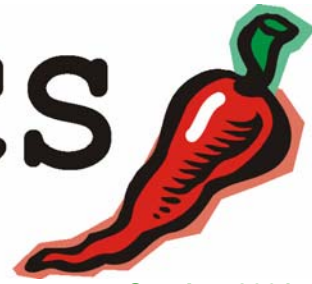


# hot TOPICS



IPD Financial Aid News  
Volume 3, Issue 3

October 2001

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## Why Focus on Education at this Crucial Time in Our Nation’s History?

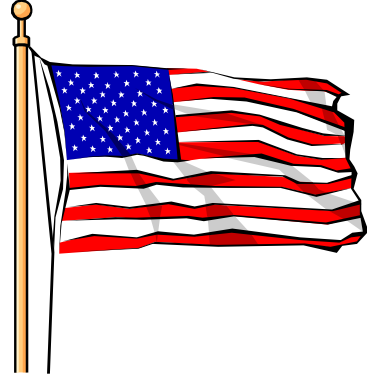
In light of recent events in our nation, it is tempting to pull one’s focus away from education. Many have come to view their priorities much differently now that our world has significantly changed. In the shadow of recent mass deaths, we may find ourselves questioning whether education will still be a high priority to those who were thinking of school prior to the tragedies of September 11th. We ask ourselves, “How can I create excitement and enthusiasm for adult education at a time when our nation is blanketed in grief?”

As our military prepares to go off to a “new kind of war,” we also need to generate enthusiasm for our prospective students to go off to a “new kind of school.” Adult education is more important now than it ever has been. It is my hope that we can emphasize the importance of education to those who may be hesitant to commit while faced with a rather uncertain future.

Because the world is uncertain and appears out of our control, people need to do what is certain and within their power to control. Our individual worlds need not be insecure. Education is a vital way for people to establish security for themselves and their families. No one knows exactly how the events of September 11th will impact our economy. Yet one thing is certain—those with a college degree will be better prepared to create fresh opportunities and move into new jobs that may arise in the aftermath of the tragedy.

## Why Focus on Education, continued

Not only will degreed people be better prepared to meet potential economic change, but they will also better understand past world events and those to come. One of the prime goals of higher education is to teach people to think critically. Our adult classes abound with spirited debate, thought-provoking discussion, and sharp critical thinking, characteristics often lacking in traditional classroom settings. These are perhaps the strongest weapons against the ignorance and polarized thinking that bolster the very powers now fighting against us. How enlightening for our students to partake of such courses as Comparative Religion and American History (Capitalism). The understanding students will gain of differing religions and of our own societal foundation will surely empower them to help create a better world. Isn't that exactly what we need at this hour?



*Amy Thomsen  
William Penn University  
Admissions Counselor*

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## Department of Education Releases Letters Addressing Recent Terrorist Attacks

In a quick response to recent terrorist attacks, the Department of Education issued three letters providing guidance to the financial aid community. Those letters are included in their entirety below. We will continue to forward these letters on the Financial Aid global distribution list as they become available.

**Publication Date: September 2001**

**DCL ID: GEN-01-11**

**Summary: Recent Terrorist Attacks—Institutional Reporting Deadlines**

**GEN-01-11**

**September 2001**

**Subject: Recent Terrorist Attacks—Relief for Borrowers in the Title IV Loan Programs**

Summary: This letter is the first of a series that will provide guidance regarding the administration of the federal student aid programs authorized under Title IV of the Higher Education Act as a result of the terrorist attacks on the United States. The first three letters (this letter and ones that will address institutional reporting deadlines and the treatment of students and borrowers who are affected by their call to active military duty) should be available by the end of this week. We will also publish a letter that will comprehensively address other issues that relate to regulatory and administrative relief for those affected by the terrorist attacks.

This letter specifically addresses the immediate needs of borrowers who are in repayment on a loan under the Federal Family Education Loan (FFEL), the William D. Ford Federal Direct Loan (Direct Loan), and Federal Perkins Loan programs.

## Department of Education Letters, continued

Dear Colleague:

On September 11, 2001, President Bush designated all five boroughs of New York City (The Bronx, Brooklyn, Manhattan, Queens and Staten Island) as eligible for national disaster assistance. There may be borrowers affected by the attacks who will need assistance with their loan obligation.

The following provides guidance to Title IV loan holders on the granting of forbearances and discharges to affected borrowers. It also provides guidance on the treatment of defaulted borrowers who have been affected by the disaster.

