

hot TOPICS



IPD Financial Aid News

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NPRM Released—Secretary Proposes to Amend FFEL, DL, and Perkins Loan Regulations

On June 12, 2007, the U.S. Department of Education (ED) published the Notice of Proposed Rulemaking (NPRM) in the Federal Register. In this NPRM, the Secretary proposes to amend the FFEL, DL, and Perkins Loan regulations. Comments must be received by ED no later than 60 days after the publication date. Final Rules will then be published by the November 1, 2007 deadline. The Final Rules will be implemented by July 1, 2008. Watch for an invitation in the coming weeks to join the IPD NPRM teleconference, where we will discuss the impacts the NPRM will have on financial aid processes.

NSLDS User Guide for Transfer Student Monitoring on the Web

On June 14, 2007, the National Student Loan Data System (NSLDS) announced the release of the newest version of the NSLDS User Guide for Transfer Student Monitoring on the Web. You can find the guide on Information for Financial Aid Professionals (IFAP) under the NSLDS Reference Materials, NSLDS User Documentation link. This new version provides instructions regarding the use of the functions available on the Tran tab on the NSLDS Financial Aid Professionals (FAP) Web site. It also guides users through the Transfer Student Monitoring functions that are available on other tabs on the NSLDS Web site.

If you have any questions about the Transfer Student Monitoring User Guide, contact the NSLDS Customer Service Center at (800) 999-8219.

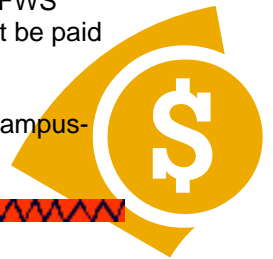


New Federal Minimum Wage and Federal Work Study

On May 25, 2007, President George W. Bush signed into law the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007. As a result, the current federal minimum wage of \$5.15/hour will be increased to \$5.85/hour effective July 24, 2007, \$6.55/hour effective July 24, 2008, and \$7.25/hour effective July 24, 2009. The Higher Education Act (HEA) of 1965, as amended, and the implementing regulations at 34 CFR 675.24 specifically state that an institution may not pay any wage to students employed under the Federal Work-Study (FWS) Program that is less than the current federal minimum wage. Therefore, effective July 24, 2007, an institution must pay students employed under the FWS Program at least the new federal minimum wage of \$5.85/hour. As of July 24, 2008, FWS students must be paid at least \$6.55/hour, and at least \$7.25 an hour as of July 24, 2009.

The provisions of the Fair Labor Standards Act of 1938, as amended, which provide certain exemptions to the Federal minimum wage, do not apply to purposes of the FWS Program. Furthermore, it is important to note that many states have minimum wage laws. Therefore, in instances where a FWS employee is subject to both state and the federal minimum wage laws, the FWS employee must be paid the higher of the two minimum wages.

For questions concerning the new federal minimum wage and the FWS Program, contact the Campus-Based Call Center at (877) 801-7168.



Sections of the 2007-2008 Student Financial Aid Handbook Now Available

Several volumes of the Student Financial Aid (SFA) Handbook are now available on the IFAP Web site, including the following:

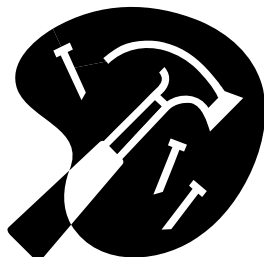
- ◆ Application and Verification Guide
- ◆ Volume 1—Student Eligibility
- ◆ Volume 4—Processing Aid and Managing Federal Student Aid Funds
- ◆ Volume 5—Over Awards, Over Payments, and Withdrawal Calculations

We will let you know as soon as more volumes are posted to the Web site (<http://ifap.ed.gov/IFAPWebApp/currentSFAHandbooksYearPag.jsp?p1=2007-2008&p2=c>).

