eannouncements/0302RecertificationEmails.html>.



Additional Sections of NASFAA Self-Evaluation Guide Now Available

As reported on National Association of Financial Aid Administrator's (NASFAA) Today's News, additional sections of the NASFAA Self-Evaluation Guide for 2006-07 are now available. Three additional sections of the twenty-second edition of the NASFAA Self-Evaluation Guide for Institutional Participation in Title IV and Other Federal Programs have been posted on the NASFAA website, making a total of 26 sections now available. The newly posted sections cover Health Education Assistance Loans (HEAL), Federal Family Education Loan Program (FFEL), and Recommended Good Practices.

In order to access the guide, you will need a login and password. The guide is designed to help prepare for an upcoming audit. Sections are linked to the [NASFAA's Compiled Title IV Regulations](#). It is a good idea to review your policies and procedures at least once a year.

Registration Fees Prohibited From Institutional Charges

In the January 2006, Volume 8, Issue 1, it was previously reported that registration fees were considered an institutional charge.

It should be noted that registration fees are specifically prohibited from institutional charges. You have to go back quite a few years to find some answers, and ED likes to take information out of handbooks even though it still applies. For more information, see <http://www.fafsa.ed.gov/fotw0405/help/r2t4-faq00.htm#charges>.

To view the 02-03 FSA Handbook, see <http://ifap.ed.gov/sfahandbooks/attachments/0203V2Intro.pdf>.

We have clarified that under the Return regulations, application and registration fees are excluded from institutional charges because they are not an educational cost.

Even with an authorization from the student, we are not allowed to use Title IV funds to pay for registration fees since it is not considered an educational expense.

Important Guidelines for Disbursing Increased Annual Loan Limits

Now that the July 1, 2007 date is rapidly approaching, please note the following guidance for loans in a crossover payment period or certified after July 1.

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

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

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

CAAHE Commission Officers to Meet in Richmond, VA

CAAHE Commission Officers are to meet in Richmond, VA to plan for upcoming conferences and brainstorm ways to improve communication and involvement. It should be noted that Alison Hilekeah has resigned her position at Warner Pacific College to pursue other career opportunities. As a result, Marty Jackson will move into this role as acting chair. The vice chair position will be open until an election of new officers can take place. IPD will cover the cost of lodging and meals for the officers at this meeting on June 13–15, 2007. The officers will be responsible for their transportation costs. Please send your ideas to Teresa Corno or one of the commission officers.

Semi-Annual Training

The Semi-Annual Training Session for new processors and directors was held on April 19 and 20, 2007 in East Hartford, Ct. We had a record number of attendees for this training session with 24 in attendance. There was lots of dialogue among the participants, which is an added benefit of a large group. If you missed this session, the next training will be held in October 2007.



Goings On

John Rush from Shorter College was promoted to Assistant Director of Financial Aid. John got his BS in Mathematics from Shorter College in May 2000 and started off as an Academic Records Coordinator in 2001. He was promoted to Assistant Registrar in 2002 while pursuing his MBA at Shorter College. He was promoted again in 2005, this time to the Registrar position for the Professional Studies program. We look forward to meeting John at the FA training session at the end of this month.

Matt McCoin from St Gregory's University was recently promoted to FA Director. Matt got his start as a FA counselor for the adult programs in September 2005.

Please join us in congratulating John and Matt.



Dawn, Matt, and Caroline Davison have a new addition to their family. On March 8, 2007, Christian Davison made his way into the world. Christian weighed 8 lbs, 6 oz, and both mom and baby are doing well. Dawn will be out until the end of May. Congratulations to the Davisons!

With Dawn out there is no need to worry, Sandra Perez is once again filling in for Dawn. Remember, if you have any regulatory questions please send them to Teresa Corno at teresa.corno@apollogrp.edu.

Editorial Staff

Teresa Corno, Director Corporate Compliance

Matt Stelling, Assistant Editor/Design Layout

Teresa Corno, Dawn Davison, and Sandra Perez, Contributors

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