### **Forbearance in the FFEL and Direct Loan Programs**

#### Forbearance for borrowers who reside or work in the designated disaster area

Until it can be determined whether a borrower qualifies for a deferment or discharge because of disruptions caused by the terrorist attacks, the Secretary is authorizing FFEL lenders to grant mandatory administrative forbearance to certain borrowers (or endorsers, if applicable) who either reside in or, to the extent the lender has knowledge, work in the designated disaster area (New York City). Mandatory administrative forbearance does not require either a request or documentation from the borrower. This period of mandatory administrative forbearance is effective from September 11, 2001 through January 31, 2002. The Secretary is granting administrative forbearance to similarly situated Direct Loan borrowers for the same period. See 34 CFR 682.211(i)(2)(i) and 34 CFR 685.205(b)(8).

Borrowers must be notified that an administrative forbearance has been granted to allow them to pursue other potential program benefits that may be available to them or to ask for resumption of normal billing and payment schedules. Forbearance beyond January 31, 2002 may be granted only based on supporting documentation and with a written forbearance agreement with the borrower.

#### Forbearance for other borrowers

Based upon the request of the affected borrower, the borrower's family or another reliable source, borrowers who have been impacted by the terrorist attacks (other than those who reside or work in New York City) should be granted forbearance for a period that ends no later than January 31, 2002 without supporting documentation and without a written forbearance agreement. The reasons for granting the forbearance should be documented in the borrower's loan records. Forbearance beyond the initial period will require supporting documentation and a written agreement with the borrower.

During the initial forbearance process, lenders are encouraged to examine the borrower's eligibility for available deferment or discharge benefits.

#### Defaulted Borrowers in the FFEL and Direct Loan Programs

The Secretary will, without a request from the borrower, curtail collection activities from September 11, 2001, through January 31, 2002, for defaulted borrowers who reside or work in the designated disaster area (New York City) and authorizes guaranty agencies in the FFEL Program to do the same for their defaulted borrowers. For other defaulted borrowers who have been impacted by the disaster the Secretary will and guaranty agencies may, upon request of the borrower, curtail collection activities for a period that ends no later than January 31, 2002.

## Department of Education Letters, continued

### **Forbearance in the Federal Perkins Loan Program**

Perkins Loan borrowers who reside or work in the designated disaster area (New York City) should be granted a forbearance without a borrower request or written forbearance agreement from September 11, 2001, through January 31, 2002. Borrowers must be notified that a forbearance has been granted to allow them to pursue other potential program benefits that may be available to them. Forbearance beyond this period may be granted only based on a written request of the borrower, supporting documentation and with a written forbearance agreement with the borrower.



Collection efforts on the accounts of defaulted borrowers in the designated areas may be discontinued from September 11, 2001, through January 31, 2002.

For other affected borrowers, forbearance should be granted for a period that ends no later than January 31, 2002 based on the request of the borrower, the borrower's family or another reliable source (which need not be in writing) and without supporting documentation and without a written forbearance agreement. Forbearance beyond the initial period will require supporting documentation and a written forbearance agreement with the borrower.

For defaulted borrowers, upon request of the borrower, the school may discontinue collection efforts for a period that ends no later than January 31, 2002.

### **Discharges**

The Secretary encourages FFEL lenders (without approval from the Secretary or from the guaranty agency), guaranty agencies, and Perkins schools to use "reliable information" of a borrower's (or the dependent student in the case of a PLUS loan) death due to the terrorist attacks, as the information becomes available, to immediately suspend collection activities without contacting the borrower's family for whatever period is necessary in order to process a death discharge. The Secretary reminds guaranty agencies and schools that they may grant a death discharge on the basis of exceptional circumstances using reliable documentation other than an original or certified copy of a death certificate.

"Other reliable documentation" may include, but is not limited to, obituary notices and published listings of the dead provided by a Federal, State, or local government entity, or by one of the affected airlines. The Secretary will implement these same guidelines for the Direct Loan Program and for other loans held by the Department.

Guaranty agencies and schools are encouraged, at a later date, to obtain a certified copy of the death certificate if one is available through alternative sources without contacting the borrower's family recent Terrorist Attacks—Relief for Borrowers in the Title IV Loan Programs.

### **Due Diligence Timelines**

Due to disruptions in mail and other communications throughout the country, the Secretary will, for the period of September 11, 2001, through October 31, 2001, or later if the Secretary determines that these disruptions still exist, not enforce time sensitive deadlines that lenders and guaranty agencies in the FFEL Program and institutions in the Perkins Loan Program normally are required to comply with in their loan due diligence activities.