NASFAA Title IV Eligibility Checklist Updated

On June 4, 2007, the National Association of Student Financial Aid Administrators (NASFAA) announced it has updated its Title IV Eligibility Checklist to reflect current resource references and School Participation Team contact information. The checklist highlights the major issues that an institution should consider when it adds new academic programs or additional locations.

The [Title IV Eligibility Checklist](#) is available under the [NASFAA Regulatory Resources](#) section of the NASFAA Web site.



Federal Loan Interest Rates

Fixed Rate—Loans After July 1, 2006:

Stafford	6.8%
PLUS (Federal Family Education Loan)	8.5%
PLUS (Direct Loan)	7.9%

Loans On/After July 1, 1998:

Stafford (in-school/grace)	6.62%
Stafford (repayment)	7.22%
PLUS	8.02%



New Military Deferment Request Form Approved

On June 11, 2007, ED announced the approval of a new Military Deferment Request form for use in the Federal Family Education Loan (FFEL), Direct Loan, and Perkins Loan programs. Under the new provision, a borrower may defer payment on eligible loans for up to 3 years while he/she is serving on active duty during a war or other military operation or national emergency, or performing qualifying National Guard duty during a war or other military operation or national emergency. This new deferment form is only available for FFEL, Direct Loans, and Perkins Loans that were first disbursed on or after July 1, 2001.

The new deferment request is available to borrowers for immediate use. FFEL Program participants and Perkins Loan schools must make the new Military Deferment Request available to borrowers no later than October 1, 2007. However, requests for the military deferment made by borrowers using other means that were in place before October 1, 2007 may continue to be processed after that date.

Training Opportunities

Return of Title IV Funds Software: On June 5, 2007, ED announced additional sessions of Federal Student Aid's 2007-2008 online, instructor-led training sessions on the Return of Title IV Funds software. Topics discussed include using the online R2T4 software properly to calculate Federal returns resulting from student withdrawals. This training session includes the changes to the R2T4 calculation as a result of the Higher Education Reconciliation Act of 2006 (HERA). This training will be offered August through October 2007. Registration is required for these sessions. Go to <http://www.ed.gov/offices/OSFAP/training/index.html> to register.

National Student Loan Data System (NSLDS) Aggregate Loan Calculation: On June 8, 2007, ED announced Federal Student Aid's online, instructor-led training sessions on NSLDS Aggregate Loan Calculation. Topics discussed include calculating aggregate loan limits using NSLDS and applying that information to student eligibility decisions, and loan types that impact aggregate limit calculations. This training module is aimed at financial aid administrators with an intermediate level of knowledge regarding student eligibility and the NSLDS system. The training session will be offered beginning in July through December 2007. Registration is required for these sessions. Go to <http://www.ed.gov/offices/OSFAP/training/index.html> to register.

National Student Loan Data System (NSLDS): On June 11, 2007, ED announced Federal Student Aid's online, instructor-led training sessions on NSLDS. Topics discussed include an overview of the system, how to add users, make changes to student data, read codes within the system, report overpayments, and use the transfer monitoring function. The training sessions started in June and will be

offered through December 2007. Registration is required for these sessions. Go to <http://www.ed.gov/offices/OSFAP/training/index.html> to register.

Correction to Institutional Charges Terms

If you review the 2003-2004 Student Financial Aid (SFA) Handbook, you will find the following statement: "Application and registration fees are excluded from institutional charges because they are not an educational cost." However, in the 2004-2005 SFA Handbook, it states that if a fee (like a registration or technology fee) is required for all students in a program, the fee should be considered an institutional charge for all students in the program. A charge does not have to appear on a student's account to be considered an institutional charge.

There was never a Dear Colleague Letter (DCL) or announcement released from ED regarding this change in wording. Therefore, guidance was sought from ED. Their response indicated that application and registration fees were grouped together at one time. However, ED decided to decouple them as more schools started charging required fees instead of increasing tuition. Therefore, the information in the 2004-2005 SFA Handbook is correct.