I want to thank you in advance for serving those borrowers who have been impacted by these terrible tragedies.

Sincerely,  
William D. Hansen  
Deputy Secretary

## Department of Education Letters, continued

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**Publication Date: September 2001**

**DCL ID: GEN-01-12**

**Summary: Recent Terrorist Attacks—Institutional Reporting Deadlines**

**GEN-01-12**

**September 2001**

**Subject: Recent Terrorist Attacks—Institutional Reporting Deadlines**

Summary: This letter is the second of a series providing guidance regarding the administration of the federal student aid programs authorized under Title IV of the Higher Education Act as a result of the terrorist attacks on the United States. The first letter (GEN-01-11), published yesterday, addressed the immediate needs of borrowers who are in repayment on federal student loans. This letter concerns upcoming institutional deadlines that may impact certain schools. Later this week we will publish a third letter that deals with the treatment of students and borrowers who are affected by the recent military mobilization. We will publish a fourth letter that will comprehensively address other issues that relate to regulatory and administrative relief for those affected by the terrorist attacks.

Dear Colleague:

On September 11, 2001, President Bush designated all five boroughs of New York City (The Bronx, Brooklyn, Manhattan, Queens and Staten Island) as eligible for national disaster assistance. We expect that there are institutions that, because of the attacks, may be unable to comply with one or more Title IV reporting requirements. This letter addresses three issues of immediate concern involving institutional reporting as discussed below. A subsequent Dear Colleague Letter will address other reporting requirements.

### **Filing Deadline for FISAP**

Upon a school's request, we will grant an extension to the submission deadline for the upcoming FISAP if a school is unable to meet the published deadline of October 1, 2001, because of the disaster. Affected schools should make such a request, as soon as they are able, by contacting Richard Coppage in Campus-Based Operations by e-mail at [Richard.Coppage@ed.gov](mailto:Richard.Coppage@ed.gov) or by phone at (202) 708-4694. After October 11, 2001, Richard's phone number will be (202) 377-3174.

### **Final 2000-2001 Federal Pell Grant Reporting Deadline**

Upon a school's request, we will grant an extension to the reporting deadline of final 2000–2001 Federal Pell Grant payments if the school is unable to meet the published deadline of October 1, 2001, because of the disaster. Affected schools should make such a request, as soon as they are able, by contacting Barbara Maddox in Pell Grant Operations by e-mail at [Barbara.Maddox@ed.gov](mailto:Barbara.Maddox@ed.gov) or by phone at (202) 708-8825. After October 11, 2001, Barbara's phone number will be (202) 377-3116.

### **Deadline for Reporting Federal Pell Grant Disbursement Records**

For schools impacted by these disasters, we will not enforce the deadline that a school submit a Pell Grant disbursement record within 30 days after the school makes a payment to the student or changes a previously-reported payment, but instead will require submission within 90 days. If a school finds it impossible to meet this 90-day requirement, we will consider a request for a further extension on a case-by-case basis. Requests for such an extension should be made by contacting Barbara Maddox in Pell Grant Operations by e-mail at [Barbara.Maddox@ed.gov](mailto:Barbara.Maddox@ed.gov) or by phone at (202) 708-8825. After October 11, 2001, Barbara's phone number will be (202) 377-3116.

## Department of Education Letters, continued

### Submission of Federal Direct Loan Records

For schools impacted by these disasters, we will not enforce the deadline that a school submit Direct Loan promissory notes, loan origination records, and initial and subsequent disbursement records no later than 30 days following the date of disbursement, but instead we will require schools to submit these records within 90 days of the date of disbursement. If a school finds it impossible to meet this 90-day requirement, we will consider a request for a further extension on a case-by-case basis. Requests for such an extension should be made by contacting Sarah Utz in Direct Loan Operations by e-mail at [Sarah.Utz@ed.gov](mailto:Sarah.Utz@ed.gov) or by phone at (202) 260-5032. After October 11, 2001, Sarah's phone number will be (202) 377-3140.

As indicated above, we expect to provide more comprehensive guidance within the next few days. In the meantime, if you have any questions or suggestions, please contact the SFA Customer Service Call Center through any of the following means:

- ◆ Via phone, Call Center staff members are available Monday through Friday between the hours of 9:00 AM and 5:00 PM (Eastern Time) at 1-800-433-7327. After hours calls will be accepted by an automated voice response system. Callers leaving their name and phone number will receive a return call the next business day.
- ◆ Via FAX, inquiries should be sent to the Call Center at (202) 260-4199.
- ◆ Via e-mail, inquiries should be directed to the Call Center staff at [SFA.Customer.Support@ed.gov](mailto:SFA.Customer.Support@ed.gov).
- ◆ Via the Schools Portal on the Internet, by going to <http://www.SFA4Schools.sfa.ed.gov> then clicking on the "Got a Question?" button.

I want to thank you in advance for serving those who have been impacted by these terrible tragedies.

Sincerely,  
William D. Hansen  
Deputy Secretary

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**Publication Date: September 2001**

**DCL ID: GEN-01-13**

**Summary: Recent Terrorist Attacks—Persons Affected by Military Mobilization**

**GEN-01-13**

**September 2001**

**Subject: Recent Terrorist Attacks—Persons Affected by Military Mobilization**

Summary: This letter is the third in a series that provides guidance regarding the administration of the Federal student financial aid programs authorized under Title IV of the Higher Education Act as a result of the terrorist attacks on the United States. GEN-01-11 addresses the immediate needs of borrowers who are in repayment on federal student loans. GEN-01-12 discusses upcoming institutional deadlines that may affect certain schools. This letter deals with the treatment of students and borrowers who are members of the National Guard or Reserves and who have been ordered to active military duty as a result of the recent terrorist attacks. A fourth letter, to be published shortly, will address other issues related to regulatory and administrative relief for those affected by the terrorist attacks, including the treatment of students who withdraw from school.

## Department of Education Letters, continued

Dear Colleague:

As a result of the recent terrorist attacks on the United States President Bush authorized, on September 14, 2001, the call-up of members of the National Guard and the Ready Reserves to active duty. Regular active duty members of the Armed Forces may also be reassigned to other duty stations. It is likely that there will be students and Title IV loan borrowers who will be ordered to military duty as part of this military mobilization. We are providing the following guidance to schools, including in their role as Federal Perkins Loan lenders, and to lenders and guaranty agencies in the Federal Family Education Loan (FFEL) Program on the treatment of military personnel who are activated or reassigned for a period of more than 30 days. The Secretary will treat borrowers who are ordered to active duty and who have Direct Loans or other loans held by the Department in accordance with this guidance.

### **Loan Issues**

#### Borrowers whose Title IV loans are in an in-school, in-school deferment, or grace period status

If a borrower's loans are in an in-school status, an in-school deferment status, or in a grace period status when the borrower is ordered to active duty or reassigned, the lender must maintain the loans in that status during the period of the borrower's active duty service or reassignment, plus the time necessary for the borrower to resume enrollment in the next regular enrollment period that is reasonably available to the borrower, if the borrower wishes to go back to school. However, this maintenance of loan status may not exceed a total of three years including the period of time necessary for the borrower to resume enrollment. Additionally, if the loan was in a grace period status at the time the borrower was ordered to active duty, the period of time during which the borrower was serving on active duty is excluded and the borrower would receive their full grace period in the future.

#### Borrowers whose Title IV loans are in repayment (other than in an in-school deferment status)

For borrowers whose loans are in repayment (other than those in an in-school deferment status) lenders or Perkins schools must grant a forbearance for the expected period of the borrower's active duty service, beginning on the first day of active duty, not to exceed one year. The forbearance must be granted based upon the request of the borrower, the borrower's family or another reliable source. The request need not be in writing and the forbearance can be granted without supporting documentation and without a written forbearance agreement. The reasons for granting the forbearance must be documented in the borrower's loan records. Forbearance beyond the initial period will require supporting documentation and a written agreement with the borrower, unless we provide guidance extending the one-year limitation. During the initial forbearance process, lenders are encouraged to examine the borrower's eligibility for a military or other deferment.

#### Borrowers whose loans are in default status

If a borrower is in default on a loan, the guaranty agency or Perkins school must, upon being notified that the borrower has been called to active duty, cease all collection activities for the expected period of the borrower's military service, through September 14, 2002, unless we provide guidance extending this period. Collection activities must resume no later than 30 days after the end of the borrower's military service or September 14, 2002, whichever is earlier. We will treat borrowers with defaulted loans held by the Department the same way.