Institutional charges used in a return calculation are always the charges that were initially assessed the student for the entire payment period or period of enrollment as applicable. Initial charges may only be adjusted by those changes the institution made prior to the student's withdrawal (e.g., change in enrollment status, dropping/adding a class). If, after a student withdraws, the institution changes the amount of institutional charges it assessed a student, or decides to eliminate all institutional charges, those changes affect neither the charges nor aid earned in the calculation.

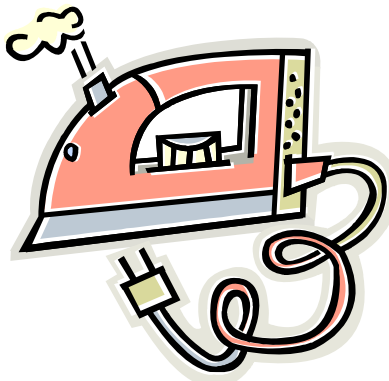
The return regulations presume Title IV program funds are used to pay institutional charges ahead of all other sources of aid. Institutional charges may not be reduced even if other sources of aid are used to pay those charges. For example, a school may not reduce institutional charges when an outside agency supplying aid requires that aid to be used for tuition.

The following educational expenses must be considered institutional charges:

- ◆ All charges for tuition, fees, and room and board if contracted with the school (If an institution enters into a contract with a third party to provide institutional housing, the institution has to include the cost of housing as an institutional charge in a return calculation.); and
- ◆ Expenses for required course materials, if the student does not have a real and reasonable opportunity to purchase the required course materials from any place but the institution

Exceptions: Excludable costs are costs an institution may exclude from the total amount of institutional costs, such as the documented cost of un-returnable equipment, and documented cost of returnable equipment if not returned in good condition within 20 days of withdrawal.

Application fees are excluded from institutional charges because they are not an educational cost. (Federal Register, Vol. 59, No. 82, April 29, 1994, page 22356).



Note: If a fee (like a registration or technology fee) is required for all students in a program, then the fee should be considered an institutional charge for all students in the program. A charge does not have to appear on a student's account to be considered an institutional charge.

Non-institutional charges include the following:

- ◆ Charges for any required course materials that a school can document a student had a real and reasonable opportunity to purchase elsewhere;
- ◆ Charges to a student's account for group health insurance fees, if the insurance is required for all students and the coverage remains in effect for the entire period for which the student was charged, despite the student's withdrawal; and
- ◆ Charges to a student's account for discretionary educationally related expenses (e.g., parking or library fines, the cost of athletic or concert tickets, etc.).

Additional information on what institutional charges must be used in the R2T4 calculation can be found by referencing 34 CFR 668.22(g)(1)(ii), 34 CFR 668.22(g)(2) and DCL-GEN-00-24, and the January 7, 1999 policy bulletin.

2007 NASFAA Conference Held in Washington, DC

This year's conference took place in our nation's capitol. IPD again sponsored a breakfast. Even though not everyone was able to attend, we did run into quite a few of you and enjoyed catching up! One of the presentations that caught our eye was a session entitled "An Extreme Makeover: Complexion Enhancing Tools." This session went through some of the tools available to you as a NASFAA member to assess your institution, which includes the following:

- ◆ Self Evaluation Guide
- ◆ E on the Web
- ◆ Policy and Procedures Tools
- ◆ Peer Review

These are helpful resources, but we were especially impressed with the Peer Review. NASFAA offers this service for a fee. A group of peers will come to your school and evaluate the following areas:

- ◆ Customer Service
- ◆ Financial Aid Application Process
- ◆ Human Resources and Facilities
- ◆ Strategic Planning and Oversight
- ◆ Technology
- ◆ Title IV Compliance



This is an effective tool to get an objective review of your institution. There is one drawback, and that is the fee involved. It could be quite costly to send a team of three or four people to your campus for 3 ½ days. IPD has a solution for you. Did you know that IPD provides this service? We have recently hired an additional staff person in our compliance department to do the compliance review portion of the services offered by the Standards of Excellence Peer Review. Please contact Teresa Corno at tmcorn@apollogrp.edu if you have any questions or would like to schedule a review of your campus. Please call us soon. Our schedule fills up fast!