#### Applicability of the Soldiers' and Sailors' Civil Relief Act of 1940

The Soldiers' and Sailors' Civil Relief Act of 1940 only applies if a FFEL lender or guaranty agency is suing a borrower who is covered by the Act. The Act prevents a creditor from obtaining a default judgment in court. It does not prohibit other collection efforts. A borrower's interest rate is not affected by the provision of the Act restricting interest charged to certain borrowers in military service. Section 428(d) of the Higher Education Act states that no provision of any law which limits the interest rate on a loan shall apply to the FFEL Program.

## Department of Education Letters, continued

### Other Issues

#### Institutional Charges and Refunds

We strongly encourage schools to provide a full refund of required tuition, fees, and other institutional charges, or to provide a credit in a comparable amount against future charges for students who are forced to withdraw from school as a result of the military mobilization. In addition, we urge schools to consider providing easy and flexible re-enrollment options to affected students.

#### Return of Title IV Funds Treatment

If a Title IV eligible student withdraws because of being called to active duty, or has been otherwise impacted by the military mobilization, the school must perform the Return of Title IV Funds calculations that are required by the statute and regulations (34 CFR 668.22). If those calculations result in the school being required to return funds to one or more of the Title IV programs, it must do so. In many cases such a return of funds by the school will reduce the student's loan debt. An institution, however, is not required to collect an overpayment of grant funds based on the Return of Title IV Funds calculation for such a student. Therefore, the school is not required to contact the student, notify NSLDS, or refer the overpayment to the Department in these cases. Other issues relating to the Return of Title IV Funds requirements, including treatment for other students affected by the terrorist attacks, will be included in an upcoming letter.

Sincerely,  
William D. Hansen  
Deputy Secretary

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## National Association of Student Financial Aid (NASFAA) News

### **Bill Introduced to Help Title IV Students, Institutions, Lenders Affected by Terrorist Attacks**

H.R. 3086, the Higher Education Relief Opportunities for Students (HEROES) Act, was introduced October 11 by House 21st Century Competitiveness Subcommittee Chairman Howard "Buck" McKeon. The bipartisan bill, with 71 cosponsors, would grant the Secretary of Education broad authority to waive Title IV student aid statutory and regulatory requirements for individuals, schools, lenders, and other participants in the student assistance process affected by the September 11 terrorist attacks or subsequent incidents. Similar authority was granted the Secretary during the Desert Storm war. For more information, go to the following URL: <http://www.nasfaa.org/publications/2001/ghr3086article101701.html>.

### **Sally Stroup to Lead Postsecondary Education Office**

President Bush intends to nominate Sally Stroup to be Assistant Secretary of Education for Postsecondary Education. Stroup is currently the Director of Industry and Government Affairs for the Apollo Group, Inc., and the University of Phoenix. From 1993 to 2001, she was a Professional Staff Member for the House Committee on Education and the Workforce. Prior to that she served with the Pennsylvania Higher Education Assistance Agency (PHEAA) in a variety of legal positions. For more information, go to the following URL: <http://www.nasfaa.org/publications/2001/rstrouptnamesasstsec101701.html>.

### **List of Scholarship Funds Created for Victims of Terrorist Attack**

A number of companies and organizations have announced scholarship funds for the children of those who died in the September 11 terrorist attacks. NASFAA has started to compile a list of such funds from announcements posted on the Web at <http://www.NASFAA.org/publications/2001/nvictimscholarships092501.html>. Only funds specifying scholarships are included. Please note that inclusion on the list does not imply endorsement or support from NASFAA. If you know of any additional scholarship funds that have been formed, please send the applicable Web site address to [Web@NASFAA.org](mailto:Web@NASFAA.org), and write "Scholarship Fund" in the subject line.

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## Apollo Group, Inc., Contributes \$1 Million to New York City's Twin Towers Fund

In response to the needs of the people of New York, and in recognition of the benefit it has received from them, Apollo Group, Inc., is contributing \$1 million to New York City's Twin Towers Fund. The Twin Towers Fund is being coordinated by New York City Public/Private Initiatives Inc., a City Hall-based organization to bring aid to the families of New York City police, fire, and emergency-services workers impacted during rescue efforts at the World Trade center. "The employees of Apollo offer their condolences and concern to the victims, their families and the rescue teams affected by this unthinkable tragedy," commented Dr. John Sperling, Apollo's Chairman. For more information about the Apollo contribution, you can access the Web site by clicking on the link below.



[http://www.apollogrp.edu/Formatted\\_Recent/Press/twintowers.pdf](http://www.apollogrp.edu/Formatted_Recent/Press/twintowers.pdf)

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## New Program and Site Notification Provisions

The Department of Education (ED) uses information provided by schools to examine three major factors about the schools: institutional eligibility, administrative capability, and financial responsibility.