As always, there were consistent themes. With 19 different topics, Best Practice sessions dominated the conference. The compliance sessions were a close second at 12. Special kudos should go to Olivet Nazarene University, as their institution was highlighted in Nelnet's presentation, "A comprehensive Website Review," as having "one of the best" Web sites. Take a look; it really is eye catching and easy to navigate!

CAAHE 2007 Leadership Meeting

The CAAHE 2007 Leadership Meeting was held on June 14 and 15 in Richmond, VA. Marty Jackson, Financial Aid Commission Chair, and Pam Harris, IPD Compliance Manager, attended along with representatives from the Student Services, Information Technology, Faculty and Academic Services Commissions. The main goal of the meeting was to plan for the 2008 CAAHE Conference, which will be held in Richmond in June 2008.

Each commission was encouraged to focus on five agenda items for the conference. The topics for the Financial Aid (FA) Commission included political actions, Federal Title IV dangers for institutions, educating school personnel about financial aid, departmental communication, and financial aid for the non-term, non-traditional/traditional student. Technology was another important topic with excellent feedback from the IT Commission. The discussion of these topics will be shared in detail during the FA Commission business meeting at the 2008 Financial Aid Conference. Everyone is encouraged to be thinking of ideas and opportunities along these topics. Please e-mail any of your thoughts to Marty Jackson at Marty.Jackson@averett.edu, or feel free to e-mail Teresa Corno at tmcorno@apollogrp.edu and Pam Harris at pdharris@apollogrp.edu. The Financial Aid Commission wants to take a more active and visible role in CAAHE. This is an ideal arena to share best practices and concerns and network with the departments that we all interact with on a daily basis.

Goings On

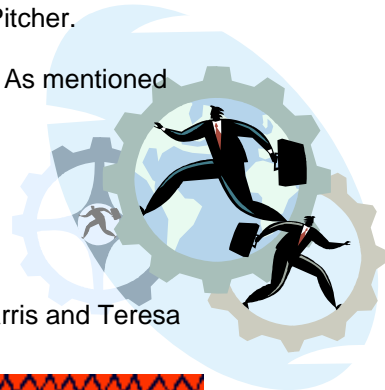
Please join me in congratulating Taylor Pitcher in her recent promotion to Senior Compliance Auditor. In this newly-created role, Taylor will be conducting peer reviews for both the IPD accounting offices and our partners' financial aid offices. Taylor started with IPD in January 2004 as an accounting coordinator. She was promoted to Campus Accounting Supervisor in September 2005. During this time Taylor did have the opportunity to assist another location and she looks forward to traveling to all the sites. Her former supervisor described her as his right-hand person. We are happy to have her on our team!

Taylor received a Bachelor's in Business Administration degree with a major in accounting from Central Michigan University in May 2003, and she just finished her Master of Business Administration from University of Phoenix in May 2007. She is the proud aunt of 2-month-old Jetzen Pierce Pitcher.

We are excited about this new position and hope to visit all locations in the coming year. As mentioned earlier in the newsletter, what better way is there to do the following?

- ◆ Prepare for audit and program reviews
- ◆ Assess and/or revise financial aid operations, policies, and procedures
- ◆ Identify your strength and weaknesses

We look forward to assisting our partner institutions. Taylor will be traveling with Pam Harris and Teresa Corno while she is being trained. Please welcome her!



Editorial Staff

Teresa Corno, Director Corporate Compliance

Matt Stelling, Assistant Editor/Design Layout

Teresa Corno, Dawn Davison, Pam Harris, and Sandra Perez, Contributors

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