In some instances, schools are only required to *notify* ED of new locations and/or programs. However, there are some instances in which schools must obtain ED's *approval* when adding a location and/or program.

### New Locations

The *2001–2002 SFA Handbook* explains when schools are required to report to ED the adding of an additional accredited and licensed location. If a school meets certain criteria, listed on page 285 of Volume 2, it must apply for, and wait for, approval before disbursing student financial aid (SFA) program funds at an additional location where it will be offering 50 percent or more of an eligible program.

### New Programs

A school itself may determine an educational program's eligibility if

- ◆ the added program leads to an associate's, bachelor's professional, or graduate degree (and the school has already been approved to offer programs at that level); or
- ◆ the added program provides at least ten weeks (of instructional time), eight semester hours, 12 quarter hours, 600 clock hours, and prepares students for gainful employment in the same or related recognized occupation as an educational program that the Secretary already has designated as an eligible program at the school.

Otherwise, ED must approve all other added programs.

Note: Before the school may determine these programs to be eligible and disburse funds to enrolled students, the school must have received both the required state and accrediting agency approvals.

For more discussion on this topic, refer to the *2001–2002 SFA Handbook*, Volume 2, page 284.

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## Shorter College Offers "One Stop Shop" to Financial Aid Students

Shorter College wanted to provide consistent customer service and lessen confusion among School of Professional Programs (SPP) students regarding the numerous financial aid forms they need to complete. With the help of Kristen Vedder, IPD Director of Student Financial Services/Regional Director of Accounting, Shorter streamlined the financial aid process with a "One Stop Shop," a general orientation meeting that is mandatory for all students who are going to enroll. At this meeting, Shorter presents information about the financial aid process and the types of financial aid students may be eligible to receive.



Shorter distributes financial aid information packets that include all the forms that are needed to process students for aid. Shorter does 100 percent up-front verification, which means it requires students to give Shorter tax information and the verification worksheet. Shorter collects the Master Promissory Note, the Institutional Application, and its State Grant Application. Shorter also asks students to complete Statement of Acceptance forms indicating that they will accept all aid awarded to them so Shorter does not have a time lapse waiting for students to return the award letter.

Once students receive the award notice, they have two weeks to reject or adjust any loans offered. Collecting the information up front allows Shorter to touch each file no more than two times. The second time files are touched, students are being awarded by their first night of class. If there are no Correction Flags (flags placed on the Electronic Student Aid Report [ESAR] by the Department of Education that require resolution prior to awarding aid) within two to three weeks of receipt of the paperwork, students will receive an award notice.

Shorter's financial aid packet is comprehensive, ensuring that all the information is provided to Shorter at one time. The packet includes a checklist that helps students ensure that they are returning all the required forms. Shorter does not consider a file complete until it has all the forms. To limit the need for Shorter to return incomplete forms to students, Shorter also created handouts on frequently asked questions and the most common errors students make when completing the Free Application for Federal Student Aid (FAFSA).

The "One Stop Shop" has worked well for Shorter. Shorter has experienced less traffic in its Financial Aid Office and has significantly reduced phone calls. And the best part is that students have less confusion about financial aid.

If you would like to learn more about Shorter's financial aid orientation, please contact Lenesia Brannen at [lbrannen@shorter.edu](mailto:lbrannen@shorter.edu).

**Lenesia Brannen**  
**Shorter College**  
**Financial Aid Director**

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## 1999 Cohort Default Rates Published

The Department of Education announced that the national cohort default rate has reached an all-time low. The 1999 national cohort default rate fell to 5.6 percent for 1999. Institutional cohort default rates as low as 1.5 percent were reported for CAAHE Member Institutions. Congratulations!

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## Status of HR 1992

As reported previously, H.R. 1992 was considered favorably by the Subcommittee on 21st Century Competitiveness on July 11, 2001. The bill was reported to the Full Committee with the addition of an amendment that would require the Secretary of Education to evaluate the impact of the changes included in HR 1992 on the student aid programs. The Full Committee reviewed this bill on August 1, and the bill was passed with minor modifications. The House of Representatives approved H.R. 1992, the Internet Equity and Education Act of 2001, on October 10, by a vote of 354 yes to 70 no.

For those of you not familiar with HR 1992, it is the proposed legislation that provides regulatory and legislative relief on three key issues impacting the federal student aid programs. H.R. 1992 proposes to modify or eliminate the following provisions:

- ◆ The prohibition against the payment of incentive compensation based directly or indirectly upon success in securing enrollments or financial aid
- ◆ The 50% Rule, which currently restricts distance learning institutions from offering more than 50 percent of their courses, or from having more than 50 percent of their students enrolled in courses offered, via distance education
- ◆ The 12-Hour Rule, which incorporates a 12-hour-per-week requirement into the definition of a “week of instruction” as a component of the academic year definition that is used for federal student aid purposes.

To obtain regular updates on this bill, click on <http://thomas.loc.gov>. Type "H.R. 1992" in the “By Bill Number” field and click on the “Search” button.

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## Upcoming Training

### 2001 Precertification Training

The 2001 Precertification Training is a comprehensive study of the Title IV programs. Participants learn about the roles and responsibilities of student financial aid personnel, along with significant issues affecting the operations of a student financial aid office.

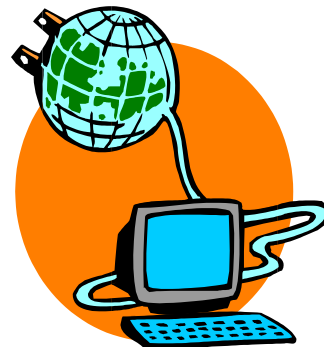
Place: Chicago Regional Training Facility

Date: December 3–7

For more information visit <http://www.ed.gov/offices/OSFAP/sfau/pcrt.html>.

### 2001 Electronic Access Conference

There are more than 50 sessions on Student Financial Assistance’s (SFA) electronic products, services, and Title IV delivery. The conference will offer most sessions more than once, with a variety of sessions for beginners, advanced users, or technical users. Conference participants may want to take advantage of the hands-on sessions and the PC Lab where they can use actual SFA software and visit SFA Web sites. Participants will learn more about SFA’s reengineering of the origination and disbursement processes for Direct Loan, Pell, and Campus-Based programs.



Also featured will be the new school portal and system enhancements for the 2002–2003 application-processing year, including the following:

- ◆ Central Processing System (CPS)
- ◆ Title IV Wide Area Network (TIV WAN)
- ◆ Direct Loan Origination and Direct Loan Servicing

## Upcoming Training, continued

- ◆ Grant Administration and Payment System (GAPS)
- ◆ Information for Financial Aid Professionals (IFAP) Web Site
- ◆ Campus-Based FISAP
- ◆ National Student Loan Data System (NSLDS)
- ◆ Recipient and Financial Management System (RFMS)
- ◆ Common Origination and Disbursement (COD)
- ◆ SFA to the Internet

Conference participants will also be informed about the following:

- ◆ Web Services for Schools and Students
- ◆ Loan Consolidation
- ◆ EDEXpress Changes and Technical Specification Changes
- ◆ Mainframe Transmission and Processing
- ◆ Regulatory Updates

The conferences will be held in Reno, Nevada on November 5–7, 2001; Baltimore, Maryland on November 27–29, 2001; and Chicago, Illinois on December 11–13, 2001. You are encouraged to register as early as possible for the conference you plan to attend.

For more information visit <http://edeworkshop.ncspearson.com/main.htm>.

### **National Association of Student Financial Aid Administrators (NASFAA) Training**

The development of a policies and procedures manual is not a new topic by any means. So why is it one of NASFAA's most requested topics for workshops? Perhaps it is the many obstacles that financial aid administrators encounter while developing—or even while thinking about developing—a policies and procedures manual. Perhaps fear of such an arduous task and the time necessary to accomplish it stand in the way. NASFAA's Fall 2001 Workshop Series, Policies and Procedures 2001: An Aid Odyssey, shows how to create and maintain a policies and procedures manual that meets staff needs for the proper administration of student financial aid in an electronic age. The training materials, which include a policies and procedures manual template on diskette, will help the financial aid administrator successfully embark on this aid odyssey. For more information, visit the following URL:

<http://www.NASFAA.org/publications/2001/ctfalltraining100901.html>

### **Fiscal Management Training**

Fiscal Management Training (FMT) for 2001–2002 has been announced. These two-day workshops are offered nationally and will focus on current accounting, record-keeping, and reporting elements that schools need to know to administer the Title IV student financial aid programs.

To register, go to <http://bcol01.ed.gov/CFAPPS/SFA/register2a.cfm>. Each workshop is limited to 50 people, so it is recommend that you register as soon as possible to reserve space in the workshop you prefer. The training is free of charge; however, you must arrange and pay for your own transportation, meals, and lodging.

To get maps and information about lodging, restaurants, and parking for each workshop, go to the Web site at <http://www.sfaufmt.com/> and click on the “Workshop Information” button. The workshops are organized by dates and locations within the ten Department of Education regions. Find the workshop for which you have registered and click on it to review and print the information.

All participants will receive a copy of the 2001 *Blue Book*, as well as the *Fiscal Management Training—Participant's Guide*.

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## IPD Financial Aid Training

The IPD Financial Aid training session was held in Phoenix, Arizona on October 8 and 9. There were 12 participants from different locations who had the opportunity to enjoy the beautiful Arizona weather. Kristen Vedder and Sandra Gillyard conducted the training, which focused on processing aid for nonterm programs.

IPD invited all participants to dinner at the Rustler's Rooste in Tempe, and the feedback was, "Yummy"...even from those who tested the fried rattlesnake!

The next IPD training session is tentatively scheduled for February 25–26, 2002.

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## Annual IPD Financial Aid Conference

Mark your calendars...the dates have been established for the annual IPD Financial Aid Conference. The conference will be held on June 5–7, 2002, in downtown Indianapolis at the brand new Marriott Conference Center. Registration forms will be sent out in the next few weeks. We hope to have financial aid representatives from all of our IPD Partner Institutions present this year! Please e-mail us if you are interested in presenting a topic or facilitating discussions.

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## October Teleconference

Don't miss the opportunity to discuss current issues with your peers. If you have not been able to join a previous teleconference, instructions are included below for your convenience.

**Next Teleconference Date:** Wednesday, October 24, 2001  
**Time:** 8:00 AM, Mountain Standard Time  
**Bridge Number and Code:** (480) 929-7482/Code #1999



Please carefully follow the recorded instructions at each prompt when dialing into the Teleconference Bridge.

- ◆ There is a ten-minute window prior to beginning the teleconference when callers can enter with the assigned code number. If you call *before* the ten-minute window, you may not be connected to the teleconference.
  - ◆ If you experience any difficulty connecting with the teleconference phone number/code you have been assigned, please dial the Corporate Operator's phone number, (480) 966-5394, and ask to be transferred to the Teleconference Bridge, ext. 1025.
  - ◆ If you need to step away from the teleconference for a moment, please do not place your phone on hold. Instead, place your phone on mute or simply hang up and dial in again.
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## Financial Aid Global Distribution List

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



## Goings On

Do you have information about job openings or upcoming events at your institution that you'd like to share with the other IPD Partner Institutions? Just e-mail the information (including the name of the event or job opening; any relevant dates; and a name, telephone number, or e-mail address of a contact person) by December 15, 2001, to Kristen Vedder at [kristen.vedder@apollogrp.edu](mailto:kristen.vedder@apollogrp.edu) so that your information will be included in the next newsletter.

- ◆ Lori Sauer, the Assistant Financial Aid Director at Ohio Dominican College, gave birth to Thomas Alexander Sauer at 1:30 a.m. on Thursday, September 13, 2001. Thomas weighed in at 8 pounds, 5 ounces, and was 19½ inches long. All accounts indicate Mom and Baby are doing fine! Congratulations, Lori!
- ◆ Here are names and titles to go along with the friendly voices at Indiana Wesleyan who greet you by telephone or respond to your e-mails:

Lois Kelly, Assistant Vice President for Financial Aid  
Robert Sommers, Director  
Angela Spangler, Assistant Director  
Alisha Armes, Counselor  
Natalie Reed, Counselor  
Julie Beekman, Counselor  
Angie Lewis, Counselor  
John Spiegel, Counselor  
Mary Ferguson, Secretary  
Kristin Hand, Secretary

- ◆ Angela Spangler was promoted to Assistant Director in April 2001. She has begun work on her master's degree through Indiana Wesleyan's College of Graduate Studies.



## Editorial Staff

**Kristen Vedder, Regional Director of Accounting/Director of Student Financial Services**  
**Sandra Gillyard, Editor**  
**Norman Larson, Assistant Editor**  
**Gina Rosamilia, Creative Direction**  
**Amy Thomsen, Contributor**  
**Lenesia Brannen, Contributor**

The *Hot Topics* Financial Aid Newsletter is produced and distributed by the Institute for Professional Development (IPD), a higher education development and management corporation that assists private colleges and universities in developing unique adult-oriented degree programs. IPD is a member of the Consortium for the Advancement of Adult Higher Education (CAAHE<sup>SM</sup>).